

# **STANDING ORDERS AND FINANCIAL REGULATIONS**

**APRIL 2014**

**Amended 1<sup>st</sup> January 2016 – v2**  
**Amended 20<sup>th</sup> October 2016 – v3**  
**Amended 22<sup>nd</sup> June 2017 – v4**  
**Amended 8<sup>th</sup> January 2018 – v5**

## **A USER'S GUIDE**

1. The 2014 edition of the Executive's Standing Orders is divided into a number of Sections:
  - Sections One and Two (General Application/Constitution and Meetings of the Executive) define the terms of these Standing Orders, and how the different meetings of the Executive including Executive Board and its committees operate.
  - Section Three (Organisational Matters) is a short section that brings together a number of general standing orders relating to the organisation and also draws certain matters to the particular attention of every officer.
  - Section Four is the Executive's Financial Regulations.
  - Section Five is the Contract Standing Orders.
  - Section Six is a section that brings together the procedures governing Human Resource issues.
2. An index has been provided to help you find the relevant section of the document.
3. These Standing Orders should be read as a complete document. Please familiarise yourself with them. If you have any queries please raise them with the Secretary, or any other member of the Legal or Finance Departments as appropriate.
4. Please ensure that you understand these Standing Orders, and particularly those which have a particular relevance to your post. If there are areas that you do not understand please speak to your Line Manager so that your responsibilities can be clarified.
5. Line Managers are reminded of their responsibility to ensure that all the employees within their designated area of responsibility have a knowledge and an understanding of the Standing Orders that apply in particular to their areas of operation. (This does not, of course, qualify the requirements of Section Three for individual officers to be aware of, and adhere to, all appropriate Standing Orders).
6. If any individual is concerned about a possible non-adherence to these Standing Orders they should raise this, in the first instance, with their Line Manager, Directorate/Departmental Head.

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## SECTION 1

### GENERAL APPLICATION

#### **1.1 APPLICATION OF STANDING ORDERS**

These Standing Orders shall be read in conjunction with, and have effect subject to, the provisions of the Transport Acts 1968, 1983, 1985 and 2000, the Local Government Acts 1972, 1985 and 2000, the Local Transport Act 2008, the Local Democracy, Economic Development and Construction Act 2009, the Localism Act 2011 and the South Yorkshire Passenger Transport Area (Establishment of Executive) Order 1973 together with such other relevant legislation as may from time to time be enacted.

#### **1.2 INTERPRETATION**

In these Standing Orders the following terms shall have the following meanings:

“Assets”	means land, property, cash, stocks, stores of goods and materials, furniture, equipment, vehicles, plant and machinery;
“Audit and Risk Committee”	means the committee established under Standing Order 2.4.8(a);
“Authority”	means the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority established with effect from 1 <sup>st</sup> April 2014;
“Budget Control Procedures”	means the published procedures issued to all Budget Holders;
“Budget Holders”	means all Directors or Officers who have authority delegated to them by Management Board for the management of a specific departmental cost centre or project;
“Chief Officers”	means the Directors, Secretary and <u>Responsible Finance Officer</u> ;
“Designated Officers”	means all Directors or Officers having levels of financial authorisation delegated to them by the Management Board from time to time and set out in a register maintained by the <u>Responsible Finance Officer</u> ;
“Director”	means the Executive Director and any other employee of the Authority or Executive appointed as a Director of the Executive in accordance with Article 3(1)(b) of the Order;
“Executive Director ”	means the person appointed as the Executive Director and formally undertaking the duties as the Director General appointed by the Authority in accordance with Article 3(1)(a) of the Order;

“Executive”	means the South Yorkshire Passenger Transport Executive established by the Order;
“Executive Board”	means the Members attending a meeting of the Executive summoned pursuant to Standing Order 2.4.4;
“Grant Protocol”	means the processes agreed by Management Board for the control and reporting of grants;
“Human Resources and Standards Committee”	means the committee established under Standing Order 2.4.8(c);
“Management Board”	means the committee established under Standing Order 2.4.8(b);
“Member”	means each Director and each non-executive Director and “Members” shall be construed accordingly;
“Non-Executive Director”	means each person (except a Director) appointed by the Authority to be a Member of the Executive in accordance with Article 3(1)(b) of the Order;
“Officers”	means those persons employed by the Executive from time to time;
“Order”	means the South Yorkshire Passenger Transport Area (Establishment of Executive) Order 1973;
“Project Progress Report”	means the standard reporting format relevant to each stage of a project;
“Responsible Finance Officer”	means the Responsible Finance Officer appointed by the Executive (or such other person designated to be responsible for the administration of the financial affairs of the Executive in accordance with the Accounts and Audit (Passenger Transport Executives and the London Transport Executive) Regulations 1983);
“Secretary”	means the Secretary to the Executive appointed in accordance with Article 3(3) of the Order;
“Transport Committee”	Means the committee of the Authority to which transport related functions of the Authority are delegated.

Male or female pronouns used include the opposite form for the postholder concerned.

### **1.3 VARIATION, REVOCATION, SUSPENSION AND INTERPRETATION OF STANDING ORDERS**

- (a) These Standing Orders may be varied, revoked or suspended at any time with the approval of the Executive Board or by those exercising urgent action under paragraph 2.4.9 below.
- (b) Where any Standing Order is suspended then it shall be recorded in the minutes of the meeting by the Secretary, specifying the Standing Order suspended along with reasons for such suspension.
- (c) The Secretary shall be the final authority in the interpretation of the Standing Orders.

#### **1.4 REVIEW OF STANDING ORDERS**

- (a) Standing Orders shall be reviewed as and when necessary but at least every five years.
- (b) All amounts set out in these Standing Orders shall be reviewed by the Responsible Finance Officer and the Secretary or their nominees on an annual basis. Any changes to such amounts shall be approved by the Executive Board and appended to these Standing Orders.

## SECTION 2

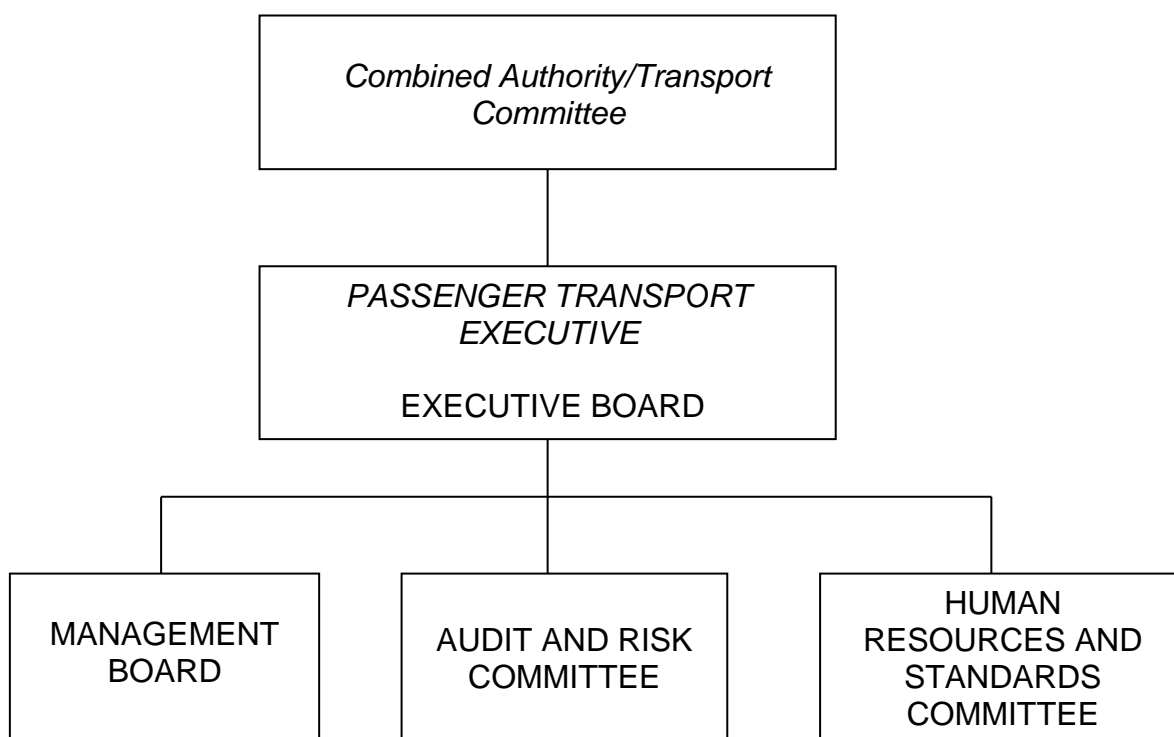
### CONSTITUTION AND MEETINGS OF THE EXECUTIVE

#### 2.1 CONSTITUTION

The Executive shall consist of a Executive Director together with such other Directors and non-executive Directors as may from time to time be appointed by the Authority being not less than two or more than eight in number (Article 3).

#### 2.2 MEETINGS

##### Summary Diagram



#### 2.3 COMBINED AUTHORITY (“Authority”)

**THIS SECTION 2.3 IS INCLUDED FOR INFORMATION ONLY. THE AUTHORITY IS A SEPARATE AND DISTINCT LEGAL ENTITY FROM THE EXECUTIVE.**

##### 2.3.1 Business

The functions of the Integrated Transport Authority transferred to the Authority on the 1<sup>st</sup> April 2014. The stated transport goals of the Authority are:

- *To improve modal choice by facilitating a realistic alternative to the car that will encourage a shift in people’s mode of travel;*
- *To reduce social exclusion by facilitating the provision of quality transport for those without the use of a car to enable them access to jobs, education, shops, healthcare and other facilities; and*



- *To support sustainable business development by developing sustainable access to business for employees and customers.*

The Authority provides funding to the Executive in order to implement the Authority's policies.

### **2.3.2 Members/Attendees**

The Authority consists of 9 members who are members of the Constituent Councils of Barnsley, Doncaster, Rotherham, and Sheffield and the Non-Constituent Councils of Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire. These members are appointed by those councils

The Authority has established a Committee ("Transport Committee"). The Authority has delegated specified transport functions to the Transport Committee, the scheme of delegation to the Committee is set out at Appendix 5 to these Standing Orders. The Transport Committee consists of 17 members; 12 nominated by the Constituent Councils and appointed by the Authority as follows:-

Barnsley – 2 members  
 Doncaster – 3 members  
 Rotherham – 2 members  
 Sheffield – 5 members  
 and 1 Member each nominated by the Non-Constituent Councils and appointed as non-voting members by the Authority

### **2.3.3 Meetings**

The Authority and the Transport Committee normally meets once every 6 weeks.

### **2.3.4 Agenda**

The Executive Director in consultation with the Clerk to the Authority determines all such items of the Executive which are to be the subject of a report to the Authority or Transport Committee. The Executive Director holds templates for the form of reports to be used.

### **2.3.5 Standing Orders/Dealings**

The Authority has its own Standing Orders with which it must comply.

There is a Protocol on Member/Officer relations which provides a set of principles to guide the Authority's and Transport Committee's members and Officers in their dealings with one another.

The various Transport Acts specify certain statutory powers of the Executive which require prior approval of the Authority/Transport Committee. These include:-

1. The disposal of land owned by the Executive;
2. Changes to public transport fares/charges for use of services or facilities;
3. The discretionary concessionary fares scheme;
4. Rail franchise agreements;
5. Promotion or oppose any Bills in Parliament;

6. Acquire land by compulsory purchase;
7. Long term borrowing;
8. Annual budgets;
9. Substantial expenditure on capital account;
10. Exercise of well-being powers; and
11. Powers under Transport Act 2000 relating to Quality Contracts, Quality Partnerships and Local Transport Plan.

Legal advice should be sought as to whether a decision needs Authority/Transport Committee approval.

## **2.4 EXECUTIVE BOARD**

### **2.4.1 Members**

The Executive Board shall consist of the Members.

### **2.4.2 Attendees**

- (a) The Secretary and Responsible Finance Officer (or their nominees) shall attend the Executive Board. The Members may invite other Officers to Executive Board meetings, but only the Members have the right to vote at such meetings.
- (b) The Executive Board may co-opt individuals or representatives of organisations with a particular relevance to the work of the Executive Board (for example the Sheffield City Region Local Enterprise Partnership or neighbouring local authorities which are Non-Constituent Councils (as defined in the CA Order)) to participate in meeting of the Executive Board. Such co-optees shall not be Members and shall have no voting rights. They shall, however, observe any relevant code of conduct and/or Member/Officer protocol.

### **2.4.3 Terms of Reference**

Appendix 1 sets out the current Terms of Reference of the Executive Board.

### **2.4.4 Meetings**

- (a) The Executive Board shall normally meet once every six weeks and/or at such other intervals as the Executive Board may decide to fit in the Authority meeting cycle.
- (b) The Executive Board shall meet at such other reasonable time if a Member requests the Secretary to summon such a meeting.
- (c) The Secretary shall so far as possible give three clear working days notice in writing or by electronic mail of any meeting to the Members specifying the business proposed to be transacted at such meeting as set out in a formal agenda.
- (d) Any Member or Chief Officer may submit agenda items. Officers shall submit agenda items as required by Contract Standing Orders and Financial Regulations. All reports should be submitted using a template determined by the Secretary.

- (e) All meetings of the Executive Board shall take place in private at the Executive's main office at 11 Broad Street West, Sheffield S1 2BQ, unless the Members decide otherwise.
- (f) Where any non-executive Director (or their substitute as set out in paragraph(g) below) fails to attend Executive Board meetings on three consecutive occasions then the Executive Director will formally correspond with that non-executive Director and seek reasons for failure to attend before reporting back to the Executive Board. The Executive Board shall then decide what action, if any, shall be taken.
- (g) Where a non-executive Director cannot attend Executive Board they shall, wherever possible, arrange for a senior officer of their organisation to attend as their non-voting substitute.

#### **2.4.5 Quorum**

- (a) No business shall be transacted at any Executive Board meeting unless at least three Members are present, of whom at least one shall be a Director and at least one shall be a non-executive Director.
- (b) If no quorum is present the meeting shall stand adjourned until the next meeting of the Executive.

