

THE DISTRICT COUNCIL OF TANDRIDGE

STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 28th November 2019.

PRESENT: Councillors Elias (Chairman), M. Cooper (Vice Chairman), Botten, Bourne, Black (sub), Caulcott, D.Cooper, Duck, Langton, Lee, Lockwood (sub) and N. White.

ALSO PRESENT: Councillors Allen, Blackwell, Dennis, Farr, Fitzgerald, Harwood, Parker, Sayer, Stamp, Steeds, Vickers and Wren.

APOLOGIES FOR ABSENCE: Councillors Davies, Jecks and Milton.

150. MINUTES

The minutes of the meeting held on the 26th September 2019 were confirmed and signed by the Chairman.

COMMITTEE DECISION *(Under powers delegated to the Committee)*

151. NON-DOMESTIC RATES - DISCRETIONARY RELIEF POLICY

The Council's current policy for granting discretionary business rate relief to charities and 'not for profit' organisations was due to expire at the end of March 2020. A proposed new policy for a subsequent four-year period was presented. The changes to the existing policy were that:

- (i) the premises of scout, sea cadet and girl guide groups be automatically awarded 20% discretionary relief on the basis that they are all supporting young people in the district; and
- (ii) the premises of community and village halls be automatically awarded 10% discretionary relief on the basis that the facilities are for the benefit of the community.

RESOLVED – that the Non-Domestic Discretionary Rate Relief Policy at **Appendix 'A'** be adopted from April 2020 for a 4-year period, with the proviso that should there be any material change following the Valuation Office Agency (VOA) revaluation, any revisions be reported back to this Committee.

Note: Councillor Botten declared a non-pecuniary interest in this matter, the nature of the interest being that he was chairman of trustees of the The Westway (the new community centre in Caterham, previously the Douglas Brunton Centre).

Councillor Cooper declared a non-pecuniary interest in this matter, the nature of the interest being that he was a director of the Soper Hall Community Centre Limited.

Both Councillors Botten and Cooper remained in the meeting for this item.

COUNCIL DECISION
(*subject to ratification by Council*)

152. REVIEW OF CONTRACT STANDING ORDERS

Contract Standing Orders were incorporated within the Council's Constitution and provided a framework for procuring works, supplies and services with third parties. These were last considered by the Committee in January 2016. A proposed revised version was presented following a review by officers which sought to make the document more user-friendly and consistent with recent legislation / government guidance. The review had also taken account of procurement practices adopted by other Surrey Districts / Boroughs.

The amendments (summarised at **Appendix 'B'**) included changes to certain thresholds for requiring quotes / tenders; elimination of some paper-based processes; and references to data protection and social value.

RECOMMENDED - that the Contract Standing Orders at **Appendix 'C'** be agreed and that the constitution be updated accordingly.

COMMITTEE DECISIONS
(*Under powers delegated to the Committee*)

153. SURREY HILLS AREA OF OUTSTANDING NATURAL BEAUTY MANAGEMENT PLAN 2020-2025

The Surrey Hills AONB covered six local authority areas, including the northern part of Tandridge. Section 89 of the Countryside and Rights of Way Act 2000 required AONBs to be the subject of management plans and for such plans to be reviewed at least every five years. The current management plan for the Surrey Hills AONB covered 2014-2019 and a new five-year plan was presented for the Committee's consideration.

The accompanying officer report explained that the 2020-25 plan should be considered in the context of:

- an imminent review of the AONB's boundaries by Natural England, including the question of whether land currently designated as Areas of Great Landscape Value (AGLVs) should be included in the AONB; and
- the Government's review of protected landscapes (the Glover Review) due to be reported later this year with potentially significant implications for AONBs, including issues relating to governance, financing and statutory purposes.

The Surrey Hills AONB Unit, overseen by its Board (a Joint Committee acting on behalf of the six local authorities) had taken a 'light touch' approach to producing the 2020-25 plan because of the Glover review. The plan had, nevertheless, been the subject of a thorough consultation process with key stakeholders and had been adopted by four other districts / boroughs to date. The report summarised the main changes from the 2014-19 plan as attached at **Appendix 'D'**.

Regarding the above-mentioned reviews, Members expressed concern at the potential loss of AGLVs and the disproportionate effect this could have on the north of the District. Councillor Botten proposed an additional resolution intended to encourage the relevant parties to maintain the protection currently provided by AGLVs. Upon being put to the vote, the amendment was carried.

It was also contended that this matter should have been considered by the Planning Policy Committee on 19th November 2019 and that that meeting should not have been cancelled.

RESOLVED – that:

- A. the Surrey Hills Area of Outstanding Natural Beauty Management Plan 2020-2025 be adopted; and
- B. the Council calls upon the Surrey Hills Board to seek to reach a consensus with Natural England and the other Local Authorities on the best way to safeguard the locally and regionally significant landscapes as currently captured within the Area of Great Landscape Value designation.

154. QUARTER 2 COMMITTEE DELIVERY PLAN

Members considered a report regarding progress against the Committee’s Delivery Plan for the period 1st July to 30th September 2019.

It was argued that the ‘RegenOxted’ project should be deleted from the plan given that only one of its original four component parts (redevelopment of the gasholder site) was proceeding. This was reinforced by an observation that the Local Plan Inspector had asked for ‘RegenOxted’ to be removed from the Local Plan.

The Acting Chief Executive confirmed the intention to develop a strategic plan for the Authority via the Council Improvement Working Group.

Members also discussed:

- the need to maintain a constructive relationship with St. William (developers of the Oxted gasholder site) to help minimise the impact of the construction works upon businesses and shoppers in Oxted – local Ward Members were in contact with St. William representatives to highlight issues of concern; and
- the scope for monitoring the progress of projects more effectively by identifying tangible milestones in advance – this would help inform green / amber / red progress ratings according to whether milestones has been achieved.

The Committee concluded that the delivery plan should be referred to the Council Improvement Working Group for a view on which elements should be retained. It was acknowledged that the Group (on the 23rd October 2019) had already discussed the projects identified within all four committee delivery plans and had formed an initial view about which projects should now cease.

RESOLVED – that the Strategy & Resources Committee Delivery Plan be referred to the Council Improvement Working Group for consideration as to which parts should be retained.

155. COUNCIL BUDGET MONITORING

A Council-wide budget monitoring report for the period 1st April to 30th September 2019 was considered. As per the summary at **Appendix ‘E’** (based on financial information at 30th September) the General Fund was forecast to be overspent by £1,200,959 and the Housing Revenue Account (HRA) underspent by £115,928 at the year end.

The Council’s capital budget for 2019/20 totalled £152,905,000 and was forecast to be underspent by £8,476,400 at the year-end (summary at **Appendix ‘F’** refers).

