

<b>REPORT TO:</b>	<b>EXECUTIVE MANAGEMENT GROUP COUNCIL BUSINESS COMMITTEE COUNCIL</b>
<b>DATE:</b>	
<b>STATUS OF THE REPORT:</b>	<b>PUBLIC</b>
<b>AREA COMMITTEES / WARDS AFFECTED:</b>	<b>ALL</b>
<b>TITLE:</b>	<b>REVISIONS TO CONTRACT PROCEDURE RULES AND FINANCAIL PROCEDURE RULES</b>
<b>WHY IS IT COMING HERE? / WHAT DECISION IS REQUIRED?</b>	<b>To consider if changes to CPRs and FPRs are necessary.</b>
<b>IS THIS AN URGENT ACTION APPROVED BY THE CHAIR OF SCRUTINY?</b>	<b>NO</b>
<b>WHAT ARE THE KEY POINTS?</b>	<ol style="list-style-type: none"> <li>1. The Councils Contract Procedure Rules (CPRs) were significantly amended last year. Minor changes have been made to Financial Procedure Rules (FPRs) since they were last significantly changed about 5 years ago.</li> <li>2. The Audit Commission has specifically recommended that the FPRs be changed to include reference to the CIFPAs Prudential Code for Capital Expenditure. They recommend that an outline of the scheme be included in FPRs. The new text shown at A below, will appear after 3.2 in the existing FPRs although it links to various other FPRs</li> <li>3. The Capital Project Review Group (known as Gateway) wants additional emphasis in the CPRs and FPRs. This is shown at B below and is additional text as part of CPR 2.4(5) and FPR 3.9</li> <li>4. There is also a need to make a few minor corrections, shown at C below, in FPR 1.12, 4.9, 6.3 and CPR definitions/ 1.5.</li> </ol>
<b>RECOMMENDATION</b>	<ol style="list-style-type: none"> <li>1. EMG and Council Business Committee agree that Annual Council be recommended to make the changes to FPRs and CPRs as described.</li> </ol>
<b>CONSULTEES</b>	Director of Finance, Assistant Director Purchasing & Procurement
<b>CONTACT OFFICER AND RELEVANT PAPERS</b>	
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## Schedule of Amendments

### A Re Capital Planning, and Prudential Capital Investment

*Insert into FPRs after existing 3.2*

“All capital investment must be made in recognition of the CIPFA ‘Prudential Code for Capital Expenditure’, and take account of inter alia, affordability, prudence and financial sustainability, value for money, stewardship, organisational objectives, and practicality. In order to achieve this, Heads of Service must prepare a business case in respect of each project (or programme), (see 3.19), and the Director of Finance must confirm the reliability of the capital plan (by risk assessment and sensitivity analysis) and assess and report to Cabinet on the revenue effects of the capital plan (financing, additional running costs, savings and income). The Cabinet must approve the overall capital programme (see 3.5 and 3.6), and the prudential indicators and limits (see 9.5).”

*(the addition of this paragraph causes subsequent paragraphs to be renumbered)*

*Amend FPR 9.5 to add the words (at the end)” This will include the planned and actual performance in respect of the prudential indicators and limits”*

*Amend FPR 3.19 to add the words (after line 1... must prepare a business case)*

“which refers to service objectives, asset stewardship, affordability, financial sustainability (including costs of financing, additional running costs, operational savings, and additional income attributable to the project), practicality, option appraisal, and a risk assessment and sensitivity analysis for the project “

### B Recognition of Capital Project Review Group

*At CPR 2.4.5 add (after... Project Management Handbook and Framework for Successful Projects)” and the processes determined by the Capital Projects Review Group.”*

*At FPR 3.9 add (after ...format prescribed by the Director of Finance) “and as required by the Capital Projects Review Group”*

### C Other Changes

*At FPR 1.12 add (after... associated organisations) “including any partnerships of which the council is a member or participant”*

*At FPR 4.9 add (after... gross revenue budget) “(capital plan where the grant funding is for capital purposes)”*

*At FPR 6.3 add “HM Revenue and Customs” and delete “Inland Revenue and Customs and Excise”*

*At CPR Definitions add text at” Capital Project Review Group The group responsible for advising the council on the prioritisation of capital investment “ and delete “*

*Corporate Projects Review Group .The group, led by the Assistant Director Partnership & Procurement ,which inter alia operates ie Kirklees Project Gateway”*

*At CPR 1.5 add “Capital” delete “Corporate”*

MED 10/4/06