#### **2.4.6 Procedures/Conduct at Meetings**

- (a) A Non-Executive Director shall act as Chair at every Executive Board meeting, such Chair being:-
  - i. where one Non-Executive Director is the Head of Paid Service/ Chief Executive of a Constituent Council, that Non-Executive Director,
  - ii. in the event that there are two or more Non-Executive Directors that are the Head of Paid Service/ Chief Executive of Constituent Councils, one of such Non-Executive Directors appointed from time to time by the Non-Executive Directors;
  - iii. In the event that none of the Non-Executive Directors is the Head of Paid Service/ Chief Executive of a constituent local authority, the Chair shall be a Non-Executive Director appointed from time to time by the Non-Executive Directors.
- (b) In the absence of the Chair, if another Non-Executive Director is the Head of Paid Service/ Chief Executive of a Constituent Council then that Member shall be Chair, otherwise the Non-Executive Members shall elect another Non-Executive Director to act as Chair of the meeting or parts thereof.
- (c) Prior to dealing with the formal business as set out in the agenda the Chair shall seek any declarations of interest from all those attending.
- (d) The Chair shall deal with the order of business as set out in the agenda for each meeting subject to the Chair's right to vary the order of business as they thinks fit.

- (e) The Secretary (or such person as they shall direct) shall be responsible for preparing minutes of the Executive Board meetings. All declarations of interest and the names of all persons present at the meeting shall be recorded in the minutes. The minutes shall be formally approved by the Executive Board at the next meeting of the Board as a correct record and then signed and each leaf initialled by the Secretary. Copies of the minutes shall be sent to each Member within seven days of each meeting at which such minutes were approved and the contents shall not be disclosed to any person other than the Members and Officers of the Executive except by the authority of the Executive Board or a Member.
- (f) Executive Board reports and minutes shall only be published in accordance with the Executive's Freedom of Information Act Publication Scheme.
- (g) Voting at meetings shall be by oral expression or by show of hands as the Chair presiding at the meeting shall determine, unless any one or more Members request a recorded vote.
- (h) The Chair of the meeting shall not have a vote on an item of business in circumstances where another Member representing the same Constituent Council of the Authority is also present. Where the Chair does vote, the Chair shall not have a second or casting vote. In the case of a tied vote on any motion or amendment, the motion or amendment shall be deemed to have been lost.
- (i) Any matter that is intended for reporting to the Authority or Transport Committee shall be determined by the Executive Director following consultation with the Chair. Wherever possible the Transport Committee Agenda and any reports that are intended to be taken to the Authority or Transport Committee should be considered by the Executive Board prior to onward submission.

#### **2.4.7 Interests of Members and Officers of the Executive in Contracts**

- (a) If any Member or Officer at an Executive Board meeting has any pecuniary interest, direct or indirect, in any contract or proposed contract within the meaning of Section 94 of the Local Government Act 1972, they shall withdraw from the meeting at which the contract or proposed contract is under consideration unless:
  - i. the disability to discuss the matter imposed upon them by this section has been removed by the Secretary of State for the Environment (section 97(1) of the 1972 Act).
  - ii. the Executive Board agree that they shall remain but in this event the Member concerned shall not have the right to vote on the item under consideration.
- (b) The Secretary shall record, in a register to be kept for this purpose, particulars of any notice given by any Member or Officer to the Executive Board under Section 117 of the Local Government Act 1972 of a pecuniary interest in a contract and the register shall be kept open during office hours for inspection.

#### **2.4.8 Reserved Matters and Delegations**

In accordance with Articles 6 and 7 of the Order:

- (a) The Executive Board shall establish an advisory committee to be known as the Audit and Risk Committee which shall be responsible to the Executive Board for considering and advising the Executive Board on the adequacy and effectiveness of systems of internal control and arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness. (Article 6(1)).
- (b) The Executive Board shall establish a committee to be known as the Management Board which has delegated to it responsibility for the conduct of the day to day business of the Executive, in accordance with the policies, directions and rules as may from time to time be laid down by the Executive Board or the Authority/Transport Committee. (Article 6(1)).
- (c) The Executive Board shall establish a committee to be known as the Human Resources and Standards Committee which has delegated to it responsibility for considering, monitoring and approving human resource policies, procedures and practice including recruitment, movement and organisation of employees and the conduct of Officers and Members of the Executive. (Article 6(1)).
- (d) The Executive Board may delegate to the Executive Director, subject to such restrictions or conditions as they think fit, the exercise of any functions of the Executive which under Article 6 of the Order may be delegated by them to a committee. (Article 7).

#### **2.4.9 Matters of Urgency**

- (a) Where a decision cannot wait until the next meeting of the Executive Board then, wherever possible, a written report should be prepared and sent electronically to all Members with a deadline for reply relevant to the importance/urgency of the decision required. The decision of those Members that respond by the deadline shall be the decision of the Executive Board.
- (b) In matters of urgency where the procedure set out in (a) above is not appropriate, a Director, in conjunction with a non-executive Director may take action/decisions.
- (c) A written record shall be made of the action taken and the reason for urgency in accordance with paragraph (b) above. The written record shall be signed by the Director and the non-executive Director.
- (d) Any action taken in accordance with paragraphs (a) or (b) above shall be reported for noting to the next available meeting of the Executive Board.
- (e) If any expenditure or loss of revenue is involved, the Director shall inform the Responsible Finance Officer as soon as is reasonably possible.

- (f) Where any issues of legal liability arise the Director should seek the advice of the Secretary as soon as is reasonably possible.
- (g) If for any reason the requirements set out in (b) above are not possible the Executive Director, or in his absence another Director/the Secretary may take such action on behalf of the Executive as they may deem to be necessary in the interests of the Executive subject to him complying with (c) to (f) above.

## **2.5 AUDIT AND RISK COMMITTEE**

### **2.5.1 Constitution and Terms of Reference**

The Constitution and Terms of Reference for the Audit and Risk Committee are set out in Appendix 2

### **2.5.2 Interests in Contracts**

Standing Order 2.4.7 relating to interests in contracts shall apply to the Audit and Risk Committee.

## **2.6 MANAGEMENT BOARD**

### **2.6.1 Members**

The Management Board is a Committee of Executive Board and shall consist of the Directors

### **2.6.2 Attendees**

The Secretary and the Responsible Finance Officer (or their nominees shall attend the Management Board. Other Officers of the Executive may be invited to attend as necessary but only the Directors may vote at such meetings.

### **2.6.3 Area of Responsibility**

The Management Board shall be responsible to the Executive Board for the conduct of the day-to-day business of the Executive. Appendix 4 sets out the current terms of reference of Management Board and these Standing Orders and Financial Regulations confirm those matters delegated to it and for which its approval is required.

### **2.6.4 Meetings**

- (a) The Management Board shall normally meet once every three weeks (or at such intervals as the Executive Director may decide) to best align to the meeting cycle of the Transport Committee.
- (b) The Secretary shall draw up the agenda for the meeting. Officers shall ensure that agenda items are notified to the Executive Director 6 working days prior to the Management Board being held. 2 copies of the reports to Management Board must be submitted to the Executive Director's office 5 working days prior to the Management Board meeting taking place. All reports should be submitted using a template determined by the Executive Director. Late items will be accepted at the Executive Director's discretion.

- (c) All meetings of the Management Board shall take place at the Executive's main office at 11 Broad Street West, Sheffield, S1 2BQ, unless the Executive Director or his nominee decides otherwise.

### **2.6.5 Quorum**

- (a) Business shall be transacted in the name of Management Board where two or more Directors are present at any Management Board meeting.
- (b) In the event that there is only one Director present, then the following shall apply:-
- (i) The Management Board shall be an advisory committee only (Article 6(2)).
- (ii) If the Executive Director is the only Director present then the required decisions are delegated to him and any decisions shall be taken by the Executive Director and be minuted accordingly (Article 7).
- (iii) If the only Director present is not the Executive Director, then that Director shall chair the meeting. In such circumstances the Management Board will make recommendations to the Executive Director who shall either:-
- make the decisions under his delegated authority (Article 7), or;
  - defer any matter until the next Management Board, or;
  - refer any matter to the next available Executive Board.

A minute of each decision taken by the Executive Director shall be signed by the Executive Director and appended to the minutes of the appropriate Management Board meeting.

- (c) If no Directors are present then the meeting shall stand adjourned until the next meeting.

### **2.6.6 Procedures/Conduct at Meetings**

- (a) The Executive Director, (or in his absence, another Director) shall act as Chair at the Management Board meeting.
- (b) Prior to dealing with the formal business as set out in the agenda the Chair shall seek any declarations of interest from all those attending.
- (c) The Chair shall deal with the order of business as set out in the agenda for each meeting subject to the Chair's right to vary the order of business as they thinks fit.
- (d) The Secretary (or such other person as they shall direct) shall be responsible for preparing minutes of the Management Board. All declarations of interest and the names of all persons present at the meeting shall be recorded in the minutes. Copies of the minutes shall be sent to each Management Board Member/Attendee within 10 working days of each meeting. The minutes shall be formally approved

by the Management Board at its next meeting and then signed and each leaf initialled by the Chair.

- (e) Management Board reports and minutes shall only be published in accordance with the Executive's Freedom of Information Act Publication Scheme.

#### **2.6.7 Interests in Contracts**

Standing Order 2.4.7 relating to interests in contracts shall apply to the Management Board.

#### **2.6.8 Internal Working Groups**

The Management Board shall establish internal working groups as it considers appropriate to ensure legislative compliance, implementation of the policies of the Transport Committee and of the Executive's work generally.

### **2.7 HUMAN RESOURCES AND STANDARDS COMMITTEE**

#### **2.7.1 Members**

The Human Resources and Standards Committee is a committee of Executive Board shall consist of the Directors.

#### **2.7.2 Attendees**

The Secretary and the Responsible Finance Officer (or their nominees) shall attend the Human Resources and Standards Committee. Other Officers of the Executive may be invited to attend as necessary but only the Directors may vote at such meetings.

#### **2.7.3 Area of Responsibility/Terms of Reference**

The Human Resources and Standards Committee shall be responsible to the Executive Board for considering, approving and monitoring human resource policies, procedures and practice including recruitment, movement and organisation of employees and the conduct of Officers and Members. Appendix 3 sets out the current Terms of Reference of the Human Resources and Standards Committee.

#### **2.7.4 Meetings**

- (a) The Human Resources and Standards Committee shall meet at such intervals as the Executive Director may decide and meeting (when required) will normally immediately follow Management Board.
- (b) The Head of Organisational Development shall draw up the agenda for the meeting. Officers shall ensure that agenda items are notified to the Head of Organisational Development 6 working days prior to the Human Resources and Standards Committee being held. 10 copies of the reports to Committee must be submitted to the Head of Organisational Development 5 working days prior to the meeting taking place. All reports should be submitted using a template determined by the Head of Organisational Development.



- (c) All meetings of the Human Resources and Standards Committee shall take place at the Executive's main offices at 11 Broad Street West, Sheffield, S1 2BQ, unless the Executive Director or his nominee decides otherwise.

#### **2.7.5 Quorum**

- (a) Business shall be transacted in the name of the Human Resources and Standards Committee where two or more Directors are present at any Human Resources and Standards Committee meeting.
- (b) In the event that there is only one Director present, then the following shall apply:-
  - (i) The Human Resources and Standards Committee shall be an advisory committee only (Article 6(2)).
  - (ii) If the Executive Director is the only Director present then any decisions shall be taken by the Executive Director and be minuted accordingly (Article 7).
  - (iii) If the only Director present is not the Executive Director, then that Director shall chair the meeting. In such circumstances the Human Resources and Standards Committee will make recommendations to the Executive Director who shall either make the decisions under his delegated authority, or defer any matter until the next Human Resources and Standards Committee.

A minute of each decision taken by the Executive Director shall be signed by the Executive Director and appended to the minutes of the appropriate Human Resources and Standards Committee meeting.

- (c) If no Directors are present then the meeting shall stand adjourned until the next meeting.

#### **2.7.6 Procedures/Conduct at Meetings**

- (a) The Executive Director (or, in his absence, another Director) shall act as Chair of the Human Resources and Standards Committee.
- (b) The Chair shall deal with the order of business as set out in the agenda for each meeting subject to the Chair's right to vary the order of business as they think fit.
- (c) The Head of Organisational Development (or such other person as they shall direct) shall be responsible for preparing minutes of the Human Resources and Standards Committee meetings. The names of all persons present at the meeting shall be recorded in the minutes. Copies of the minutes shall be sent to each Committee member/attendee within 10 working days of each meeting. The minutes shall be formally approved by the Human Resources and Standards Committee at its next meeting and then signed and each leaf initialled by the Chair.

- (d) Human Resources and Standards Committee reports and minutes shall only be published in accordance with the Executive's Freedom of Information Act Publication Scheme.

### **2.7.7 Interests in Contracts**

Standing Order 2.4.7 relating to interests in contracts shall apply to all the Human Resources and Standards Committee members.

## **2.8 ROLE OF SECRETARY AND RESPONSIBLE FINANCE OFFICER**

- 2.8.1** The Officer appointed as Secretary to the PTE (Article 3(3)) shall assume, as far as is relevant in the context of the Executive, the duties of a monitoring officer (as defined in section 5 of the Local Government and Housing Act 1989 (as amended)).
- 2.8.2** The Officer appointed as Responsible Finance Officer to the PTE shall assume, as far as is relevant in the context of the Executive, the duties of a responsible finance officer ("section 151 officer") under section 151 the Local Government Act 1972 (as amended).
- 2.8.3** Any report produced by either officer above in consequence of their deemed status as monitoring officer or section 151 officer shall be received and considered by the Executive Board.
- 2.8.4** The Officers referred to above may confidentially raise any issues of concern with the Chair for the time being of the Executive Board, or if appropriate, any other non-executive Director.
- 2.8.5** Disciplinary proceedings against the Officers referred to above may only be investigated by an independent person appointed by the Monitoring Officer of the Authority and the Executive's relevant policies and procedures shall be read and construed accordingly. The recommendations of the independent person shall be taken into account by the decision maker in any disciplinary proceedings. For the purpose of this standing order "independent person" means a person who is not an Officer or member of the Executive or the Authority and should, wherever possible, be a person who could be a Designated Independent Person under schedule 3 of the Local Authorities (Standing Orders) Regulations 2001.

## **SECTION 3**

### **ORGANISATIONAL MATTERS**

#### **3.1 COMMON SEAL/SIGNING AUTHORITY**

- (a) The Common Seal of the Executive shall be kept in a safe place by the Secretary or by some other Officer entrusted by the Secretary with such custody.
- (b) A resolution of the Executive Board (or of a committee of the Executive, where that committee has the power) or the Executive Director under powers delegated to him in accordance with Article 6 or 7 of the Order authorising the taking of any action shall be sufficient authority for sealing any document necessary to give effect to such resolution.
- (c) An entry of every sealing of a document shall be made by the applicant of the seal and consecutively numbered in a book provided for the purpose.
- (d) The application of the Seal of the Executive shall be authenticated by the signature of the Secretary or, in their absence, a nominee as set out in (f) below.
- (e) The Secretary or their nominee shall be authorised to sign all documents unless otherwise required or authorised by law, or where the Executive Board gives authority to some other person.
- (f) Until such time as the Secretary notifies otherwise the nominees for the purpose of paragraph 3.1(d) and (e) above are the Executive Director and the Senior Solicitor.