Officers confirmed that:

- Tandridge Operational Services overheads would be charged to the General Fund, as opposed to the HRA, from 2020/21;
- the projected salaries overspend included contractor and temporary staff costs;
- the use of reserves was factored into the projected budgetary outturns;
- the additional provision for 'planning staff' within the 2020/21 budget was for the development control function, not planning policy;
- the surplus arising from the management of the Meadowside Mobile Homes site would be spent on improving the site's facilities.

During the debate, a view was expressed that the Local Plan process would require significantly more staffing resources in future, regardless of the outcome of the public examination.

RESOLVED – that

- A. the position of the Committee's budgets be noted;
- B. the Council's overall financial position be noted; and
- C. Officers be requested to continue to control expenditure to reduce the forecast revenue budget overspend significantly by the end of the financial year.

156. UPDATE ON THE COUNCIL IMPROVEMENT WORKING GROUP

A report on this matter was introduced by Councillor Bourne, one of the two co-chairs of the Group (the other being Councillor Botten). Councillor Bourne reflected on the cause of the financial difficulties following the Customer First project and the prospect of the budgetary deficit increasing during the current financial year. He summarised the recovery actions which had been agreed by the Group, including an external review of governance and the senior leadership structure; enhanced staff engagement; a strategic plan to focus on core services (with input from staff); and the need to establish financial control without impacting on key services. He warned that further deficits were likely to occur in the two subsequent financial years and that the Council's 'useable' reserves amounted to just £5.5 million. He also referred to an emerging £1 million capital bid for IT projects to be considered by the Committee in January for inclusion in the three-year capital programme from 2020/21.

Councillor Bourne concluded that Recommendation C of the report, "*the principle that the Council seeks to achieve financial recovery over a 3-year period be supported*" be replaced with alternative wording.

Various views were put forward by other Members during the debate, including:

- borrowing to finance capital expenditure was a potential alternative to drawing from reserves;
- Ignite should be asked to delete reference to the Council (as a case study) on its website;
- some aspects of the Customer First staffing structure (e.g. locality teams and the development of multi-skilled support staff) should not be discarded;
- the £1 million IT capital bid referred to above would have been required anyway, regardless of Customer First.

The debate concluded by discussing Councillor Bourne's proposed amendment to Recommendation C. Following a slight alteration, the following wording was agreed:

"the Council seeks to achieve financial recovery by developing a written financial recovery plan in January 2020 that demonstrates how the savings are going to be achieved and that the plan will be continually monitored by the Working Group and the Strategy & Resources Committee to ensure the targets are being achieved" ...

RESOLVED – that

- A. the work of the Council Improvement Group be noted;
- B. the development of a Strategic Plan for the forthcoming municipal year be supported; and
- C. the Council seeks to achieve financial recovery by developing a written financial recovery plan in January 2020 that demonstrates how the savings are going to be achieved and that the plan will be continually monitored by the Working Group and the Strategy & Resources Committee to ensure the targets are being achieved.

157. RESOURCING REPORT - PLANNING

The Committee considered officer recommendations concerning the Council's planning service, including an increased staffing establishment; interim measures to free up more officer time and save costs; and changes to job titles. These proposals had arisen from a meeting of the Planning Working Group (appointed by the Planning Policy Committee in September) on 16th October.

Members were advised that the backlog of planning applications had reduced, i.e. 56 applications were now out of time compared to the '88' quoted in the accompanying report to the Committee and the '125' conveyed to the Working Group on 16th October. Furthermore, applications from officers who had left the Council had reduced from 56 (quoted in the report) to 5. Following a review of processes / cases and consultation with senior officers within the planning team, the report concluded that the recruitment of 4 additional staff (3 planners and 1 enforcement officer) with the ability to recruit two further staff (1 planner and 1 enforcement officer) would be sufficient.

Councillor Sayer, who had chaired the 16th October meeting, maintained that the Working Group had agreed that 6 additional staff (4 planners and 2 enforcement officers) should be appointed forthwith. She argued why, given the critical nature of the service, 6 additional staff (not just 4) were required straightaway and objected to the fact that:

- the recommendations now before the committee (including those concerning job titles) had been changed; and
- she had not been consulted about the officer report and had only been made aware of it by another councillor following its submission to the Council Improvement Working Group on the 20th November.

The Acting Chief Executive explained the circumstances of the timing and production of the report and asserted that there was no intention to deceive any Members.

Councillor Lockwood, seconded by Councillor Langton, proposed an amendment that recommendations A and B of the report be replaced with:

"the current staff establishment be increased forthwith by 4 x planning officers and 2 x planning enforcement officers"

.... upon being put to the vote, the amendment was lost.

The Chairman proposed that the recommendations be withdrawn and that the matters be determined by the Acting Chief Executive in consultation with senior planning officers.

RESOLVED – that measures to improve the resilience of the planning service, including:

- an increased staffing establishment;
- interim measures to free up more officer time and to save costs; and
- changes to job titles

... be determined by the Acting Chief Executive in consultation with senior planning officers.

158. INVESTMENT SUB-COMMITTEE – 25TH OCTOBER 2019

RESOLVED – that the minutes of the above meeting, as attached at **Appendix ‘G’**, be noted.

159. EXCLUSION OF THE PUBLIC

RESOLVED – that members of the public be excluded from the remainder of the meeting for the consideration of the agenda item covered by Minute 160 below as it involved the likely disclosure of “*information relating to the financial or business affairs of any particular person, including the authority holding that information*” (Paragraph 3 of Schedule 12A to the Local Government Act 1972 refers) and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

160. PROPOSED PROPERTY ACQUISITIONS

Two confidential reports were considered which advocated the purchase of two properties, referred to below as property A and property B.

RESOLVED – that:

- A. Gryllus Property Limited proceeds with the purchase of properties A and B following completion of due diligence undertaken in accordance with Financial Regulation 17 on such terms as the Chief Executive and Section 151 Officer, in consultation with the Leader of the Council or Deputy Leader and Chair or Vice Chair of the Strategy & Resources Committee and members of the Investment Sub Committee, consider prudent;
- B. the purchases be funded via loans from the Council’s Property Investment Fund to Gryllus Property Limited; and
- C. the Council proceeds with borrowing the amounts specified within the reports (for properties A and B respectively) from the Public Works Loan Board, both for a 50-year period at the prevailing rate of interest to ensure that the loans to Gryllus can be drawn from the Council’s Property Investment Fund.

In accordance with Standing Order 24(3), Councillor Bourne wished it recorded that he voted against the above recommendations as he wished them to be conditional upon the investment income for the first five years being used wholly to replenish the Council’s reserves.

Tandridge District Council

Discretionary Rate Relief

Policy and Procedure

with effect from 1st April 2020

**Guidelines for the award of Discretionary Relief on
National Non-Domestic Rates (Business Rates)**

POLICY

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1. BACKGROUND

- 1.1 80% Mandatory rate relief is available to registered charities or charities exempted from registration as a charity. Registered Community Amateur Sports Clubs (CASC's) are also entitled if the use of the club is wholly or mainly for charitable purposes.
- 1.2 Non-profit making organisations have no automatic entitlement to Rate Relief, however the Council may decide to award discretionary relief. The organisation must be either charitable, religious or concerned with education, social welfare, science, literature or the fine arts and be based within Tandridge District Council, or the property must be used by a non-profit-making organisation wholly or mainly for recreation.
- 1.3 The Non-Domestic Rating Contributions (England) Regulations 1992 state, 'From 1 April 2013, under the arrangements for local business rates retention in England, the cost of all reliefs, other than transition, is split between the government, the billing authority and the major precepting authorities.
- 1.4 The Local Government Finance Act 1988 Section 47 'Permits the billing authority to grant discretionary rate relief to charities and other organisations of prescribed types' and
- a) *must be such that the chargeable amount for the day in question is less than the amount that it would be apart from these provisions;*
 - b) *may be such that the chargeable amount is nil; and*
 - c) *may be varied by a further determination of the authority.*

2. POLICY

- 2.1 The purpose of this policy is to specify how the Council will operate the relief scheme and to indicate the factors that will be considered when deciding whether an organisation should be granted Discretionary Rate Relief. Each case will be considered strictly on its own merits and all organisations will be treated equally and fairly when the scheme is administered.

3. STATEMENT OF OBJECTIVES

- 3.1 The Council will consider granting discretionary rate relief to all organisations who meet the qualifying criteria as specified in this policy with effect from 1 April 2020 using a scoring method.
- 3.2 The Council will treat all applications on their individual merits, and will seek through the operation of this policy to:
- *Provide financial assistance by way of rate relief to charitable and non-profit organisations, in order to allow them to better serve the groups which they support*
 - *Encourage better support provisions for people living and working in the district by providing financial assistance by way of rate relief to charitable and non-profit organisations who wish to work in the area*
 - *Support the vulnerable groups within the community*
 - *To encourage development and investment from charitable and non-profit groups for the benefit of people who live and work in the district*
 - *Encourage charitable and non-profit organisations to continue their work in the district*

4 GRANTING RELIEF

- 4.1 In deciding whether to grant relief, the organisation applying for relief must first meet the qualifying criteria. The Council has the power to grant a further 20% maximum discretionary relief to those receiving mandatory relief. This scoring methodology intends to be a guide as to the amount of relief that may be appropriate to be awarded.
- 4.2 The Council also has the power to grant up to 100% discretionary relief in respect of the following:
- *Property occupied for the purposes of an organisation not established or conducted for profit and whose main objectives are either charitable, philanthropic, religious, concerned with education, social welfare, science, literature or the fine arts*
 - *Property occupied by a club, society or other organisation not established or conducted for profit which is wholly or mainly used for purposes of recreation.*
- 4.3 After the organisation has been accepted as being eligible to receive relief the following criteria must be considered before relief can be granted.
- 4.4 The maximum score is 100 and this will be reflected in the total percentage of relief given, for example:
- an organisation claiming discretionary rate relief only and scores 85/100 will receive 85% discretionary rate relief
 - a Charity or CASC organisation claiming mandatory (80%) and discretionary rate relief who scores 85%, will receive an additional 5% discretionary rate relief
 - a Charity or CASC organisation who scores below 80%, will still be entitled to their 80% mandatory relief
 - when scores are totalled, the amount of relief is to be rounded to the nearest 5%, i.e. a score of 86/100 will get 85% relief in total whereas a score of 89/100 will get 90%
- 4.5 The service provided by the organisation must be accessible to all people who live and work in the district.
- 4.6 The facilities should be available to all. If a membership scheme is in place, the facilities should be made available to people other than members, within a regular working week, and the wider use of facilities is encouraged to help benefit the people who live and work in the district.
- 4.7 If membership is a requirement to use the facilities or services, the criteria by which the organisation considers applications from the public to become a member, should be seen as consistent with the principles of open access.
- 4.8 If membership rates charged are seen to be set at a high level, compared to similar organisations and therefore exclude a large number of people, who live or work in the district, relief will not be granted.
- 4.7 If the organisation is for educational purposes, does this facility provide training or is for educational purposes?
- 4.8 The organisation should provide facilities that directly relieve the Authority of the need to do so or enhance or supplement those that it does provide.

- 4.9 Have the facilities been provided by the members themselves or by grant aid?
- 4.10 The membership of the organisation should be drawn from people mainly resident in the Authority's area or has properties, which lie on the boundaries of the borough and those, or because of the service they provide, may be the only facility within the area.
- 4.11 The Council can also take into account any future development of services and facilities provided by the organisation or any new activities planned, which would be undertaken by the organisation if relief was granted.
- 4.12 The Council will consider the applying organisation's most recent accounts to gain a clear understanding of their current financial status. If they are seen to have available unrestricted funds and a rolling profit year on year, it will be more than likely that the application will be refused. However, if they have, for example, only limited grant funding and operate on a low income or a loss, relief may be granted.
- 4.13 Applications submitted will not be affected by any previous awards of relief made to the organisation and will be judged on the current financial year only.
- 4.14 Applicants will be informed of the outcome of their application, whether successful or unsuccessful, by letter. If an organisation does not accept the amount awarded as being correct or that their application has been refused, they can request the application is reviewed and provide further evidence if needed. A Specialist will review the first award or refusal and will decide whether the decision should be upheld or refused. This is a discretionary award and there is no further right of appeal.
- 4.15 As a billing authority, the Council must consider the financial effects of decisions to grant relief to any organisation. It has a commitment to constituents to ensure that the funding it provides to organisations will have direct benefits for the community.

5. CHANGE OF CIRCUMSTANCES

If an organisation has a change of circumstances within the financial year, the Council must be notified within 28 days and a review of a previous decision can be made on the basis of new information provided.

6. LENGTH OF RELIEF

- 6.1 The Discretionary Rate Relief will initially be granted for one year from 1 April 2020. With effect from 1 April 2021, Discretionary Rate Relief will be granted for a three year period in line with the 3-yearly revaluations for Business Rates premises.
- 6.2 Relief will be granted from the 1 April of the applying year, until the 31 of March of that financial year.
- 6.3 A review of the Discretionary Rate Relief granted will be undertaken on a three-yearly basis. A new application form and evidence will need to be submitted by the organisations concerned.
- 6.4 The fact that charitable and non-profit organisations have been previously unsuccessful will be no bar to their being able to submit new applications for Discretionary Rate Relief at the beginning of the next financial year.