#### **3.2 COMMENTS FROM CUSTOMERS/THIRD PARTIES**

There is a corporate procedure for the handling of comments from the Executive's customers and other third parties. The responsibility for the maintenance of this procedure rests with the Director of Customer Experience (or equivalent position).

#### **3.3 INDIVIDUAL RESPONSIBILITIES, STANDARDS AND CODE OF CONDUCT**

##### **3.3.1 General Instructions**

Because of the varied duties and responsibilities attached to each employee's post it is not possible to issue specific instructions in these Standing Orders. Generally, however, employees are required to observe the following:-

- (i) They must act in a responsible manner and in the best interests of the Executive;
- (ii) They must observe the Standing Orders and Financial Regulations of the Executive;
- (iii) They must observe any specific instructions, whether in writing or not, issued by their respective Line Managers;

- (iv) They must inform their respective Line Managers of any matters coming to their attention which affect the security or efficiency of the Executive's activities and property;
- (v) It will be the responsibility of each Line Manager to ensure that employees within their designated areas are made aware of these Standing Orders and Financial Regulations, and ensure that they are understood and adhered to by, all Officers within their control.

### **3.3.2 Standards and Code of Conduct**

The Management Board has approved a Code of Conduct which applies to all Members and Officers of the Executive. All Members and Officers should at all times act in such a manner as to avoid impropriety or any allegations of misconduct and should carry out business honestly and transparently.

In addition Members and Officers of the Executive should be fully aware of and comply with all other policies and procedures applicable to their engagement with the Executive. Copies of all such policies and procedures are available on the Executive's Intranet Site or on request via the Human Resources Team.

### **3.3.3 Interests in Contracts/Positions in other Organisations**

If any Officer has any pecuniary interest, direct or indirect in any contract or proposed contract (within the meaning of Section 94 of the Local Government Act 1972) entered or to be entered into by the Executive, they shall disclose such interest by giving notice in accordance with Section 117 of the Local Government Act 1972 and the Secretary shall record, in a register to be kept for this purpose, particulars of such notice. Officers shall also disclose any directorships, partnerships or other formal relationships with any third party organisation and the Secretary shall record, in a register to be kept for this purpose, particulars of such notice. Such registers shall be open for inspection during office hours.

## **3.4 LEGAL PROCEEDINGS**

- (a) All documents relating to legal proceedings shall be signed by the Secretary or their nominee unless otherwise required or authorised by law, or where the Executive Board gives authority to some other person for the purpose of such proceedings.
- (b) Where there is a likelihood of the Executive being involved in any legal proceedings or where the police investigate any matter involving the Executive or any of its personnel the Secretary or where relevant the Responsible Finance Officer shall be informed immediately by the Officer concerned.
- (c) No admission of liability shall be made on behalf of the Executive without the approval of the Secretary.
- (d) The Secretary or their nominee shall have the authority to initiate or defend proceedings on the Executive's behalf.

- (e) The Secretary or Senior Solicitor (or in their absence the Executive Director) shall have the authority to instruct legal advisers where in their opinion it would not be appropriate to request tenders for such works. Where legal advisers are appointed in such a manner it shall be reported to the next meeting of the Management Board.

### **3.5 HEALTH AND SAFETY**

- (i) The Executive has an approved Health and Safety Policy Statement which all Officers must adhere to. In addition there is a Health and Safety Strategy Group established to consider strategic health and safety matters and to report to Management Board. The Executive Director is the Executive's Health and Safety Director.
- (ii) Under the Health and Safety at Work Act 1974 all Officers are required both to take care of their own health and safety and that of other employees, customers, contractors and visitors and to co-operate with their employers in complying with their statutory duties.

**Inclusion of particular Standing Orders in this Section does not qualify the responsibility of Members and Officers to be aware of, and adhere to, all relevant Standing Orders located elsewhere in the document.**

**Any breach of these Standing Orders and Financial Regulations by an Officer may lead to disciplinary proceedings.**

## **SECTION 4**

### **FINANCIAL REGULATIONS**

#### **4.1. GENERAL**

##### **4.1.1. Background**

The Financial Regulations are included as part of Standing Orders and form a key part of the internal control framework through which the organisation is managed and run.

##### **4.1.2. Purpose**

The Financial Regulations are the means by which the financial affairs of the Executive are managed. These regulations ensure that clear, unambiguous responsibility is allocated for all financial matters.

##### **4.1.3. Application/Responsibility**

- (a) It is the responsibility of the Responsible Finance Officer to continually review the Financial Regulations of the Executive and submit to the Executive Board for approval appropriate changes that enhance the control framework.
- (b) It is the responsibility of Directors and Officers to comply with these Regulations in all transactions involving the Executive. If an Officer has any doubt about these Financial Regulations the advice of the Responsible Finance Officer should be obtained.
- (c) All transactions of any subsidiary company of the Executive shall comply with these Regulations so long as the Regulations are not inconsistent or do not conflict with any provisions of the Companies Acts and Regulations or Memorandum and Articles of Association of that Company. In the instance of a conflict or inconsistency the Responsible Finance Officer will decide the appropriate action to be taken.
- (d) If for any reason the Responsible Finance Officer is unable to act then a Director shall have the authority to exercise all powers vested in the Responsible Financial Officer.
- (e) Officers and Members of the Executive shall maintain the confidentiality of the Executive's business and shall not reveal confidential information about the Executive or its finances unless required to do so by law or authorised by the Responsible Finance Officer or Secretary.
- (f) If any Officer has any concerns about the financial management of the Executive or any reason to suspect fraud or financial misconduct they should immediately report this to the Responsible Finance Officer.

## **4.2. FINANCIAL PLANNING**

### **4.2.1. Responsibilities**

The Responsible Finance Officer is responsible for ensuring the Executive has a medium term financial strategy covering as a minimum the current financial year and the subsequent two financial years.

### **4.2.2. Budget Preparation and Approval**

- (a) The Responsible Finance Officer is responsible for preparing the annual Capital and Revenue Budgets for the Executive. These must be approved by the Executive Board and the Authority prior to the start of each financial year. The Authority approves the budget and the amounts the Executive can spend on each type of service. For the Capital budget, funding sources need to be separately identified and agreed by the Executive Board and the Authority.
- (b) Following approval of the revenue budgets by the Authority the Responsible Finance Officer will submit the detailed budgets to be assigned to Budget Holders to Management Board for approval. The management of the detailed budgets is then the responsibility of the Budget Holders.

### **4.2.3. Revenue Budget Monitoring**

- (a) The Responsible Finance Officer shall report to Management Board on a monthly basis (or such other period as the Responsible Finance Officer deems appropriate) the actual financial performance of the Executive compared with the approved revenue budget. The Executive Board will receive budget monitoring information at least every quarter.
- (b) Budget Holders must use the Budget Control Procedures, issued by the Responsible Finance Officer annually along with the budgets, to monitor and control revenue budgets.
- (c) Subject to their delegated levels of authority as approved by Management Board (see 4.3.2(d) below) Budget Holders have the delegated authority to spend up to their budget limit. No expenditure exceeding the budget can be incurred except that the Responsible Finance Officer can approve small overspends up to £5,000, Management Board may approve overspends up to £50,000 and for amounts over £50,000 Executive Board approval is required.
- (d) Where Budget Holders achieve savings against budget, these are required to be identified to the Responsible Finance Officer at the earliest opportunity. Release of savings enables Management Board to prioritise the use of funds. Budget Holders cannot use savings made in one area to justify overspends in another without prior approval from Management Board except that the Responsible Finance Officer can approve small variances up to £5,000.

### **4.2.4. Capital Expenditure**

- (a) A Capital Expenditure report will be prepared and submitted to Management Board on a monthly basis (or such other period as the

Responsible Finance Officer deems appropriate). The Executive Board will receive budget monitoring information on the financial progress of the Capital Budget at least quarterly.

- (b) Any variations to the total annual cost of the Capital Budget require the approval of the Authority. Significant changes to individual elements of the Capital Budget which result in cost increases that exceed the lower of, 10% of any individual scheme approved by the Authority in the Capital Programme or £250,000, requires approval by the Authority.
- (c) Approval is required from Management Board for each stage of any capital scheme as defined in the Project Progress Report and to obtain the delegated authority to spend against the Capital Budget. The delegated authority will be given to a named Project Manager as set out in the Project Progress Report forms submitted to Management Board.
- (d) It is the responsibility of the Director of Strategy to control the Capital Budget. It is the responsibility of the Principal Programme Delivery Manager and the named Project Managers referred to in (c) above to control the individual project budgets. Project Managers cannot exceed the delegated budget without Management Board approval.
- (e) A Director may approve the use of capital expenditure up to £25,000 for capital schemes approved under 4.2.4 (c) above. A named Project Manager (with appropriate delegated authority) may approve the use of capital expenditure up to £5,000 for capital schemes approved under 4.2.4 (c) above.

#### **4.2.5. Grant Expenditure and Claims**

- (a) The Responsible Finance Officer is responsible for maintaining a register of all grant aided projects and schemes. They must report this register on a quarterly basis to Management Board. The Responsible Finance Officer must authorise all grant claim submissions before they are sent to the funding agency.
- (b) All grants must be approved by Management Board prior to commencement of any so funded project
- (c) All Officers are responsible for reporting the status of any grant application for which they are responsible to Management Board and adhering to the Executive's Grant Protocol. That Officer is responsible for the delivery of the grant outputs and ensuring that all of the grant conditions including the funding are met.
- (d) Management Board may give delegated authority in respect of grant-related expenditure of a capital or revenue nature. The delegated authority must be clearly assigned to an Officer. It is the responsibility of that Officer to control the allocated budget.

### **4.3. FINANCIAL MANAGEMENT**

#### **4.3.1. Responsibilities**

- (a) The Responsible Finance Officer is responsible for:-



- (i) the proper administration of the Executive's financial affairs;
- (ii) determining the accounting systems, procedures and records;
- (iii) the maintenance of all financial records and procedures, and ensuring their retention;
- (iv) selecting accounting policies and ensuring they are consistently applied;
- (v) ensuring that the Annual Statement of Accounts is prepared in accordance with all relevant Statements of Standard Accounting Practice, Financial Reporting Standards and International Financial Reporting Standards and any other legislative requirements.

#### **4.3.2. Financial Control**

- (a) The Responsible Finance Officer is responsible for ensuring that an adequate framework of financial controls exists to manage the financial affairs of the Executive.
- (b) The Responsible Finance Officer is responsible for preparing an annual statement on the adequacies of these systems in the Annual Governance Statement which is included in the Annual Statement of Accounts.
- (c) Day to day financial controls are managed through the processes determined by the Responsible Finance Officer and all employees must familiarise themselves and adhere to these processes.
- (d) The Responsible Finance Officer shall delegate the authority to make revenue expenditure to Designated Officers and such expenditure should comply with Contract Standing Orders. A record of the delegated levels of authority for such budgetary expenditure shall be maintained by the Responsible Finance Officer. These will be revised on a continual basis and be approved by Management Board annually.

#### **4.3.3. Accounting Arrangements**

- (a) The Responsible Finance Officer must authorise any financial procedure or system before it is introduced.
- (b) Each Director and Officer shall keep such records and operate such procedures as, in the opinion of the Responsible Finance Officer, are necessary to record correctly the financial transactions of that function and to enable proper accounts to be maintained.
- (c) The following principles should be observed as far as practical in order to achieve segregation of duties:-
  - (i) The duties of ordering, authorising of expenditure, calculating or raising invoices for amounts due to or from the Executive must be separated as far as is practical from the duty of collecting or disbursing them;

- (ii) The separation of the duties of raising orders and the authorisation of those orders; and
- (iii) Officers involved in the duty of checking and recording cash transactions must not themselves be engaged in any of these transactions.

#### **4.3.4. Financial Implications**

All reports to Management Board or Executive Board shall contain a section detailing the financial implications of the decision sought. The impact on current and future revenue and capital budgets must be clearly stated.

#### **4.3.5. Financial Reporting**

The Responsible Finance Officer shall present an Annual Statement of Accounts to the Executive Board within 6 months after the end of each financial year.

### **4.4. RISK MANAGEMENT AND CONTROL**

#### **4.4.1. Responsibilities**

The Executive Board is responsible for approving the Executive's Risk Management Strategy. The Management Board is responsible for ensuring compliance with the Strategy. It is the responsibility of all Officers to manage the risks arising from the activities they undertake and the resources they control. It is the responsibility of the Responsible Finance Officer to advise the Executive Board on the adequacy of the systems of control that are in place and to report on this through the Annual Governance Statement.

#### **4.4.2. Risk Management**

- (a) Risk management is the planned and systematic approach to the identification, evaluation and control of risks that may adversely affect the Executive's ability to achieve its objectives and successfully execute its strategies.
- (b) The Audit and Risk Committee is responsible to the Executive Board for considering and advising the Executive Board on the adequacy and effectiveness of systems of internal control, risk management and arrangements for the management, control and governance processes and securing economy, efficiency and effectiveness.

#### **4.4.3. Internal Audit**

- (a) The Responsible Finance Officer shall be responsible for arranging a continuous internal auditing function that reviews, appraises and reports upon:
  - (i) the soundness, adequacy and application of financial and other management controls;
  - (ii) the extent of compliance with, relevance and financial effect of established policies, plans and procedures;

- (iii) the extent to which the Executive's assets and interests are accounted for and safeguarded from losses of all kinds arising from fraud and other offences, waste, extravagance, inefficient administration, poor value for money or other cause;
  - (iv) the suitability and reliability of financial and other management data developed within the Executive;
  - (v) the adequacy of follow up action to their reports.
- (b) To enable this function to be carried out objectively and to maintain independence the Responsible Finance Officer shall appoint a person or company that is not directly involved in any other Executive function.
  - (c) The person or company appointed in accordance with paragraph (c) above will submit reports in writing to the Responsible Finance Officer and, in summary form, to the Audit and Risk Committee.
  - (d) The person or company appointed in accordance with paragraph (c) above or their authorised nominee, on producing evidence of identity, shall have authority to:
    - (i) enter at all reasonable times any premises or property of the Executive;
    - (ii) obtain access to all records, documents, cash stores, equipment and correspondence relating to any financial or other transactions of the Executive;
    - (iii) require and receive from any Director or Officer such explanations as are necessary concerning any matters under examination by them; and
    - (iv) require any Director or Officer to produce all cash, stores or any other property of the Executive, under his control.
  - (e) The appropriate Officer, and the Responsible Finance Officer shall be informed immediately of any circumstances which may suggest the existence of any loss or financial irregularity affecting cash, stores or other property of the Executive, and also of any impropriety or significant error in any accounting or financial records or in relation to any contract for goods, services or works entered into by the Executive.
  - (f) The Responsible Finance Officer (or nominee), shall be responsible for ensuring that the Executive and the External Auditors are advised of any material loss or financial irregularity.
  - (g) The Audit and Risk Committee shall review and approve internal audit's strategic and operational plans and monitor progress in achieving the plans.