7 BACKDATING

- 7.1 An application for Discretionary Rate Relief cannot be made more than six months after the financial year to which it relates.
- 7.2 Applications received after the 1 October can only be considered for relief in the financial year which they are received.
- 7.3 When an application for the previous financial year is received before the 1 October, the organisation must provide reasons as to why an application was not made earlier. These circumstances will be taken into account when considering the granting of relief for a back-dated period.

8 PUBLICITY

A copy of this policy statement will be made available for inspection and will be posted on the Council's website.

Contract Standing Orders – summary of proposed amendments

	Change	Reason
1	Introduce the concept of threshold bands, with 5 bands in total.	This will make the interpretation and understanding of the CSOs easier for all staff
2	Remove the below £1,000 band that has no requirement to obtain a quote.	Quotes should be obtained for all purchases regardless of value
3	Lower the threshold from £10k to £5k at which 3 competitive quotes must be obtained.	This will enable the capture of all contracts with a value over £5k in the Contracts Register (In-tend) –to meet Transparency Code 2015 Requirements
4	Add a threshold band at £25k - £100k with the option to use a Request for Quote (RFQ) rather than a full Invitation to Tender (ITT).	The requirement to undertake a full tender exercise is too cumbersome and time consuming for many straightforward purchases where price is the only evaluation criteria
5	Mandate e-procurement and remove reference to paper processes particularly in relation to the advertising of contract opportunities, receiving and opening of tenders	Electronic communication in procurement is mandated in Regulation 22 of the Public Contracts Regulations 2015 as of October 2018.
6	Delete out of date practices and references.	These CSOs should avoid reference to particular Frameworks that will over time expire.
7	Include requirement to advertise opportunities and awards on Contracts Finder	As per Procurement Policy Note 07/16: Legal requirement to publish on Contracts Finder issued by Crown Commercial Services
8	Include specific reference to Social Value	To meet requirements of the Social Value Act 2012
9	Include specific reference to data protection legislation	To meet requirements of the General Data Protection Regulation (GDPR)
10	Include specific reference to Dynamic Purchasing Systems (DPS)	DPS is a fully electronic Framework.
11	Include specific reference to Concession Contracts	As governed by the Concession Contracts Regulations 2016
12	Reflect changes to the Approvers in line with the new Customer First structure	
13	Revision of the requirements for the briefing of unsuccessful tenderers in line with the provisions of up to date legislation.	In line with the Public Contract Regulations 2015

	Change	Reason
14	A minimum number of 5 tenders should be sought for procurements over the OJEU level (Threshold 5)	In line with the Public Contract Regulations 2015.
15	All tenders submitted via the e-tendering portal are to be opened electronically, removing the need for the opening of paper documents in the presence of the Chief Executive and Chief Officer.	Electronic tendering is the mandated method. The e-tendering portal has an in-built audit facility.
16	Mandate the use of the Standard Selection Questionnaire when using the Restricted Process.	As per the Procurement Policy Note 8/16 issued by Crown Commercial Services.

Notes:

- 2 and 3 above will bring the Council in line with 7 of the 10 Surrey Districts / Boroughs
- 4 will bring the Council in line 8 of the 10 Surrey Districts / Boroughs

CONTRACT STANDING ORDERS

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GENERAL

1. Introduction

- 1.1. The purpose of these Contract Standing Orders (CSOs) is to establish clear rules for the procurement of all the Council's goods, works and services as required by section 135 of the Local Government Act 1972.
- 1.2. The CSOs are put in place to ensure that the Council gets value for money for residents, complies with all legal requirements, minimises the risk of challenge/undue criticism, supports social value and sustainability and provides transparency as to how it spends public money.
- 1.3. All procurement and resulting Contracts made by or on behalf of the Council must comply with these rules as well as:
 - all applicable statutory provisions;
 - the UK Regulations 2015 and separate EU Directives which govern the award of higher value Contracts; and
 - the Council's constitution, including the Financial Regulations and the Scheme of Delegation to Officers.
- 1.4. If there is any conflict between the above, the EU law takes precedence, followed by UK legislation, the Council's constitution and these CSO's, in that order.
- 1.5. The Thresholds referred to in these CSOs and the appropriate process to follow are set out in **Table 1**.
- 1.6. These CSOs are supported by the Procurement Toolkit which provides practical and more detailed advice about how to undertake a procurement exercise, including access to a suite of template documentation.
- 1.7. The Procurement Specialist is responsible for ensuring the CSOs are up to date and reflect current legislation.
- 1.8. Any query regarding the application or interpretation of these CSOs must be referred in the first instance to the Procurement Specialist.
- 1.9. For the purposes of these CSOs, where there is a requirement for communication to be in writing, this shall be deemed to include e-mail as well as hard-copy.

2. Scope

- 2.1. A Contract for the purposes of these CSOs is any arrangement made by, or on behalf of the Council for regardless of value including Concession Contracts):
 - 2.1.1. The supply of goods
 - 2.1.2. Execution of works
 - 2.1.3. The delivery of services
 - 2.1.4. The hire, rental, repair, maintenance or lease of goods or equipment.
- 2.2. These CSOs do not apply to:
 - 2.2.1. Contracts of employment for members of staff including members of staff sourced through employment agencies.
 - 2.2.2. Contracts for the purchase or sale of land (including leasehold interest)
 - 2.2.3. Grants given by the Council either where the Council is giving or receiving a grant
 - 2.2.4. Loans to or from banks or other financial institutions
 - 2.2.5. Provision of emergency accommodation as required by the Homeless Act 2002
 - 2.2.6. Subscriptions to magazines/publications/online resources/professional journals/professional memberships
 - 2.2.7. Call-offs from Contracts procured in compliance with these CSOs

2.2.8. Where there is a joint procurement with one or more public sector authority or where the Council is part of a public-sector consortium where the Council is not the lead authority and the Contract complies with the lead authority's CSOs

2.2.9. Collaborative proposals for joint working or shared services with other public authorities which the CPB has approved as meeting the conditions set out below, where the principal activity of the collaborative arrangement is the provision of services back to the participating authorities:

- The collaborating public authorities when acting together exercise the same kind of control over the service provision as they would over inhouse service provision and
- There is no independent or private sector partner involved in the collaborative arrangement

2.2.10. Requests for Counsel's opinion (up to £10k) without the need to advertise or seek alternative quotes where the Head of Legal Services is satisfied that the appropriate specialism is not obtainable elsewhere and that value for money is achieved.

2.3. All other Contracts made by or on behalf of the Council must comply with these CSOs unless there is an Exception (CSO 4).

3. Compliance

3.1. All members of staff procuring goods or services on behalf of the Council must comply with these CSOs (except where Exceptions are obtained in advance) and the requirements of all relevant and applicable legislation.

3.2. Failing to comply with these CSOs when letting Contracts could result in legal challenge through judicial review or the Council being fined by the European Commission. Therefore, employees have a duty to remain familiar with these CSOs and to adhere to them at all times.