#### **4.4.4. External Audit**

- (a) External Audit is responsible for an independent examination and expression of opinion on the financial statements of the Executive.

They also carry out reviews into the key areas identified as corporate governance, performance management and grant claims and returns.

- (b) The workplans of External Audit are received and taken into consideration by the Audit and Risk Committee when approving Internal Audit's workplans.
- (c) All reports provided by External Audit shall be reviewed by the Audit and Risk Committee. The implementation by Officers of any recommendations resulting from the reports shall also be monitored by the Audit and Risk Committee.

#### **4.4.5. Insurance**

- (a) The Secretary, in consultation with the Responsible Finance Officer, shall report to the Executive Board on all risks which the Executive may require to be insured against and shall arrange and review all necessary insurance.
- (b) The Secretary shall submit an annual report to Management Board to advise of and seek approval for the proposed insurance cover renewals to be implemented.
- (c) It is the responsibility of the Secretary, or their nominee, to ensure negotiation of all claims for or against the Executive via its nominated insurance brokers/claims managers.
- (d) In relation to property under his control and to all insurable risks arising out of the functions under his management, it is the responsibility of each Officer to immediately inform the Secretary of:-
  - (i) the acquisition or disposal of any property/asset which is capable of insurance against fire or other risk;
  - (ii) any alteration to, or change in the use of, any such property/asset which may affect existing insurable risks or policies of insurance;
  - (iii) any new insurable risks, alterations to or termination of existing insurable risks in relation to employees of the Executive, third parties, properties or contractors and their employees working on Executive property;
  - (iv) any loss or damage to Executive property;
  - (v) any material changes in the level of operational activity giving rise to any change to an insurable risk;
  - (vi) the occurrence of any event which may give rise to a claim against the Executive by completing an Incident Report form and submitting it as soon as possible after the event together with any supporting documentation which may be used as evidence to the Secretary ;
- (e) It is the responsibility of each to consult with the Secretary and the Responsible Finance Officer with regard to the terms of any indemnity

which they may be required to give on behalf of the Executive, irrespective of whether specific Executive approval is required or not.

- (f) The Secretary shall keep records of all current insurance policies and shall annually inform the Management Board of all current policies.
- (g) The Secretary shall retain employers liability certificates for a minimum of 40 years after expiry.

#### **4.4.6. Responsibility for and Security of Assets**

- (a) It is important that all Assets, are safeguarded and used effectively. Assets that are no longer required must be immediately identified so that an alternative use can be found or the asset may be sold or otherwise disposed of.
- (b) The Secretary or their nominee shall be responsible for the maintenance of records relating to land and property in which the Executive has a legal interest showing the purpose for which held, location, value, charges and rents receivable and details of tenancy agreements, and for the safe custody of all deeds of title, securities and contract documents. The Secretary or their nominee is responsible for the disposal of land and buildings in accordance with the Land Disposal Protocol.
- (c) It is the responsibility of the Responsible Finance Officer to maintain a Fixed Asset Register for all fixed assets.
- (d) It is the responsibility of the Head of Information Technology to maintain an asset register for all IT and telecommunications equipment.
- (e) Line Managers in conjunction with the Responsible Finance Officer shall maintain and keep up to date inventories of Assets under their control.
- (f) The form of the inventory of Assets to be maintained shall be determined in consultation with the Responsible Finance Officer.
- (g) It is the responsibility of each Officer to:-
  - (i) Take all reasonable measures to secure Assets under their control including the safekeeping of keys and not to allow misuse of such Assets.
  - (ii) Inform the Responsible Finance Officer of any instances where they believe the security of Assets to be inadequate.
  - (iii) Ensure that keys to safes and similar receptacles, are carried on the person of the responsible officer at all times. The loss of any such keys must be reported immediately to the Responsible Finance Officer.
  - (iv) Report any instance of theft, misappropriation or abuse of Assets immediately to their Line Manager.

- (v) Ensure that there is a review of the security of the premises under their control at least every six months
- (h) Where relevant to their role, Officers are responsible for arranging a procedure to ensure the safe custody and control of stocks and stores. These arrangements must be approved by the Responsible Finance Officer.
- (i) Assets and stock of a value not exceeding £1,000 may be written off by the Responsible Finance Officer at his discretion, subject to a report to the Executive Board for noting every 6 months. Assets and stock valued at more than £1,000 shall be written off only following approval by Executive Board and on a recommendation of the Responsible Finance Officer or his nominee.

#### **4.4.7. Money Accountability**

- (i) Money includes currency, cheques, vouchers, orders, credit and debit card transaction details, electronic banking transactions and any other method of financial transaction approved by the Responsible Finance Officer.
- (ii) Official money must at all times be kept separate from private money and must never be used for private or unauthorised purposes.
- (iii) Every employee engaged in the handling of money bears individual responsibility for its correctness and safe custody whilst in their possession. Officers shall take all reasonable measures to secure money under their control to guard against theft or loss. The responsibility ceases when the money is disposed of in a manner approved by the Responsible Finance Officer or a receipt or other approved written form of acknowledgement is obtained.
- (iv) Relevant Officers must keep records, in a form approved by the Responsible Finance Officer of all official money held and bankings made.
- (v) Any losses shall be notified upon discovery to the appropriate Line Manager.
- (vi) Where an Officer is unexpectedly absent, e.g. because of sickness, the appropriate Line Manager should consider checking and reconciling any money within the absent Officer's control. Such action should be undertaken as soon as possible by two persons. The relieving officer should acknowledge receipt of the money when assuming responsibility for it. On returning to work the returnee should sign to acknowledge the reissue of money.

#### **4.4.8. Sale of surplus, obsolete or redundant materials, stores or equipment**

- (i) This standing order does not apply to Land.
- (ii) Sale of surplus, obsolete or redundant materials, stores or equipment shall be by auction or after receipt of competitive quotations or tenders in accordance with Standing Order 5.6 and all such sales shall be

reported to the Responsible Finance Officer in order to update the fixed asset register and accounts of the Executive.

- (iii) a) No assets with a resale value of up to £10,000 shall be sold unless such assets have been declared surplus to requirements by an Approval Officer as defined in Section 5 of Contract Standing Orders;
- b) No assets with a resale value greater than £10,000 and less than £25,000 shall be sold without the authority of a Director;
- c) No assets with a resale value greater than £25,000 and less than £100,000 shall be sold without the authority of the Management Board;
- d) No assets with a resale value greater than £100,000 shall be sold without the authority of the Executive Board.

#### **4.4.9. Management**

- (a) For legislative reasons the majority of the Executive's treasury management function is currently performed by Sheffield City Council who hold and invest most of the cash due to the Executive. Similarly, Sheffield City Council is also currently responsible for arranging any borrowing required to fund the Executive's activities.
- (b) The Responsible Finance Officer shall be authorised to invest any money surplus to the day to day requirements of the Executive and to vary such investments in accordance with his judgement of the market, subject only to approval of the Executive Board and in accordance with the appropriate Treasury Policy.
- (c) All investments shall be held in the name of the Executive or where the Responsible Finance Officer considers appropriate, one or other of its subsidiary companies or in the name of such nominees as may be appointed by the Executive Board.
- (d) All borrowing and leasing arrangements for periods of one year or more shall require approval of the Executive Board and shall be controlled and monitored by the Responsible Finance Officer. Such arrangements shall be sought in the name of the Executive or where the Responsible Finance Officer considers appropriate one or other of its subsidiary companies and shall be within the limits set by the Authority. The Responsible Finance Officer shall submit a report to the Executive Board on all such arrangements on a six monthly basis.
- (e) Property of the Executive shall only be tendered as security against borrowings with the authority of the Executive Board.
- (f) All investments of Executive money for a period of one year or more shall require approval of the Executive Board pursuant to a recommendation of the Responsible Finance Officer.
- (g) The investment position shall be formally reported to the Executive Board on a six monthly basis.

- (h) The Responsible Finance Officer shall be responsible for the maintenance of a register of all investments, borrowings and leasing arrangements.
- (i) At the end of each financial year the Responsible Finance Officer shall submit to the Executive Board a list of investments as at the end of that year showing for each investment :
  - (i) the nature of the investment;
  - (ii) the nominal value of the investment;
  - (iii) the cost price of the investment; and
  - (iv) the market value of the investment.

#### **4.4.10. Banking**

- (a) The Responsible Finance Officer shall make all arrangements regarding the opening and operation of all Bank accounts and they shall be in the name of the Executive or where the Responsible Finance Officer considers appropriate, one or other of its subsidiary companies.
- (b) The Responsible Finance Officer shall undertake all negotiations with the Executive's bankers regarding banking terms and overdraft facilities and shall report such changes in arrangements to the Executive Board.
- (c) The Responsible Finance Officer shall be responsible for the ordering, custody, issue and control of all cheques and other payment documents, which require to be signed in accordance with the mandate as approved by the Executive Board.
- (d) Cheques drawn for less than £25,000 require one authorised bank signature, Cheques over £25,000 require two authorised bank signatures. Authorised bank signatories shall be agreed by the Executive Board
- (e) All cheques or other payment documents shall be despatched to payees by the Responsible Finance Officer, or in appropriate cases by the Secretary, except where the Responsible Finance Officer may expressly consent otherwise.
- (f) Where other methods of payment, such as electronic transfer, Direct Debit or Standing Order are used, such payments shall be approved by an authorised bank signatory.
- (g) Where lithographed or impressed cheques are used, the cheques shall be examined before despatch and initialled by an Officer nominated by the Responsible Finance Officer.

#### **4.5. FINANCE PROCEDURES**

##### **4.5.1. Credit Procedures/Income**

- (a) The Responsible Finance Officer (or nominee), shall ensure that adequate arrangements are made and maintained for:



- (i) the appropriate recording and accounting of all sums due to the Executive, and
  - (ii) the prompt and proper accounting of all money, its custody and deposit with bankers.
- (b) The detailed procedures to be followed at the Executive's establishments for the security, banking and accounting for all money due for items sold by the Executive shall be laid down in Accounting Directives.
  - (c) The Responsible Finance Officer shall control and issue all official receipt forms and all other appropriate documents relating to cash or credit income. Only Officers of the Executive whose function it is to collect money on behalf of the Executive shall do so.
  - (d) Officers will not give a receipt for money received on behalf of the Executive on any form other than an official receipt form or till receipt.
  - (e) All accounts for income due to the Executive shall be despatched by the Responsible Finance Officer except where otherwise agreed.
  - (f) All money received on behalf of the Executive shall, without delay, be paid intact to the Responsible Finance Officer or banked to the Executive's name or transmitted directly to any body or person entitled thereto in accordance with the instructions from the Responsible Finance Officer.
  - (g) Every transfer of official money from one Officer to another will be evidenced in the records of the Department concerned by the signature of the receiving Officer.
  - (h) The Responsible Finance Officer shall be consulted in relation to any proposals to introduce charges, or to amend the basis of existing charges.
  - (i) All existing charges, rentals or commissions payable to the Executive should be continually reviewed by the Relevant Officer and Responsible Finance Officer.

#### **4.5.2. Debt Management/Write-off Authority**

- (a) All Officers responsible for debt management must adhere to the existing debt recovery policy.
- (b) Individual amounts due to the Executive not exceeding £10,000 may be written off as irrecoverable by the Responsible Finance Officer at his discretion. Individual amounts due to the Executive greater than £10,000 but not exceeding £25,000 may be written off by a Director. Individual amounts due to the Executive greater than £25,000 but not greater than £100,000 may be written off by Management Board. Individual amounts due to the Executive in excess of £100,000 may only be written off by the Executive Board.

#### **4.5.3. Procurement of Goods, Services and Works**

- (a) Subject to Contract Standing Orders a Designated Officer must raise an official purchase order in accordance with Financial Regulation 4.5.3(b) below.
- (b) Officers raising an order shall specify the appropriate budgetary code, the supplier, the description and quantity of the works, goods or services required and, the agreed or estimated price and where applicable the assigned contract number. Officers shall not raise orders unless the cost of the works, goods or services required is within an approved estimate and there is sufficient budgetary provision.
- (c) Officers shall not raise orders for a value less than the total value of the Executive's known requirements, as a means of avoiding compliance with the provisions of the Executive's Contract Standing Orders or other statutes or regulations governing the Executive.
- (d) All orders shall be processed on a consecutively numbered series in a form approved by the Responsible Finance Officer.
- (e) All purchase orders issued shall comply with Contract Standing Order 5.7 and if there is no relevant contract, shall as a minimum incorporate the Executive's Standard Terms and Conditions of Contract.
- (f) Designated Officers shall ensure that all invoices are addressed to the Payments Section within Finance and that the appropriate contract or Order Number is quoted on every invoice.

#### **4.5.4. Payments for Goods and Services**

- (a) The receipt of all goods and services should only be made where:
  - (i) The works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity.
  - (ii) The goods and services have not previously been receipted.
- (b) All invoices must be approved by the Responsible Finance Officer or other nominated Officer who shall ensure that each invoice has been properly certified and checked that the above matters have been properly dealt with. Any exceptions should be reported to the Responsible Finance Officer. The Responsible Finance Officer or his nominee shall ensure that where considered appropriate prices, extensions, allowances, credits and tax are correct and that all calculations have been properly checked. The schedule of payments shall be certified by the Responsible Finance Officer or their nominee.
- (c) Relevant Officers shall ensure that all receipts of goods and services and invoice queries are dealt with promptly in order to ensure payment complies with contractual and legislative provisions.
- (d) The Responsible Finance Officer may withhold payment pending further enquiry and consultation with the Relevant Officer on any aspect where they are not satisfied regarding a proposed payment.

- (e) The Responsible Finance Officer will only accept copy invoices for payment where the original invoice is unavailable. Reasons for the original invoice not being available shall be properly recorded on the copy invoice.

#### **4.5.5. Petty Cash**

- (a) The Responsible Finance Officer (or nominee) shall maintain an imprest cash account for the purpose of making cash disbursements for emergency minor items of expenditure. In all cases vouchers shall be authorised by the appropriate Designated Officer.
- (b) All reimbursements of petty cash must be authorised by the appropriate Designated Officer and should be accompanied, where appropriate, by a VAT receipt.
- (c) Payments shall be limited to amounts of no more than £50 unless by the prior approval of the Responsible Finance Officer or his nominee. Wherever possible Officers shall obtain the Designated Officer's consent prior to incurring the expenditure.
- (d) Other cash imprests may be authorised as necessary by the Responsible Finance Officer.

#### **4.5.6. Expenses**

- (a) Reasonable expenses incurred by Chief Officers whilst acting on behalf of the Executive will be reimbursed. Claims must be accompanied by receipts wherever appropriate and be certified by the Executive Director or by any other Director.
- (b) All claims for payment of Officers' vehicle allowances, subsistence allowances and incidental expenses shall be prepared by the claimants on the required form or other format approved by the Responsible Finance Officer. Following certification by the appropriate Designated Officer, claims must be submitted to the Finance Department for payment. All claims must be accompanied by receipts wherever appropriate.
- (c) Certification by the Designated Officer shall be taken to mean that they are satisfied that the journeys were authorised, the expenses were properly and necessarily incurred and the mileage and other allowances are correctly payable in accordance with the specific conditions of employment of the Executive.
- (d) Following written approval by a Director, the Responsible Finance Officer shall issue corporate chargecards under the name of the Executive for legitimate business expenditure. Responsibility for the security and proper business use of such cards shall rest with the authorised Officer to whom the card has been issued. A monthly reconciliation of charges levied to the Executive shall be made with expenses claims submitted by those authorised Officers.

## SECTION 5

### CONTRACT STANDING ORDERS

#### 5.1. DEFINITIONS

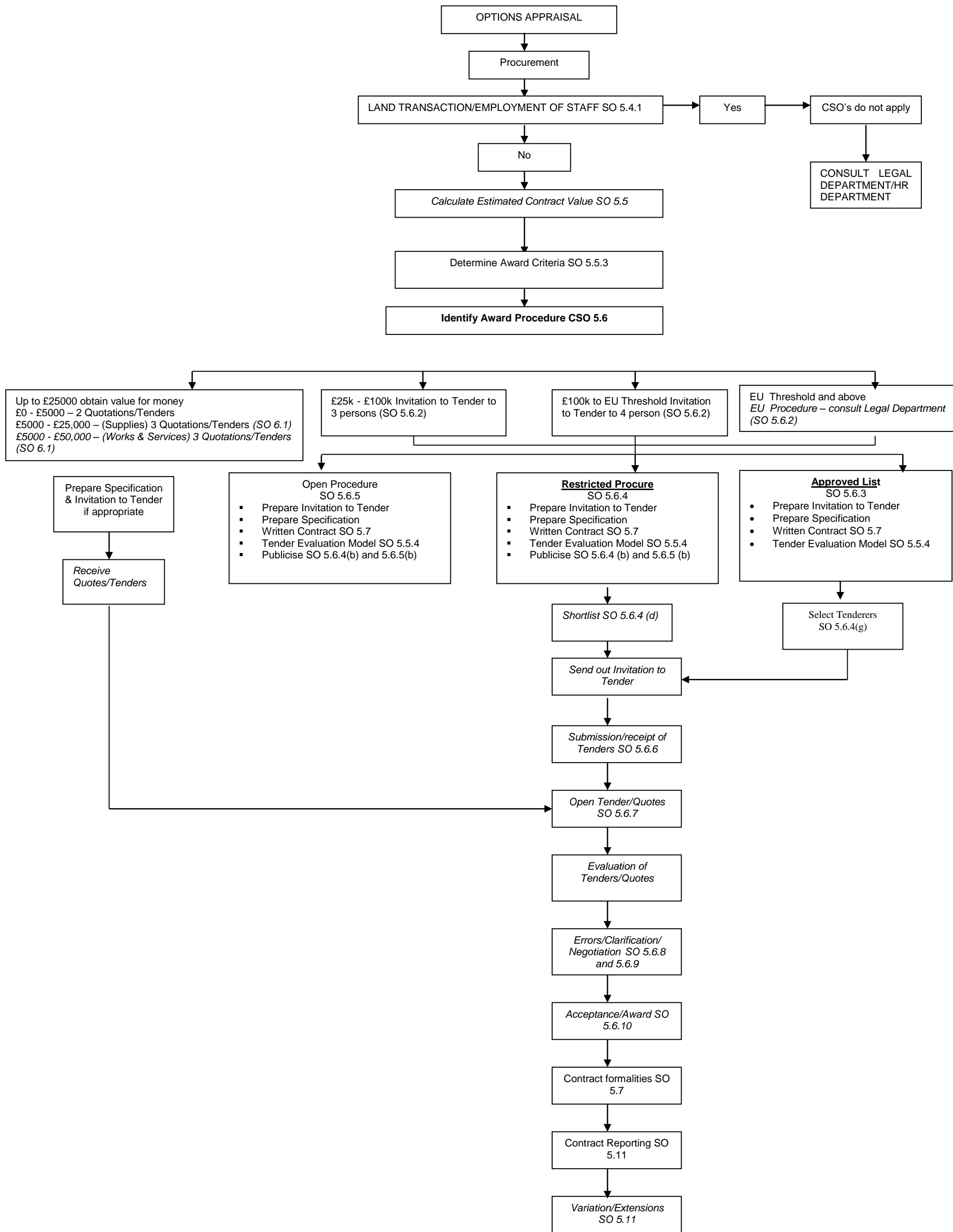
For the purpose of this Section 5 the following definitions shall apply in addition to those set out in Section 1.

“Approval Officer”	means a Director or Officer having levels of approval delegated to them for the purpose of Section and 5 of these Standing Orders by the Management Board from time to time and set out in a register maintained by the Secretary;
“Award Criteria”	the criteria by which the successful Quotation or Tender is to be determined.
“Award Procedure”	the procedure for awarding a Contract as specified in Standing Orders 5.6.3, 5.6.4 and 5.6.5.
“Contract”	as defined in Standing Order 5.4.
“Contract Officer”	the person who has been designated by the appropriate Approval Officer to undertake the procurement exercise.
“Contract Value”	the total value of the Contract awarded, taking into account the whole life cost of the Contract, including for example future maintenance costs, licensing costs and any other costs anticipated at the date that the Contract is to be awarded.
“Estimated Contract Value”	the estimated total value of the Contract to be awarded taking into account the whole life cost of the Contract, including for example future maintenance costs, licensing costs, estimated costs of reactive works or supplies (e.g. reactive maintenance works allowed for under a planned maintenance contract) and any other costs anticipated at the date that the Estimated Contract Value is determined. (For Framework Agreements this includes the estimated value of all awards, orders and call offs anticipated under the relevant agreement.).

“EU Procedure”	the procurement procedure required by the European Union (EU) where the total value exceeds the EU Threshold.
“EU Procurement Regulations”	the Public Contracts Regulations 2015 or such other relevant regulations governing the award of Contracts for works, supplies and services.
“EU Threshold”	<p>the Contract Value to which the EU Procurement Regulations must be applied.</p> <p><i>Financial thresholds set by the EU Procurement Regulations are reviewed every two years and at 1<sup>st</sup> January 2018 are:-</i></p> <ul style="list-style-type: none"> <li>• Works - £ 4,551,413.00</li> <li>• Services - £ 181,302.00</li> <li>• Supplies - £ 181,302.00</li> </ul>
“Framework Agreement”	means any agreement entered into in accordance with these contract standing orders which for a fixed period of time sets out the terms of any award, order, or call off entered into under it.
“Invitation to Tender”	a written document issued by the Executive to request a Tenderer to submit a Tender for a Contract, containing the terms and conditions of the Tender exercise.
“Most Economically Advantageous”	<p>a combination of price and quality issues, which could (without prejudice to the generality of the term) include:-</p> <ul style="list-style-type: none"> <li>• Service levels</li> <li>• Operating costs</li> <li>• Whole of life costs</li> <li>• Cost effectiveness</li> <li>• Quality</li> <li>• Aesthetics</li> <li>• Functional characteristics</li> <li>• Technical merit</li> <li>• Technical support</li> <li>• Relevant experience</li> <li>• Available resources</li> <li>• Health and Safety Considerations</li> <li>• Environmental impact</li> </ul>
“OJEU”	the Official Journal of the European Union.

“Quotation”	an offer of price and any other relevant matter (without the formal issue of an Invitation to Tender made to the Executive in response to a request from the Executive.
“Services”	any services to be provided under Contract to the Executive.
“Supplies”	any supplies of goods/products to be supplied under Contract to the Executive.
“Subsidised Transport Services”	shall be those transport services referred to in S89 Transport Act 1985 or any other public passenger transport service (as defined in the said Act) required to be tendered.
“Tender”	a written proposal submitted in response to an Invitation to Tender by the Tenderer.
“Tenderer”	an individual, company or other body that submits a Tender.
“Tender Evaluation”	the process of determining which Tender is the lowest priced or Most Economically Advantageous.
“Works”	any construction / refurbishment / engineering work schemes to be carried out under Contract for the Executive.

**Contract Standing Orders – Explanatory Flow Chart**



## **5.2. BASIC PRINCIPLES**

**5.2.1.** Every Contract made by or on behalf of the Executive and all procedures relating thereto shall comply with these Contract Standing Orders. No exception from any provision of these Contract Standing Orders shall be made otherwise than by the direction of either the Executive Board or Management Board. The decision as to whether the exception shall be made by Executive Board or Management Board shall be at the discretion of the Secretary or the Executive Director [**Note: use CSO Form 1**]. In either case, the decision of the Executive Board or as the case may be, the Management Board, shall be noted in their minutes.

**5.2.2.** Purchasing and disposal procedures must: -

- aim to ensure value for money for public money spent;
- be consistent with high standards of integrity;
- ensure fairness in allocating public Contracts;
- comply with all legal requirements;
- support the Executive's corporate and departmental aims and policies.

**5.2.3.** All procurements must be managed by a Contract Officer. The Executive has established a guide to procurement which is updated from time to time. Contract Officers should familiarise themselves with the guide and where necessary seek advice, templates and models from the Legal Department. In particular the guide contains advice in respect of:-

- Specification Writing;
- Pre-tender Shortlisting;
- Tender Evaluation;
- CSO Forms.

**5.2.4.** For every Contract the Contract Officer shall produce a project brief/specification prior to requesting Tenders/Quotations identifying clearly the objectives of the procurement.

**5.2.5.** Once a Contract has been awarded a single Contract Officer shall be designated by an appropriate Approval Officer to manage the Contract.

**5.2.6.** No award, order or call off shall be placed under a Framework Agreement by any Officer unless that order has been authorised by the designated Contract Officer (designated in accordance with CSO 5.2.5 above) or in his/her absence a nominated deputy or an Approval Officer, who shall ensure that the award, order or call off is in accordance with CSO 5.6.10(g).

## **5.3. EU PROCUREMENT REGULATIONS**

**5.3.1.** All Contracts let by the Executive will comply with all relevant EU Procurement Regulations. Where any provision or minimum requirement of these Standing Orders conflicts with a provision or minimum requirement of an EU Procurement Regulation then the provisions or minimum requirement of the EU Procurement Regulation will take precedence.



## **5.4. CONTRACTS**

**5.4.1.** For the purpose of these Standing Orders a Contract is any arrangement whereby the Executive pays or receives money (or goods/works or services in lieu of money) for either receiving or disposing of goods, services or works, excluding:-

- Contracts for the sale or acquisition of land;
- Contracts of employment (this exception does not include Contracts for Services e.g. consultants).

**5.4.2.** A Contract includes leasing and hire arrangements for goods.

## **5.5. ESTIMATED CONTRACT VALUE/AWARD CRITERIA**

**5.5.1.** Prior to commencing a procurement process the Contract Officer shall determine an Estimated Contract Value.

**5.5.2.** The Estimated Contract Value will determine which Award Procedure is followed.

**5.5.3.** Prior to Invitation to Tender or the obtaining of Quotations the Contract Officer shall determine the Award Criteria. The award will be based on either:-

- (i) Lowest priced Tender; or
- (ii) Most Economically Advantageous Tender

And in both cases the minimum quality criteria must be met.

**5.5.4.** The Invitation to Tender or documentation seeking Quotations shall clearly inform Tenderers of the Award Criteria, and if Most Economically Advantageous then the documentation shall clearly set down the factors to be taken into account. The Tender Evaluation model should be issued at the Invitation to Tender or Quotation stage to all persons invited.

## **5.6. PROCUREMENT PROCEDURE**

### **5.6.1. Contracts up to £25,000 for Supplies and up to £50,000 for Works or Services**

- (a) Where the Estimated Contract Value does not exceed £25,000 (or in the case of Subsidised Transport Services the de-minimis level at that time subsisting except to the extent that the de-minimis level exceeds the EU Threshold for Services) the appropriate Contract Officer shall ensure that value for money is obtained.
- (b) Where the Estimated Contract Value does not exceed £5,000 at least two Quotations or Tenders shall be requested from persons believed to be suitably experienced in the supply of the required works, services or supplies. Between £5,000 and £25,000 for Supplies and between £5,000 and £50,000 for Works or Services at least three Quotations or Tenders should be requested. Tenders should be submitted in accordance with Standing Order 5.6.6 and Quotations should be submitted in an envelope stating on the face of it that it is a Quotation for the Contract concerned. Quotations may be received by

e-mail provided no evaluation takes place until the deadline for receipt of the Quotations has passed.

- (c) Full documentary evidence of all Quotations/Tenders must be retained for audit purposes.
- (d) In ensuring that value for money is obtained the Contract Officer does not consider that the invitation of Quotations or Tenders in accordance with (b) for any Works Services or Supplies up to an Estimated Contract Value of £25,000.00 above is appropriate prior written approval of this course of action and of the process to be followed must be obtained from the appropriate Approval Officer and the Secretary notified accordingly [**Note: Use CSO Form 2**]. The Contract Officer must still obtain the necessary level of approval to award the Contract in accordance with CSO 5.6.10.