3.3. Breach of the CSOs will be taken very seriously as they are intended to both protect public money and demonstrate that the Council takes its role as a guardian of public money extremely seriously. Should an officer be found to be in breach of these rules then it may be treated as gross misconduct and could result ultimately in the dismissal of the employee. Similarly, anyone having knowledge of a failure to follow these rules must report a breach of these rules to the relevant Chief Officer as soon as possible afterwards. Any failure to report a breach by a member of staff may also be treated as gross misconduct and could result in the officer being dismissed. Concerns can also be raised via the procedures set out in the Council's Whistleblowing Policy or the Money Laundering Policy set out in the Council's Conditions of Service

3.4. Procuring Officers must comply with all staff policies and must not invite or accept any gift or reward in respect of the award or performance of any Contract. It will be for the Officer to prove that anything received was not received corruptly. High standards of conduct are mandatory. Corrupt behaviour may lead to dismissal.

3.5. Staff must not deliberately break down a Contract with the intention of disaggregating spend for the purpose of avoiding the appropriate governance.

4. Exceptions and Waivers

4.1. The following circumstances represent permitted exceptions from all or part of CSOs provided that the CPB has given prior approval by means of a CSO waiver, where:

4.1.1. only one supplier is able to carry out the works or services and where no satisfactory alternative is available because of:

- technical or artistic reasons or because of exclusive rights
- statutory undertakers that have a monopoly
- the specialised nature of the work or service

4.1.2. there is a variation (additional work) to an existing Contract where the variation is outside the scope of the Contract, but it would be inappropriate to offer the additional work to competition.

- 4.1.3. there is an extension to the duration of an existing Contract provided that it is on the same terms and adequate budget provision has been made.
- 4.1.4. there is a demonstrable and justifiable need to waive or vary one or more of the CSOs on the grounds of urgency, when, for example it is likely that not making the proposed exception to CSOs will lead to personal injury, damage to property or to the Council incurring additional liability or missing an opportunity to secure best value.

- 4.2. Lack of forward procurement planning does not represent a permitted exception..
- 4.3. Where a proposed Contract is likely to exceed the EU Threshold, the Council has no authority to waive these CSOs.
- 4.4. For all waivers from CSOs written approval must be obtained by use of the CSO Waiver Form
- 4.5. The named supplier on the exemption must be invited to submit their quotation through the Council's e-tendering portal.
- 4.6. All exemptions and waivers and the reasons for them, must be recorded in a register and reported annually to the S&R Committee.

5. e-Procurement

- 5.1. Electronic tendering is the mandated method of carrying out a Tender or Request for Quote (RFQ) exercise for procurements with an Estimated Total Contract Value exceeding £5,000.
- 5.2. The South East Shared Services portal on the In-tend platform is the Council's approved e-procurement platform.
- 5.3. A full user guide is provided in the Procurement Toolkit, a link can be found on the hub.

6. Transparency

- 6.1. In accordance with the Local Government Transparency Code 2015 local authorities must publish details of any Contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.
- 6.2. This information is held in the Contracts Register, and an export is uploaded to the Council's public website quarterly.
- 6.3. In order to capture contract information in the Contracts Register all Contracts over £5,000 must be published on In-tend.
- 6.4. All Contracts valued over £25,000 must also be advertised on Contracts Finder unless a Closed group is used (Closed group –refers to the use of a selected shortlist of suppliers e.g. a Constructionline shortlist).
- 6.5. All Contract awards over £25,000 must also be published on Contracts Finder, whether advertised or not.
- 6.6. Contracts over the current EU Threshold additionally must be advertised via the OJEU whilst it remains relevant.

7. Freedom of Information

- 7.1. In accordance with the Freedom of Information Act (FOIA) 2000 and Environmental Information Regulations (EIR) 2004, we have an obligation to publish specific information and to provide information to members of the public upon request.
- 7.2. By exception confidential or commercially sensitive information may be withheld. Suppliers should be given the opportunity to identify areas of their tender submission they do not wish to be disclosed.

8. Conflict of Interest

- 8.1. Officers must avoid any conflict between their own interests and the interests of the Council. This is a requirement of the Council's Code of Conduct for Staff and includes:
- 8.1.1. not accepting gifts or hospitality from organisations or suppliers that the Council has dealings with;
 - 8.1.2. not working for organisations or suppliers that the Council has dealings with;
 - 8.1.3. notifying the CPB in writing if an officer has links with an organisation or supplier who is tendering or quoting for a Contract with the Council or already has a Contract with the Council. (For example, a family member or close friend works for the organisation).
- 8.2. Token gifts of a very small value like pens marked with a company name, or calendars, which might be seen as advertisements, are acceptable.
- 8.3. Officers and Councillors should notify the Head of HR and the Head of Legal of any gifts received 'out of the blue' other than the token gifts outlined in CSO 8.2. The Head of Legal and the Head of HR respectively will record receipt of the gift and decide whether the gift should be returned or forwarded to a local charity.
- 8.4. An officer's and councillor's interests shall not conflict with their public duty. An official position or information acquired in the course of employment or public office should not be used to further personal interests or for the interests of others.
- 8.5. The following clause (or suitable alternative drafted by the Council's legal department) shall be put in every written Council contract:
- "The Council may terminate this contract and recover all its loss if the Contractor, its employees or anyone on the Contractor's behalf does any of the following:
- i. Offer, give or agree to give to anyone, any inducement or reward in respect of this or any other Council contract (even if the Contractor does not know what has been done);
 - ii. Commit an offence under the Bribery Act 2010 or Section 117 (2) of the Local Government Act 1972;
 - iii. Commit any fraud in connection with this or any other Council contract whether alone or in conjunction with Council members, contractors or employees;
 - iv. Any clause limiting the Contractor's liability shall not apply to this clause."
- 8.6. If a councillor or a officer has an interest, financial, otherwise, in a Contract, or proposed Contract, he/she must declare it in writing immediately to the Head of Legal and Head of HR as soon as he/she becomes aware of the interest. A councillor or officer who has an interest in a Contract must not take part in the procurement or management of that Contract.
- 8.7. Failure to comply with CSOs 8.3 is a breach of Council's Code of Conduct for Staff and Councillors and an offence in accordance with section 117 of the Local Government Act 1972.
- 8.8. The Monitoring Officer must maintain a record of all declarations of interest notified by councillors and HR of officers.
- 8.9. All Consultants engaged to act on behalf of the Council must declare that they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Council.

9. Social Value

- 9.1. Social value is the term used to describe the additional value created in the delivery of a Contract which has a wider community or public benefit. This extends beyond the social value delivered as part of the primary Contract activity.