#### **5.6.2. Contracts over £25,000 for Supplies or over £50,000 for Works or Services**

- (a) All Contracts with an Estimated Contract Value in excess of £25,000 for Supplies or in excess of £50,000 for Works or Services require Tenders to be invited in accordance with this Contract Standing Order 5.6.2 and either Standing Order 5.6.3, 5.6.4 or 5.6.5.
- (b) Where the Estimated Contract Value exceeds £25,000 for Supplies or £50,000 for Works or Services but is less than £100,000 Tenders shall be invited from not fewer than 3 persons believed to be suitably experienced in the supply of the required Works, Supplies or Services (unless the Management Board determines that less than 3 persons shall be invited). The number of persons invited to Tender shall be sufficient to ensure as far as possible a competitive response.

#### **Contracts over £100,000**

- (c) Where the Estimated Contract Value exceeds £100,000.00 Tenders shall be invited from a minimum of 4 persons believed to be suitably experienced in the supply of the required Works, Supplies or Services (unless the Management Board determines that less than 4 persons shall be requested to Tender). The number of persons invited to Tender should be sufficient to ensure as far as possible a competitive response.

#### **Contracts over EU Threshold**

- (d) Where the Estimated Contract Value exceeds the EU Threshold the number of persons to be requested to Tender shall be agreed with the Secretary or their nominee having regard to EU Procurement Regulations.

#### **5.6.3. Approved List**

- (a) Management Board may approve that an approved list shall be kept of persons to be invited to Tender for Contracts for works, services or supplies of specific categories, values or amounts.

- (b) The provisions of this Standing Order cannot be utilised where the Estimated Contract Value exceeds the relevant EU Threshold. In such circumstances the appropriate Award Procedure in accordance with Standing Order 5.6.4 or 5.6.5 should be followed.
- (c) The approved list shall:-
  - (i) be completed and maintained by the appropriate Approval Officer or their designated representative,
  - (ii) contain the names and contact details of all persons who wish to be included on it as approved by the Approval Officer or their designated representative,
  - (iii) indicate whether a person who is included on the approved list is approved for Contracts for all, or only some, of the specified categories, values or amounts.
- (d) At least four weeks before the approved list is first compiled, notices inviting applications for inclusion shall be published in one or more newspapers circulating in the local area, and/or where appropriate, in one or more journals circulating amongst persons undertaking Contracts of that nature. The Contract Officer shall retain a copy of the advertisement on file. The advertisement will state the last date and time when responses will be required.
- (e) The approved list may be amended from time to time by the addition of names of persons who wish to be included in it as approved by the relevant Approval Officer in accordance with c (ii) above, or by the exclusion of the names of the persons who the Approval Officer concerned reasonably regards are no longer acceptable for inclusion on the approved list.
- (f) Each approved list shall be reviewed at intervals not exceeding three years. At least four weeks before each review each person whose name appears on the approved list shall be asked whether they wish to remain on the approved list and notices inviting applications for inclusion on the approved list shall be published as set out above at 5.6.3 (d).
- (g) Where any approved list contains more persons than it is reasonable to invite to Tender the Approval Officer shall ensure that an appropriate procedure is utilised to select those persons to be invited to Tender. Anyone on a current approved list may be selected to be invited to Tender for Contracts in accordance with 5.6.4(e) and 5.6.5(e) below.
- (h) Approved lists for Subsidised Transport Services should comply with the requirements of the Transport Act 1985.

**5.6.4. Restricted Tender Procedure – OJEU PROCUREMENTS ONLY**

- (a) This Standing Order shall have effect where the Invitation to Tender for a Contract is to be limited to persons who reply to a tender

opportunity or via OJEU requesting expressions of interest and who are selected for inclusion on a select list in accordance with (d) below.

- (b) Tenders should be publicised appropriately to bring them to the attention of prospective Tenderers with sufficient time to allow Tenderers to respond. A notice in the prescribed format must be published in the OJEU, and prior guidance should be sought from the Secretary or their nominee. The Contract Officer shall retain a copy of the OJEU notice on file.
- (c) The invitation for expressions of interest shall set out the nature and purpose of the proposed Contract, invite persons interested to apply for inclusion on the select list and shall state the last date and time when responses will be received.
- (d) Selection for inclusion on the select list of persons to be invited to Tender shall be determined by reference to financial standing and technical capability details of which must be fully set out in the published documentation inviting expressions.

#### **5.6.5. Open Tender Procedure**

- (a) This Standing Order shall have effect where a proposed Contract is to be let by open Tender. This procedure applies to all tenders below the EU threshold and may also be applied to tenders above the EU threshold where an open procedure is appropriate.
- (b) Tenders should be publicised appropriately to bring them to the attention of prospective Tenderers with sufficient time to allow Tenderers to respond and if the Estimated Contract Value is above the EU Threshold a notice in the prescribed format must be published in the OJEU, and prior guidance should be sought from the Secretary or their nominee. The Contract Officer shall retain a copy of the OJEU notice on file.
- (c) The Invitation to Tender shall set out the nature and purpose of the proposed Contract, invite Tenders and state the last date and time when Tenders will be received.
- (d) Where the open Tender procedure is used all those persons responding to the Invitation to Tender and expressing an interest in the Contract shall be invited to Tender.
- (e) Nothing in this Standing Order prevents a Tender being invited from a person contained in a relevant approved list held in accordance with Standing Order 5.6.3.

#### **5.6.6. Submission and receipt of Tenders**

- (a) Tenders must be submitted in accordance with the instructions for submission contained in the Invitation to Tender documentation. A Tender will not be considered unless received in accordance with the instructions.

- (b) The Invitation to Tender shall specify the time and date by which the Tender must be received by the Executive. The Invitation to Tender shall state that a Tender will not be considered if it is received after the date time and method of submission specified for receipt, or if the identity of the Tenderer is disclosed. Tenders received after the closing date or time and method of submission, or that disclose the identity of the Tenderer will not be considered unless the prior approval of the Secretary or their nominee is obtained. The Secretary or their nominee may only exercise such discretion in circumstances where the Secretary or their nominee is satisfied that the integrity of the Tender process is not compromised by considering the Tender.
- (c) The Contract Officer shall notify the Secretary on each occasion when Tenders are being invited specifying the date and time by which Tenders must be received and the list of those persons to whom the Invitation to Tender has been sent.
- (d) On receipt every Tender shall be audited, with the date and time it was received by the Executive.
- (e) All Tenders received by the Executive shall be delivered to the Secretary or their nominee and shall remain in the Secretary's custody until the time appointed for their opening.

#### **5.6.7. Opening of Quotations and Tenders**

- (a) Written Quotations shall be addressed to and opened by the Contract Officer requesting the same.
- (b) Quotations where the Estimated Contract Value is under £25,000 for Supplies or under £50,000 for Works or Services shall be opened at one time only by at least two Officers designated for that purpose by an Approval Officer.
- (c) Tenders where the Estimated Contract Value is £25,000 or over for Supplies or £50,000 or over for Works or Services are to be opened at one time only in either paper copy or electronically in the presence of the Secretary or their nominee and an Approval Officer or their nominated representative.
- (d) Where the Estimated Contract Value is £25,000 or over for Supplies or over £50,000 for Works or Services a register of all Tenders shall be kept by the Secretary giving particulars of all Tenders and the date and time of opening and signed by all those present at the opening of the Tenders.
- (e) The Contract Officer shall keep a complete record of all Quotations and Tenders with an Estimated Contract Value of under £25,000 for Supplies or under £50,000 for Works or Services received.
- (f) Where paper submission is used for Tenders, once opened they and a copy of the register referred to at (d) above shall be forwarded to the Contract Officer who is responsible for the safe custody. The Contract Officer will sign to take custody of the Tenders from the Secretary or their nominee. If the Tenders are to be submitted electronically to the

Legal Section they will be forwarded electronically to the Contract Officer and a copy of the register referred to in (d) above will be forwarded to the Contract Officer in confirmation.

#### **5.6.8. Errors and Discrepancies**

- (a) The lowest or Most Economically Advantageous (as the case may be) Tender should be examined for any arithmetical omission, errors or discrepancies in the computation of the Tender.
- (b) Without prejudice to the right of the Executive to refuse any Tender, where the examination of a Tender reveals any arithmetical omission, error or discrepancy in the computation of the Tender the Executive shall, without amendment to any rates or prices submitted by the Tenderer amend the Tender to achieve arithmetical accuracy. The Tenderer is informed accordingly and is given the opportunity to either confirm the corrected Tender or to withdraw the Tender.
- (c) Without prejudice to the right of the Executive to refuse any Tender, where the examination of a Tender reveals a discrepancy or possible error in a tendered rate or price submitted by the Tenderer, the Tenderer shall be invited to either confirm the submitted rate or price or correct the Tender or to withdraw the Tender.
- (d) Where having corrected any error or discrepancies the resulting Tender is no longer the lowest Tender or the Most Economical Advantageous, the next Tender should be considered and the provisions of this Standing Order 5.6.8 shall apply equally.

#### **5.6.9. Clarification Procedures and Post-Tender negotiations**

- (a) The provision of pre-tender clarification of an Invitation to Tender is permitted provided that if the clarification sought would lead to the provision of information that would be required by all persons invited to Tender then all such persons should be notified of the clarification given. Such clarification should be given in writing.
- (b) Post-Tender clarification is permitted with the approval of the Secretary or their nominee. The Contract Officer is permitted to seek clarification of any Tender provided that they do not enter into post-tender negotiations with any Tenderer (as more fully described in Standing Order 5.6.9 (c)). The Contract Officer should keep detailed records of any post-tender clarification.
- (c) Post-Tender negotiation means negotiating with any Tenderer after submission of a Tender and before the award of the Contract. Subject to the approval of the Secretary and the Responsible Finance Officer or their respective nominees' **[Note: use CSO Form 3]** negotiations may take place with the Tenderer whose Tender is after Tender Evaluation either the lowest priced or the Most Economically Advantageous Tender as appropriate, where:-
  - (i) modifications are proposed to be made to the specification, quantity or conditions, or,

- (ii) the Tender under consideration exceeds the Estimated Contract Value and price reduction measures are necessary;
  - (iii) in the interest of obtaining value for money the Contract Officer believes that negotiations may lead to better value for money being obtained.
- (d) Post-tender negotiation must only be conducted in accordance with the following procedures:-
- (i) all such negotiations must be undertaken by two or more Officers authorised for these purposes by the appropriate Approval Officer. One of the Officers involved should be the Contract Officer.
  - (ii) a full written record of negotiations and any agreements made shall be maintained.
  - (iii) only where any such negotiations are unsuccessful shall negotiations proceed with the next lowest priced or Most Economically Advantageous Tender. Negotiations with more than one Tenderer at any one time are not appropriate.
- (e) Where negotiations in respect of the specification, quantity or contract terms take place such that they result in a fundamental change to the specification, quantity or Contract terms the Contract must not be awarded but should be re-tendered. The decision as to whether there is a fundamental change shall be taken by the Secretary or their nominee.

**5.6.10. Acceptance of Quotations and Tenders and Awards, Orders and Call Offs under Framework Agreements**

- (a) Contract awards up to £10,000 may be made by an Approval Officer. Contract awards up to £25,000 may be made by a Director. Contract awards between £25,000 and £200,000 may be made by Management Board and Contract awards over £200,000 shall only be made by the Executive Board. The above levels apply to each separate award under a Framework Agreement.

Where Management Board approves a contract award between £100,000 and £200,000 a summary report will be made to the next available Executive Board setting out noting the details of any such awards during the relevant reporting period.

- (b) Where the proposed Contract award under consideration:-
- (i) is for a contract with an estimated Contract Value below £50,000, and the value of the contract award exceeds the sum of the Estimated Contract Value plus £5,000; or
  - (ii) is for a contract with an Estimated Contract Value above £50,000, and the value of the contract award is more than 110% of the Estimated Contract Value

the contract shall not be accepted by an Approval Officer, Director, the Management Board or the Executive Board, (as appropriate) unless they have considered a joint report from the relevant Approval Officer and the Responsible Finance Officer detailing the reasons for the variance.

- (c) Contracts for subsidised services pursuant to Section 89 of the Transport Act 1985 may be awarded by a Director up to the de-minimis levels in force at the date of award without any tender exercise provided the award complies with the relevant UK and EU rules on de-minimis and direct awards.
- (d) No Contract award shall be made unless there is full budgetary provision in place to cover the Contract price.
- (e) No awards, orders or call offs shall be made under a Framework Agreement unless:-
  - (a) there is budgetary provision to cover the award, order or call off;
  - (b) the Framework Agreement covers the subject matter of the award, order or call off; and
  - (c) the Framework Agreement contains sufficient pricing information to allow both the order to specify the order value and for the invoiced sum to be audited against the pricing information in the agreement.