- 9.2. Under the terms of the Social Value Act 2012 contracting authorities are obliged to consider wider social and environmental objectives alongside price and cost when evaluating tenders for services which are valued over the European Procurement Thresholds
- 9.3. The Council has extended this obligation to all Contracts valued over £100k.
- 9.4. The Council's procurement approach covers the following areas:
- 9.4.1. Economic - boost to local economy including use of local suppliers, and creation of apprenticeships
 - 9.4.2. Environmental - including carbon reduction, recycling of materials, and use of sustainable materials
 - 9.4.3. Social and Well-Being - Engagement with local Voluntary, Community and Faith (VCFS) partners
- 9.5. The Procurement Activity Request Form identifies where Social Value criteria should apply to a proposed procurement.
- 9.6. Where the inclusion of Social Value opportunities has been identified, the relevant key performance indicators (KPIs) must be included within specifications and evaluation criteria, and monitoring and reporting of performance and achievements against the KPIs must be undertaken.

10. TUPE

- 10.1. When an employee of the authority or of a supplier providing a service may be affected by any transfer arrangement, Officers must ensure that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) issues are considered and obtain advice from HR before proceeding with Tenders or Quotations.

11. Information Governance and Data Protection

- 11.1. Procuring Officers must consider the information governance requirements of the Contract if they anticipate any Personal Data is to be processed as part of the Contract e.g. data protection, security of information, records management.
- 11.2. Where Personal Data may be processed as part of the Contract Procuring Officers must seek further advice from their Legal Support.
- 11.3. Where Personal Data may be processed as part of the Contract, a Data Protection Impact Assessment tool must be completed. This will help the Council identify the most effective way to comply with its data protection obligations.
- 11.4. Where requirements are identified by the Data Protection Assessment, Procuring Officers must ensure that any requirements are considered and built into the Contract, and assessed where appropriate as part of the evaluation.

PREPARING FOR PROCUREMENT

12. Pre-Procurement

- 12.1. Before commencing a procurement process, officers must first check with the Procurement Specialist if there is an existing Contract in place for the goods, works or services required. If a Contract exists it must be used and no further quotations or tenders are required.
- 12.2. Where no such Contract exists Procuring Officers must ensure that:
- 12.2.1. They have conducted an options appraisal and identified that a procurement is required
 - 12.2.2. There is adequate budgetary provision for the goods, services or works that they are procuring a specification is prepared
 - 12.2.3. An assessment, appropriate to the scale and scope of the Contract, of associated risks shall be undertaken by competent officers or Consultants to include, but not limited to, technical, commercial, health and safety and reputational risks posed to the Council.

- 12.3. Procuring Officers may consult potential suppliers prior to the issue of a Request for Quote or Invitation to Tender in general terms about the nature, level and standard of the supply, Contract packaging and other relevant matters. Records must be kept of this consultation.
- 12.4. Procuring Officers may seek or accept technical advice on the preparation of a specification from anyone who may have a commercial interest in bidding for the Contract provided that it does not prejudice the equal treatment of all potential Tenderers and distort competition.

13. Identification of potential suppliers

- 13.1. All procurement opportunities are advertised on the Council's tendering portal, and Contracts Finder if over £25,000.
- 13.2. All suppliers providing a Quote or Tender must be registered on the Council's tendering portal.
- 13.3. Constructionline should be used to identify suppliers for Works related Contracts.
- 13.4. Where a Closed Group of suppliers is to be invited to bid the CPB must be satisfied that only suitably qualified and capable suppliers are chosen.

14. Calculating Contract Value

- 14.1. Prior to commencing a procurement exercise Procuring Officers must estimate the aggregate value of the Contract. This will determine which Threshold the procurement falls under.
- 14.2. The total value of the Contract should be calculated by reference to the following (where one or more apply use the higher value):-
 - 14.2.1. for fixed term Contracts the total price expected to be paid during the whole of the Contract period, including possible extensions.
 - 14.2.2. where the Contract period is uncertain, multiply the price expected to be paid each month by 48 (where the value exceeds the EU Threshold, other rules apply and you should seek advice from Legal Services);
 - 14.2.3. if the Contract involves a series of separate transactions for the same type of item, the total value of the Contract is the expected aggregate value of all those transactions in the coming 12 months.
 - 14.2.4. for feasibility studies, when the Contractor may potentially also carry out the work, it is the value of the scheme or Contract which may be awarded as a result.
- 14.3. Contracts must not be artificially separated so as to circumvent the application of any part of CSOs, the EU Public Procurement Directives or UK Regulations.
- 14.4. The estimated total Contract value must exclude Value Added Tax (VAT) but must include all other taxes and duties.

15. Approval

- 15.1. Before commencing on a formal procurement process at Threshold 2 or above, approval must be sought from the Corporate Procurement Board (CPB).
- 15.2. To seek approval a Procurement Activity Request (Appendix B) form must be completed and submitted to the CPB for approval to proceed.
- 15.3. Where the Contract value is above the EU Threshold for goods and services (Threshold 5) approval must also be obtained from the relevant Committee.

FINANCIAL THRESHOLDS

16. Financial Thresholds and Minimum Procurement Requirements

There are 5 financial Thresholds that determine the minimum procurement process to be followed, detailed below and summarised in **Table 1**.

16.1. Threshold 1 – Below £5,000

- 16.1.1. A minimum of 1 written quote must be sought, this is only a required minimum and best practices dictates that multiple quotes be sought to prove value for money.
- 16.1.2. Quotes can be sourced via In-tend or e-mail.
- 16.1.3. Local suppliers should be asked to quote where appropriate.
- 16.1.4. An official purchase order will/may constitute the Contract
- 16.1.5. Approval required from relevant SLT member
- 16.1.6. An official purchase order may constitute the Contract

16.2. Threshold 2 – From £5,000 - £24,999

- 16.2.1. A minimum of 3 quotes must be sought.
- 16.2.2. All quotes must be obtained via In-tend.
- 16.2.3. CPB must approve the route to market.
- 16.2.4. The Contract must be signed by an approved Contract signatory

16.3. Threshold 3 - £25,000 - £99,999

- 16.3.1. A minimum of 3 quotes or tenders must be sought.
- 16.3.2. The decision whether to use Request for Quote or a Tender is dependent on the complexity of the requirement. As a rule, a RFQ is to be used for Goods and a Tender for Services.
- 16.3.3. All opportunities must be published on In-tend and Contracts Finder.
- 16.3.4. For Works related Contracts Constructionline can be used to select a closed shortlist of suitable Contractors. If selecting from a Closed Group of suppliers there is no requirement to advertise on Contracts Finder.
- 16.3.5. CPB must approve the route to market.
- 16.3.6. The Contract must be signed by an approved Contract signatory