## **SUMMARY**

<b>Estimated Contract Value</b>	<b>Award Procedure</b>	<b>Advertising</b>	<b>Approval to Award to lowest/ most economically advantageous tender/quote</b>
Up to £5,000	Ensure value for money Tenders/ Quotations from at least 2 persons (SO 5.6.1(b))	Not required	Approval Officer  (SO 5.6.10(a))
Up to £10,000	Ensure value for money Tenders/Quotations from a least 3 persons (SO 5.6.1(b))		
£10,001 to £25,000 Supplies	Ensure value for money. Tenders/ Quotations from at least 3 persons (SO 5.6.1(b))	Not required	Director  (SO 5.6.10(a))
£10,001 to £50,000 Services/Works	Ensure value for money. Tenders/ Quotations from at least 3 persons (SO 5.6.1(b))	Not required	Director if up to £25,000.00 (SO 5.6.10(a)) Management Board if over £25,000.00 (SO 5.6.10(a))
£25,001 to £100,000 Supplies	Invitation to Tender to at least 3 persons (SO 5.6.2(b))	Required unless Approved List utilised. (SO 5.6.4(b) or 5.6.5(b))	Management Board (SO 5.6.10(a))
£50,000 to £200,000 Services/Works			
£100,001 to EU Threshold	Invitation to Tender to at least 4 persons (SO 5.6.2(c))	Required unless Approved List utilised (SO 5.6.4(b) or 5.6.5(b))	Management Board if between £100,001 and £200,000.00  *Executive Board if over £200,000.00 (SO 5.6.10(a))
Above EU Threshold	EU Procedure applies	Required	Management Board if between £100,001 and

		(SO 5.6.4(b) or 5.6.5(b))	£200,000.00  *Executive Board if over £200,000.00 (SO 5.6.10(c))
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\*Please note that any awards made by Management Board between £100,000 and £200,000 must be reported to Executive Board (CSO 5.6.10(a))

## **5.7. CONTRACT FORMALITIES**

- 5.7.1. All written Contracts must be approved by the Secretary or their nominee before signing.
- 5.7.2. All leasing agreements in respect of goods, works or services must be signed by the Secretary or their nominee.
- 5.7.3. Whenever possible and in any event for every Contract the value of which exceeds £25,000, Contracts must be in writing unless the Secretary or their nominee decides otherwise. Where these Standing Orders require that a Contract shall be in writing this will not be satisfied by the use of e-mail. This also applies to variations or extensions of existing Contracts. Exceptions to the requirement for Contracts to be in writing are:-
- (i) where the relevant Approval Officer is satisfied that works must be executed, or supplied or services obtained as a matter of urgency following action under Standing Order 2.4.9 or in the case of an emergency in accordance with Standing Order 5.8.1(a) (v) or 5.8.1 (b) (ii); or
  - (ii) in the case of the purchase or sale of goods by auction.
- 5.7.4. Every written contract shall at the discretion of the Secretary be executed either under seal or signed. If signing is appropriate a Contract up to £25,000 in value or amount may be signed by the relevant Approval Officer, or the Secretary or their nominee. Contracts above £25,000 shall be signed by the Secretary or their nominee. All written contracts shall be supplied to the Secretary for keeping.
- 5.7.5. Every Contract in writing shall state clearly:-
- (i) the parties to the Contract
  - (ii) the work, supplies or services to be provided or supplied
  - (iii) the price payable, having regard to discounts or other deductions and allowances
  - (iv) the payment intervals
  - (v) the time or times in which the Contract is to be performed and, where appropriate the amount of liquidated damages which may become due.
  - (vi) when the Executive has the right to terminate the Contract.
  - (vii) Such other terms as the Secretary or their nominee may require
- 5.7.6. In the case of Contracts for Works exceeding £200,000 in value the use of a performance bond should be considered by the Responsible Finance Officer and Contract Officer to determine if appropriate.
- 5.7.7. In every written Contract a clause shall be inserted as follows:-

**“Anti-bribery and Corruption**

*The Service Provider shall in connection with this Agreement:*

*comply with all applicable anti-bribery and anti-corruption legislation including, without limitation, the Bribery Act 2010 and any applicable European Union Directives.*

*throughout the term of this Contract maintain and enforce its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with all applicable anti-bribery and anti-corruption legislation and European Union Directives. Adequate procedures shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issues under section 9 of the Act).*

*use all reasonable endeavours to ensure that all persons associated with the Service Provider (as defined by section 8 of the Bribery Act 2010) including any subcontractors and supplier comply with clause [ ] and [ ] above.*

*Not do anything which may contravene the Executive’s Code of Conduct, the current version of which is available for inspection at [www.sypte.co.uk](http://www.sypte.co.uk) under the Freedom of Information Publication Scheme.*

*Any breach of Clause [ ] by the Service Provider shall entitle the Executive to terminate the Agreement and recover from the Service Provider the amount of any loss resulting from such termination.*

*In connection with this Agreement the Executive may request written evidence from the [Service Provider] to demonstrate compliance with this clause.”*

- 5.7.8. Where an order, is placed under a Framework Agreement that order must clearly specify the works, services or supplies the subject of that award, order or call off.

**5.8. EXCEPTIONS FOR SUPPLIES, SERVICES AND WORKS**

- 5.8.1. Nothing in these Standing Orders shall require Tenders or Quotations to be invited or obtained if:

(a) **in the case of Contracts for supplies or services:**

- (i) the supplies or services are proprietary and, in the opinion of a Director, no reasonably satisfactory alternative is available; or
- (ii) the supplies or services are obtained from or under Contracts which have been negotiated by a central or local government purchasing organisation or by or on behalf of any consortium, association or similar body of which the Executive is a member and the Secretary is satisfied that the Executives legal requirements have been satisfied; or
- (iii) the price of the supplies or services are wholly controlled by trade organisation or government order and no reasonably satisfactory alternative is available.

- (iv) The Executive takes advantage of a Contract awarded by another public authority that has been subject to competition and in case of a procurement above the EU Threshold an EU Procedure has been undertaken and the procedure permitted other parties to use the Contract.
  - (v) the supplies or services are emergency supplies or services necessary to ensure
    - the health and safety of authorised users or members of the public; or
    - prevention of rapid and progressive deterioration; or
    - the maintenance of essential services including damage caused by fire, subsidence, tempest, storm or flood
  - (vi) The services are essential bus services and section 91 of the Transport Act 1985 applies or de-minimum bus contracts and the relevant UK and EU rules are complied with..
- (b) **In the case of Contracts for works:**
- (i) the works to be executed necessarily involve the use of a proprietary part repair or element; or
  - (ii) the works to be executed are emergency maintenance repairs to buildings or plant considered necessary to ensure:
    - the health and safety of authorised users or members of the public; or
    - prevention of rapid and progressive deterioration; or
    - the maintenance of essential services, including damage caused by fire, subsidence, tempest, storm or flood.

A Director or the Secretary shall be authorised to order the necessary supplies, services, works or urgent Section 91 Transport Act 1985 services immediately subject to providing a noting report to the next meeting of the Executive Board or Management Board as appropriate.

## **5.9. VARIATION AND EXTENSIONS OF EXISTING CONTRACTS**

- 5.9.1. Any variations to an existing Contract shall only be made where either there is no financial consequence arising from the variation, or, where there is a financial consequence the approval of either a Director, Management Board or Executive Board (as appropriate) has been obtained. In determining the appropriate forum to give such approval the provisions of Contract Standing Order 5.6.10 shall apply and the Contract value shall be the value of the Contract as originally awarded together with the value of any subsequent variations and the variation being considered.

5.9.2. Contract Standing Order 5.9.1 shall not apply where:-

- i) including the value of the variation the Contract will still be completed within 110% of the Contract Value and the Approval Officer has budgetary provision;
- ii) the variation is required to allow immediate action to prevent danger or damage to persons or property.

5.9.3. When, prior to commencing a procurement process the Contract Officer contemplates that a Contract may be extended then the Estimated Contract Value shall be the estimated value of the extended Contract. In such cases the Contract conditions should allow for the Contract to be extended.

#### **5.10. INCOME GENERATING CONTRACTS**

Any Contract to be awarded by the Executive which produces income for the Executive, shall so far as is reasonably practicable be awarded in accordance with these Standing Orders in order to demonstrate that the Executive has awarded the Contract to the person who submitted the highest/most Economically Advantageous Quotation or Tender.

#### **5.11. CONTRACT REPORTING**

5.11.1. It shall be the duty of the relevant Approval Officer to ensure that the Responsible Finance Officer and the Secretary are provided with a completed return each time a contract for £25,000 or over is awarded. The return shall be completed within 2 weeks of the Contract award. The return shall be made on the form prescribed by the Secretary. This provision applies equally to any awards, orders or call offs under a Framework Agreement and any extensions to a Contract where either the extension itself is over £25,000 or the extended Contract now exceeds £25,000. **[Note: CSO Form 4].**

5.11.2. Based on the information provided by every Approval Officer the Responsible Finance Officer and Secretary shall provide an annual report to the Management Board and Executive Board summarising both the contracts entered into and the extent of the compliance with these Contract Standing Orders.

5.11.3. It shall be the duty of the Contract Officer to retain a full record of every stage of a procurement process and to be able to provide any information required for Internal Audit or external audit purposes.

## **SECTION 6**

### **HUMAN RESOURCE PROCEDURES**

#### **6.1 CONTROL OF ESTABLISHMENT**

- (a) The Head of Organisational Development shall ensure that procedures exist for the control of establishment, grading of posts and implementation of a salary scale that ensures posts can be filled with employees of an appropriate calibre.
- (b) Appointment of all Officers shall be made in accordance with the approved establishment, grades and rates of pay and the Executive's Recruitment and Selection Procedure and Job Evaluation Scheme Policy.
- (c) Any major change in the organisation of any department shall be the subject of a recommendation from the Executive Director to the Executive Board.

#### **6.2 CREATION OF NEW POSTS**

- (a) New posts, including new Fixed Term Contract posts not on the establishment of the Executive shall be created only on the authority of the Human Resources and Standards Committee.
- (b) In respect of a proposed new post the appropriate Director or Officer shall submit a report to a meeting of the Human Resources and Standards Committee. This report shall include draft job descriptions in standard layout; the recommended job title and grading; the cost implications of the post; and the other options considered. The Head of Organisational Development shall ensure that the job description, job title, and grading are consistent with the Executive's standards as set out in the Job Evaluation Scheme Policy.

#### **6.3 DELETION OF EXISTING POSTS**

- (a) Posts shall be deleted from the establishment on the occasion of a restructuring, and a report to the Human Resources and Standards Committee from the appropriate Officer shall identify the posts that are proposed to be deleted and the business reasons for so doing.
- (b) Additionally, the Head of Organisational Development shall delete a post that has remained vacant for six months from the establishment following consultation with relevant Officers, unless the Human Resources and Standards Committee authorise its retention.

#### **6.4 REPORTING ON ESTABLISHMENT**

The establishment together with a list of all temporary, fixed-term contract and supernumerary employees shall be reported regularly to Human Resources and Standards Committee meetings for approval.

## **6.5 APPOINTMENT OF PERMANENT AND FIXED TERM STAFF**

- (a) Appointments can only be made to vacant posts in accordance with the Executive's procedures.
- (b) The necessity to seek and make an appointment to an established post that becomes vacant shall be determined by the Line Manager with the approval of a Director, Chief Officer or the Head of Organisational Development.
- (c) In all cases the procedures for advertising and preliminary selection shall be determined by the Business Partner Manager - Human Resources, in consultation with the Line Manager, having regard to the Executive's Diversity Policy. The final decision on the selection of an appointee to an established post shall be the responsibility of the appropriate Line Manager.
- (d) The Business Partner Manager – Human Resources (or nominee) shall send letters of appointment to both internal and external successful candidates. In general these will be standard letters that will identify the working arrangements and job grade. The commencing salary (where this is above the lowest spinal point within job grade) shall be determined by the Business Partner Manager – Human Resources (or nominee) in conjunction with the Line Manager upon offer of appointment to the successful candidate.
- (e) No extension to any Fixed Term Contract posts shall be made without the express approval of the Human Resources and Standards Committee.

## **6.6 ENGAGEMENT OF TEMPORARY STAFF**

- (a) Temporary staff will not be engaged to cover for permanent/fixed-term contract staff on annual leave. They will however be permitted to cover for permanent/fixed-term contract staff on long-term sickness absence or maternity leave. For these purposes, long-term sickness is defined as a period in excess of 15 consecutive available working days. In exceptional circumstances and to cover sickness of less than this period temporary staff can be recruited with the approval of the Business Partner Manager – Human Resources and one other member of the Human Resources and Standards Committee.
- (b) The engagement of temporary staff must be arranged by the Business Partner Manager – Human Resources (or nominee) in consultation with the appropriate Line Manager. The Business Partner Manager – Human Resources will maintain a register of all such appointments.

## **6.7 PAYMENT OF SALARIES AND PENSIONS**

- (a) The Head of Organisational Development shall maintain proper records for each employee of the Executive containing details of appointment, employment, grade, rate of pay and such other personal details to identify the basis for payment to each employee.
- (b) The Head of Organisational Development (or nominee) shall notify the Responsible Finance Officer as soon as possible and in such form as the Responsible Finance Officer may approve of all matters affecting the payment of emoluments and in particular:-



- (i) appointments, resignations, dismissals, secondments and transfers;
  - (ii) changes in remuneration, normal increments and pay awards;
  - (iii) such other information as may be required to maintain records of service, pensions, income tax, National Insurance and the like.
- (c) Timesheets and other records in a form and containing information required by the Responsible Finance Officer for recording and payment of wages and salaries shall be certified in manuscript or other format approved by the Responsible Finance Officer and forwarded to him by such dates as they may require. Certification of such documents shall be made by the appropriate Designated Officer.
- (d) The processing for payment of all salaries, wages, pensions and other employees' allowances and disbursements shall be under the control of the Responsible Finance Officer and all records shall be in a form prescribed by him.
- (e) The payment of all salaries, wages, pensions, compensation and other emoluments to employees or former employees of the Executive shall be made by the Responsible Finance Officer or under arrangements approved by him.

#### **6.8 TERMS AND CONDITIONS RELATING TO EMPLOYEES OF THE EXECUTIVE**

In relation to the Terms and Conditions of Employment, these are set out South Yorkshire Passenger Transport Executive (SYPTTE) Terms and Conditions of Employment (Red Book).

#### **6.9 CHANGES TO CONTRACTUAL TERMS AND CONDITIONS**

- (a) Any change to the contractual terms and conditions attached to any post shall be authorised by the Human Resources and Standards Committee.
- (b) All local agreements including pay agreements with trade unions shall be signed by a Director.

#### **6.10 RE-GRADING**

Authorisation of permanent or temporary regradings shall be by the Human Resources and Standards Committee, in accordance with the Job Evaluation Scheme Policy.

#### **6.11 HONORIA AND EX-GRATIA PAYMENTS**

In circumstances where not adequately covered by the Executive's Flexible Resource Deployment Procedure, the following payments may be considered.

- (a) Honoraria

In certain circumstances an honorarium may be a suitable method of rewarding an Officer who has managed an exceptional workload. All requests for an honorarium payment must be referred to the Human Resources and Standards Committee.

(b) Ex-gratia Payments

Ex-gratia payments shall only be made with the approval of the Human Resources and Standards Committee.

**6.12 USE OF OFFICIAL VEHICLES**

(a) In the absence of approval by a Chief Officer the Executive's vehicles shall only be used in connection with Executive business.

(b) Officers or Members using the Executive's vehicles shall at all times comply with the Executive's current policies and procedure for vehicle use and shall take all reasonable measures to secure vehicles in order to guard against theft or damage.

**6.13 HEALTH SCREENING**

All new appointments to the Executive's permanent establishment and all fixed-term appointments are subject to health screening. Subsequently, any Officer or Director may be required to undergo medical examination from time to time as deemed necessary by the Executive. Any Officer or Director must disclose to their Line Manager as soon as is practicable any medical condition diagnosed in such examinations which is likely to inhibit significantly their ability to carry out their duties and responsibilities.

Further details related to health screening and medical conditions are detailed within the Executive's Absence and Welfare Procedure.

**6.14 ASSAULT ON EXECUTIVE OFFICERS**

(a) For the purposes of this Standing Order, "Assault" is any action by a person or persons which does cause or could have caused injury to an Officer or the Executive.

*(Note: This Standing Order is not meant to inhibit the exercise by an Officer of any legal right they have).*

(c) Officers' Responsibilities

(i) All Officers must report any instance of Assault immediately to their Line Manager.

(ii) The Line Manager has a duty to assess the seriousness of the incident and then to decide what further action is required.

(iii) The Line Manager must issue a report of each incident to a Director and to the Health and Safety Manager where a log of such incidents will be maintained.

## **6.15 DIVERSITY**

The Executive is striving to be an Equal Opportunities employer. As such the Executive ensures that no applicant or Officer receives less favourable treatment on the grounds of sex, marital or family status, disability, age, race, colour, nationality, ethnic or national origins, sexual orientation, religion or any other reason which cannot be shown to be justifiable. The principle will apply to recruitment, promotion, learning and development procedures, Executive Policies, and all terms and conditions of employment.

**APPENDIX 1**  
**EXECUTIVE BOARD**  
**TERMS OF REFERENCE**

- 1) The principal roles of the Executive Board are:
- ◆ Provision of advice to the Authority on formulating its policies and to the Executive and Authority on interpreting and implementing the Authority's policies.
  - ◆ Obtaining and maximising the resources available to implement the Authority's policies.
  - ◆ Maintaining the services and outputs delivered by the Executive to ensure that they are in accordance with the Executive's Business Plan.
  - ◆ Approval of the Executive's budget.
  - ◆ Overall responsibility for risk management including approval of the risk management strategy.
  - ◆ Scrutiny of the Executive's activities to ensure corporate governance, compliance with Standing Orders and with the Executive's statutory duties and powers.
  - ◆ Ensuring that the Executive has in place Health and Safety policies and procedures and that it discharges its functions effectively.
  - ◆ Taking accountability for the performance of and future development of the Executive and its staff.
- 2) In executing its role, the Executive Board will reserve to itself:
- ◆ Approval of new policies and major changes to existing policies.
  - ◆ Approval of matters requiring formal approval of the Executive by virtue of statute.
  - ◆ Any approval of proposed acquisitions or disposals of land and any lettings of land by or to the Executive (save for assignments of any existing lettings).
  - ◆ Those decisions set out in Standing Orders which include:
    - approval of appropriate contracts which do not comply with Standing Orders;
    - approval of alternative tender processes for contracts in excess of £100,000;

- approval of tenders over £100,000;
- noting of contracts for emergency works or sole supplier;
- approval of the Executive’s budget;
- approval of financial spending limits for individual officers;
- approval of the Capital Programme;
- approval of borrowing and leasing arrangements;
- writing off of debt;
- banking arrangements and other detailed financial procedures;
- ratification of actions not in accordance with Standing Orders;
- variation and suspension of Standing Orders.

- 3) The Executive’s Standing Orders and Financial Regulations delegate certain other matters to the Executive Director, Management Board, Human Resources and Standards Committee and Audit and Risk Committee in order to achieve efficient day to day working of the Executive’s activities. The Executive Board recognise that to achieve the objectives of the Board and the policies of the Authority, the Executive will have to work closely with District Councils, Bus, Train and Tram Operators, Central Government and other partners.
- 4) The constitution of the Executive Board and the procedures for meetings shall be as set out in the Standing Orders.

## **APPENDIX 2**

### **AUDIT & RISK COMMITTEE**

#### **TERMS OF REFERENCE**

##### **1. ORGANISATIONAL STRUCTURE**

The Audit & Risk Committee (the 'Committee') is a sub-committee of the South Yorkshire Passenger Transport Executive Board (the Executive Board). It is an advisory body to Executive Board and has no executive powers. Its principal role is to assure the Directors and Executive Board that the basic processes of internal control, risk management and corporate governance are in place and operated effectively.

Its delegated responsibilities are set out below;

- To approve the annual Internal Audit Plan and recommend its adoption by the Executive Board;
- To approve, the Letter of Representation for recommendation to the Responsible Finance Officer and Executive Board.
- To recommend to the Executive Board that the Annual Report and Accounts be adopted.

##### **2. MEMBERSHIP**

The members of the Audit & Risk Committee are:

- Independent Non Executive Chair
- Independent Non Executive Vice Chair.
- One Non-Executive Director; and
- The Responsible Finance Officer

The independent Non Executive Chair/Vice Chair will attend the Executive Board to present the ARC's Annual Report.

The Committee is provided with a secretarial function through the office of the Responsible Finance Officer.

##### **3. REPORTING**

The Minutes of the Committee will be reported to the Executive Board after each meeting. The Chair of the Committee will also prepare an Annual Report which will be discussed by the Committee before presentation to the Executive Board.

These Terms of Reference will be reviewed annually by the Committee and any subsequent amendments will be brought to the Executive Board for approval.

The Chair of the Audit & Risk Committee will meet with the Executive Director at least annually to help inform on any business matters that are likely to impact on the work and responsibilities of the Committee.

#### 4. **RESPONSIBILITIES**

The Committee will advise the Responsible Finance Officer, the Directors and the Executive Board on:

- 4.1 the comprehensiveness and adequacy of the processes for risk, control and governance and of the Annual Governance Statement; the establishment and effective implementation of good risk management practices.
- 4.2 SYPTE's arrangements for securing value for money in delivering its services, taking into account the independent evaluation from the external auditors.
- 4.3 the planned aims, work plans and performance of both Internal and External Audit, distinguishing between activity relating to:
  - Control monitoring
  - Governance
  - Value for money
- 4.4 the adequacy of management response to issues identified by audit activity, including External Audit's Management Letter;
- 4.5 the adequacy and comprehensiveness of the processes relating to the annual statement of accounts and the corporate governance framework for the organisation;
- 4.6 proposals for tendering for either Internal or External Audit services where appropriate, or for purchase of non-audit services from contractors who provide audit services;
- 4.7 anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; all significant instances of fraudulent activity will be reported to the Committee;
- 4.8 The Committee will prepare an annual work plan to ensure that it adequately discharges its responsibilities as set out in this section over the course of the financial year;
- 4.9 The Audit & Risk Committee will also review its own effectiveness annually and report the results of that review to the Board. The review will assess both processes and behavioural issues including the effectiveness of scrutiny and challenge and recommend training/professional development as appropriate.

#### 5. **RIGHTS**

The Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience subject to budgets agreed by the Executive Board;

- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Executive Board.
- may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.

## 6. **ACCESS**

Internal Audit and External Audit will have free and confidential access to the Chair of the Committee and vice versa.

## 7. **MEETINGS**

- The Audit & Risk Committee will meet at least 4 times a year. The Chair of the Audit & Risk Committee may convene additional meetings as are deemed necessary.
- Meetings of the Committee will be deemed quorate by the attendance of the Chair or Vice-Chair AND one Non-Executive Director. A minimum of 2 members of the Audit & Risk Committee will be present for the meeting to be deemed quorate
- Audit & Risk Committee meetings will normally be attended Internal Audit and External Audit.
- The Audit & Risk Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- The Executive Board or the Responsible Finance Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- At each meeting of the Audit & Risk Committee, there will be a private meeting between the Chair of the Committee, the other independent members and internal and external audit.

## 8. **INFORMATION REQUIREMENTS**

Where possible, ten days prior to each meeting, the Audit & Risk Committee will be provided with:

- a consolidated report summarising any significant changes to the organisation's Risk Register including management action plans for High Risk items.
- a progress report from the representative of Internal Audit, summarising
  - work performed (and a comparison with work planned);
  - key issues emerging from Internal Audit work;
  - management response to audit recommendations;
  - changes to the Periodic Plan;



- any resourcing issues affecting the delivery of Internal Audit objectives;
- a progress report from the External Audit representative summarising work done and emerging findings.
- a status report for each of the minuted actions from the last meeting;

As and when appropriate, the Committee will also be provided with;

- proposals for amendments to the terms of reference of Internal Audit;
- the Internal Audit Charter and Strategy;
- the representative of Internal Audit's Annual Opinion and Report;
- reports on the effectiveness ( i.e. quality assurance) on the Internal Audit function;
- the draft Accounts of the Organisation;
- the draft Annual Governance Statement;
- External Audit's Management Letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between Internal and External Audit;
- details of significant cases of fraud;
- the external auditor's Annual Governance Report;
- Corporate Risk Management Strategy and policy
- any other report they may consider necessary from time to time.

### **APPENDIX 3**

#### **HUMAN RESOURCES AND STANDARDS COMMITTEE – TERMS OF REFERENCE**

The Human Resources and Standards Committee shall be responsible to the Executive Board for considering, approving and monitoring human resource policies, procedures and practice including recruitment, movement and organisation of employees and the conduct of Officers and Members of the Executive.

In order to ensure the effective deployment of the above, the Committee will consider and specifically approve:-

- organisational change and structure
- human resources planning and utilisation
- workforce development
- climate motivational welfare issues
- employment policies, procedures and practices, inclusive of any Code of Conduct issues
- employment legislation
- job evaluation
- employee terms and conditions
- industrial relations framework

#### **Reporting arrangements**

Actions taken by the Committee will be reported to the Management Board and, as appropriate, the Executive Board and/or the Management Board will be consulted prior to decisions being made which may have more wide ranging impact. Equally, on issues that require it, consultation will be held with the Trade Union, utilising the normal communication channels.

## **APPENDIX 4**

### **MANAGEMENT BOARD**

#### **TERMS OF REFERENCE**

- 1) The principal roles of the Management Board are:
- ◆ Managing the Executive's activities to ensure sound and robust corporate governance, compliance with Standing Orders and with the Executive's statutory duties and powers.
  - ◆ Overseeing the day to day management of the Executive, including decision making in line with the powers of delegation set out in Standing Orders.
  - ◆ Provision of advice to the Executive Board on formulating its policies and strategies to achieve their policy outcomes and to the Executive and Authority on interpreting and implementing the Authority's policies.
  - ◆ Recommending to Executive Board the resources required to implement the Authority's policies.
  - ◆ Maintaining the services and outputs delivered by the Executive to ensure that they are in accordance with the Executive's Business Plan.
  - ◆ Recommending to the Executive Board the Executive's budget.
  - ◆ Delivery of the Risk Management Strategy.
  - ◆ Putting in place the Health and Safety policies and procedures.
  - ◆ Approval of contract awards in accordance with Section 5 of Standing Orders.
  - ◆ Responsibility for preparing the capital programme for the approval of Executive Board.
  - ◆ Monitoring the capital and revenue budget of the Executive, delivery of business plans, management of risk and performance indicators.

## APPENDIX 5

### TRANSPORT COMMITTEE SCHEME OF DELEGATION

#### Part 1: FUNCTIONS OF THE COMMITTEE

##### **1.1 The Transport Committee functions delegated to it by the Authority are:**

- 1.1.1 Formulating general policies with respect to the availability and convenience of public passenger services pursuant to Sections 9A(5)-(7) of the Transport Act 1968;
- 1.1.2 Developing policies for the promotion and encouragement of safe, efficient and economic transport facilities and services and producing a Local Transport Plan pursuant to Sections 108-112 of the TA 2000 for the approval of the Combined Authority;
- 1.1.3 Monitoring and overseeing the activities and performance of the PTE;
- 1.1.4 Ensuring that the PTE secures the provision of appropriate public passenger transport services pursuant to Section 9A(3) of the Transport Act 1968;
- 1.1.5 Considering and approving the creation and development of:-
  - 1.1.5.1 Quality Partnership Schemes pursuant to Sections 114-123 of the Transport Act 2000;
  - 1.1.5.2 Quality Contracts Schemes pursuant to Sections 124-134 of the Transport Act 2000;
  - 1.1.5.3 Ticketing Schemes pursuant to Sections 135-138 of the Transport Act 2000; and
  - 1.1.5.4 Concessionary Travel Schemes pursuant to Sections 93-104 of the Transport Act 1985;
- 1.1.6 Determining what local bus information should be made available, and the way in which it should be made available pursuant to Sections 139-143 of the Transport Act 2000;
- 1.1.7 Ensuring that the PTE implements those actions delegated to it for promoting the economic, social and environmental well-being of SCR [South Yorkshire] and its residents pursuant to Section 99 of the Local Transport Act 2008;
- 1.1.8 Monitoring the transport budget pursuant to Section 15A (2) of the Transport Act 1968;

- 1.1.9 Approving releases for capital schemes within the agreed capital programme and the agreed budget for the scheme concerned (including approving capital payments for the purpose of the provision, improvement or development of facilities for public passenger transport, pursuant to Section 56(2) of the Transport Act 1968);
- 1.1.10 Formulating, developing and monitoring procedures for public consultation on, and lobbying for, the SCR transport policies including taking responsibility for the active promotion of the SCR transport interests;
- 1.1.11 Determining variations in charges for transport services or facilities provided by the PTE, pursuant to Section 15(2) of the Transport Act 1968;
- 1.1.12 Determining issues arising from the rail franchising process;
- 1.1.13 Approving the level of support of local rail services over and above that in the baseline franchise specification;
- 1.1.14 Considering issues arising from the implementation of schemes for the introduction of Smartcards;
- 1.1.15 Authorising:-
  - 1.1.15.1 the disposal of any land by the PTE pursuant to Section 10(1)(xxiii) of the Transport Act 1968;
  - 1.1.15.2 the acquisition of any land by the PTE pursuant to Section 10(1)(xx)(b) of the Transport Act 1968; and
  - 1.1.15.3 the development of any land of the PTE pursuant to Section 10(1)(xxii) of the Transport Act 1968;
- 1.1.16 Determining the operation, performance, contract management and development of tendered bus services, bus stations/stops, and passenger transport services pursuant to Section 10(1)(via) of the Transport Act 1968;
- 1.1.17 Determining the operation, performance and development of accessible transport provision pursuant to Sections 106(1) and 106(2) of the Transport Act 1985;
- 1.1.18 Monitoring the performance of tram services;
- 1.1.19 Monitoring the operation and performance of bus and local rail services and influencing accordingly;
- 1.1.20 Responding in a timely manner to transport related consultations;

1.1.21 All other relevant integrated transport related matters under the remit of the Authority.

**1.2 The following matters are reserved for the Authority:**

- 1.2.1 Setting the levy pursuant to the Transport Levying Bodies Regulations 1992;
- 1.2.2 Determining the borrowing limits of the CA in relation to Transport matters pursuant to Section 3 of the Local Government Act 2003
- 1.2.3 Approving the transport capital programme;
- 1.2.4 Approving policies for the promotion and encouragement of safe, efficient and economic transport facilities and services and producing a Local Transport Plan pursuant to Sections 108-112 of the TA 2000;
- 1.2.5 PTE Director appointments as required by the South Yorkshire Passenger Transport Area (Establishment of Executive) Order 1973