16.4. Threshold 4 - £100,000 – EU Threshold

- 16.4.1. A minimum of 4 tenders must be sought.
- 16.4.2. The Invitation to Tender process must be followed.
- 16.4.3. All opportunities must be published on In-tend and Contracts Finder.
- 16.4.4. For Works related Contracts Constructionline can be used to select a closed shortlist of suitable Contractors. If selecting from a 'Closed' group of suppliers there is no requirement to advertise on Contracts Finder.
- 16.4.5. CPB must approve the route to market
- 16.4.6. The Contract must be signed by an approved Contract signatory

16.5. Threshold 5 - Over EU Threshold (currently £181,302 and £4,551,413 for Works)

- 16.5.1. A minimum of 5 suppliers must be invited to tender
- 16.5.2. All tenders must be advertised on In-tend and Contracts Finder.
- 16.5.3. The opportunity must also be published on the OJEU register.
- 16.5.4. One of the four prescribed routes (Open, Restricted, Competitive Dialogue or Competitive Procedure with Negotiation) must be used.
- 16.5.5. Relevant Committee and CPB must approve the route to market.
- 16.5.6. The Contract must be signed by an approved Contract signatory

16.6. Contracts Sourced via a Framework

- 16.6.1. The above Thresholds also apply where a Contract is sourced via a Framework or Dynamic Purchasing System, but there are key differences relating to the minimum number of quotes/tenders that must be sought. Refer to **CSO 18**.

TABLE 1.
Procurement Thresholds and Contract Award Procedure Summary

The table sets out the general rules applying to the choice of procedure for Contracts at the stated financial values:

Aggregate Value							Additional / Different Requirement if Procured via a Framework	
	£0 - £4,999	£5,000 - £24,999	£25,000 - £99,999	£100,000 - EU Threshold*	Above EU Threshold	Below EU Threshold	Above EU Threshold	
Threshold	1	2	3	4	5	2-4	5	
Procedure	Quote	Quote	Open (or Closed*)	Open (or Closed*)	Open, Restricted, CD, CPN,	Framework	Framework	
Process	RFQ or email	RFQ	RFQ or Tender	Tender	Tender	Direct Award or Mini Competition or Direct Award	Direct Award or Mini Competition or Direct Award	
Minimum No. of quotes / tenders that must be sought	1	3	3	4	5	As per specific Framework rules	As per specific Framework rules	
In-tend - Advert	No	Yes	Yes	Yes	Yes	No	No	
Contracts Finder - Advert	No	No	Yes	Yes	Yes	No	No	
Contracts Finder - Award Notice	No	No	Yes	Yes	Yes	Yes	Yes	
OJEU	No	No	No	No	Yes	No	No	
Approval	SLT Member	CPB	CPB	CPB	Relevant Committee	CPB	Relevant Committee	
Required Contract Type	PO with standard TDC T&C	PO with standard TDC T&C	TDC contract (Works = JCT*)	TDC contract (Works = JCT*)	TDC contract (Works = JCT*)	Framework Call off	Framework Call off	
Contract Award	Delegated Officer	Head of Service	Head of Service	Head of Service	Committee	Head of Service	Committee	
Contract signed by	PO	Approved signatory	Approved signatory	Approved signatory	Approved signatory	Approved signatory	Approved signatory	

For below OJEU Threshold procurements (£5k - £181k)

- Minimum of three quotes or tenders sought (can be Closed, Restricted or Open)
- For Works related projects Constructionline can be used to select shortlist of suitable Contractors
- If selecting from a 'Closed' group of suppliers (whether on Framework or not) there is no requirement to advertise on Contracts Finder
- An Open tender (above £25k) must be advertised on Contracts finder.
- All Contract awards above £25k must be published on Contracts Finder regardless of whether the opportunity was advertised*or not.

*EU – refers to the EU Thresholds detailed in 16.7 below.

*JCT – refers to the Joint Contracts Tribunal suite of construction related Contracts

*Closed – refers to the use of a selected shortlist of suppliers e.g. a Constructionline shortlist

16.7. EU Thresholds

Table 2
EU Procurement Thresholds (as of February 2018)

Supplies	Services	Works	Concession Contracts	Light Touch Regime
£181,302	£181,302	£4,551,413	£4,551,413	£615,278

The financial Thresholds are updated every 2 years.

PROCEDURAL STEPS OF PROCUREMENT

17. Procurement Procedures Overview

17.1. General

- 17.1.1. The Council may apply any procedure that conforms to the UK Regulations in its procurement process.
- 17.1.2. Subject to CSO 4 (Exceptions and Waivers) the appropriate process set out in Table 1 must be followed for each procurement determined by the estimated value of that Contract.
- 17.1.3. Invitations to Tender or Requests for Quotations must be issued electronically (via email for Threshold 1 and via the Council's e-tendering portal for Threshold 2 and over).
- 17.1.4. All tenders or quotations must be returned to the Council electronically (via email for Threshold 1 and via the Council's e-tendering portal for all procurements at Threshold 2 or over).
- 17.1.5. A **Procurement Activity Request** must be completed and stored on e-tendering portal for each tender or quotation within or exceeding Threshold 2

17.2. Below OJEU Threshold (Thresholds 1-4) - There are 3 available procurement routes:

- Framework; Invitation to Mini Competition or Direct Award (CSO 18)
- Request for Quote – (CSO 19) -£5k - £100k
- Open Procedure (CSO20) -over £25k

17.3. Above EU Threshold (Threshold 5) - There are 5 available Procurement Procedures

- Framework; Invitation to Mini Competition or Direct Award (CSO 15)
- Open (CSO20)
- Restricted (CSO21)
- Competitive Dialogue (CSO22)
- Competitive Procedure with Negotiation (CSO23)
- Light Touch Regime (CSO 24)

18. Frameworks and Dynamic Purchasing Systems (DPS)

18.1. A Framework Agreement is a Contract that has been officially tendered for by another local authority, public sector organisation, Purchasing Consortium, or central Government.

18.2. A Dynamic Purchasing System is a fully electronic open Framework.

- 18.3. The Council encourages the use of Framework Agreements as it obviates the need for the Council to undertake a full tender process reducing timescales and the resource burden of procurement activity.
- 18.4. Contracts based on Framework Agreements must always be awarded in accordance with the rules set out within the Framework Agreement documentation. This may be either by:
- 18.4.1. undertaking a 'direct call-off' from the Framework Agreement, where the terms are sufficiently precise to cover the particular call-off requirements without re-opening competition and a Contract can be award directly to a Framework Supplier; or
 - 18.4.2. By holding a 'further competition' in accordance with the rules set out in the framework, where the requirements are provided to the Framework Suppliers in the relevant lot of the framework, and the Framework Suppliers provide their responses and price in return.
 - 18.4.3. If both options are available 'further competition' should be used.
- 18.5. In-tend must be used to run a Mini-Competitions.
- 18.6. Procuring Officers must ensure they are fully conversant with the rules, stipulations and eligibility of the Council to use the framework, as stated within the Framework Agreement. Failure to comply with the rules of a Framework Agreement could result in the Council being found in breach of the Regulations. If these rules are not sufficiently detailed for the Procuring Officer to be assured of the eligibility and requisite process, the Procuring Officer must engage with Procurement to seek advice on the validity of the Framework Agreement.

19. Request for Quotation (RFQ)

- 19.1. This procedure only applies for procurement below at Threshold 4 or below, where suppliers are requested to submit a quote for the requirements.
- 19.2. This process is simpler and shorter than the Invitation to Tender process reflecting a less complex requirement.
- 19.3. The decision whether to use Request for Quote or a Tender is dependent on the complexity of the requirement. As a rule, a RFQ is to be used:
- for the procurement of Goods or Works rather than Services
 - Where Price is the only evaluation criteria
- 19.4. The RFQ must include;
- A description of the works, goods or services being procured
 - A specification indicating the outcome required
 - Standard TDC Terms and Conditions
 - The evaluation criteria including any weightings
 - The Cost (pricing) mechanism and instructions for completing the tender sum response
 - The Quality and Service requirements and associated response form if applicable
 - The form and content of any method statements to be provided of applicable
- 19.5. RFQs may be published to a Closed Group of suppliers where it can be established that the Open Procedure will attract too many responses to be adequately evaluated and responded to.
- 19.6. A minimum of 3 suppliers must be asked to provide a quotation.
- 19.7. Suppliers should be selected in line with CSO13.
- 19.8. Quotations must be submitted via in-tend if over £5k.

20. Open Procedure (ITT)

20.1. This is a single stage process where all suppliers expressing an interest are invited to respond to an ITT. A pre-qualification stage is not permitted where the Contract value is below the EU Threshold for Goods or Services. This procedure shall apply where:

- the value of the Contract award will be below the EU Threshold;
- the value of the Contract award will be above the EU Threshold and the Council has decided that a single stage tender is appropriate.

20.2. The ITT must include:

- A description of the works, goods or services being procured
- A specification indicating the outcome required
- Terms and conditions of Contract
- The evaluation criteria including any weightings
- The Cost (pricing) mechanism and instructions for completing the tender sum response
- The Quality and Service requirements and associated response form
- Where there is a potential transfer of employees, the Council's view on whether TUPE will apply
- The form and content of any method statements to be provided

20.3. For Works related Contracts where it can be demonstrated that the response to an open advertisement would generate such a large number of responses that the time spent in evaluating such tenders would be disproportionate to the value of the Contract Constructionline can be used to select a Closed Group of suppliers to be invited to submit tenders for below EU Threshold Contracts.

21. Restricted Procedure (PQQ and ITT)

21.1. This procedure can only apply where the value of the Contract award will be above the EU Threshold.

21.2. **Stage 1** – Pre-qualification

21.2.1. Suppliers respond to a Contract opportunity by submitting a Selection Questionnaire ("SQ"). This is used to establish their capability, experience and suitability.

21.2.2. For any Works Contracts whether they are EU or local then the national standard PQQ [PAS91 2013] must be used if you are following a restricted procedure. There is limited scope to amend this PQQ template. The PQQ can be found in the procurement toolkit.

21.2.3. Upon receipt of the completed SQ the information will be evaluated.

21.2.4. A minimum of 5 qualifying suppliers to be shortlisted for the next stage.

21.3. **Stage 2** – Invitation to Tender

21.3.1. Invitation to Tender documents published to the shortlisted suppliers from stage 1.

21.3.2. If fewer than the required minimum number of suppliers either meet the minimum qualification requirements or express an interest, the CPB must be consulted to agree whether to seek additional tenderers

22. Competitive Dialogue (Multi stage)

- 22.1. This procedure can only apply where the value of the Contract award will be above the EU Threshold.
- 22.2. This method is used usually where the requirement is very complex and where specifications or outcomes of a solution have not yet been clearly defined. This will usually involve an initial shortlisting followed by an Invitation to Participate in Dialogue whereby initial proposals are made proceeding to various stages of dialogue to determine the final solution.
- 22.3. This is an extremely complex process and should not be undertaken without the prior approval of the CPB.

23. Competitive Procedure with Negotiation (Multi stage)

- 23.1. This procedure can only apply where the value of the Contract award will be above the EU Threshold.
- 23.2. This is a method which is used where the requirement requires design or innovation solutions which cannot be readily identified through market engagement, or dialogue is required to determine with sufficient precision the final legal and financial make up, but that minimum requirements and objectives can be identified prior to procurement. The process normally involves shortlisting of bidders who respond most robustly to the minimum requirements and objectives and then final negotiations are held on certain elements.
- 23.3. The competitive with negotiation procedure allows award following the initial ITT stage before negotiations have commenced providing this is stipulated in the tender documentation.
- 23.4. This is an extremely complex process and should not be undertaken without the prior approval of the CPB.

24. Light Touch Regime

- 24.1. This procedure can only apply where the value of the Contract award will be above the EU Threshold.
- 24.2. The Light Touch Regime (LTR) covers Health, Education and Social Care Contracts. As with all procurements, the process undertaken to award the Contract must be fair, open and provide for equal treatment.
- 24.3. This process should not be undertaken without the prior approval of the CPB.

25. Concession Contracts

- 25.1. Concession Contracts are governed by the Concession Contracts Regulations 2016 and not Contract UK Regulations.
- 25.2. They relate to the granting of a right to a third party to provide a service or an asset and transferring the opportunity to that third party to exploit the market and retain any profit it makes.
- 25.3. The granting of such Contracts should not be undertaken without the prior approval of the CPB.

General

26. Opening of Quotations and Tenders

- 26.1. All quotes and tenders (over Threshold 1) must be submitted electronically via the SE Shared Services portal.
- 26.2. All quotes and tenders must remain locked until the specified return date.
- 26.3. Any quotation or tender received after the specified date and time will be rejected.
- 26.4. In-Tend allows for all bids to be opened and recorded within the system alleviating the need to employ a bid opening committee to sign and witness the opening of bids. For the avoidance of doubt, the Procuring Officer running the procurement exercise can proceed to open the bids using the electronic opening ceremony independently.

27. Supplier Assessment

- 27.1. No assessment of a suppliers financial standing is needed for Contracts estimated to be within Thresholds 1 or 2 unless the goods being purchased are a proprietary item, in which case a financial assessment must be conducted.
- 27.2. A financial assessment of potential suppliers must be undertaken for all Contracts estimated to be within or above Threshold 3
- 27.3. An assessment will be made of a Supplier's:
- financial stability and resources;
 - insurances;
 - technical and other relevant references;
 - business continuity plans;
 - qualifications and experience;
 - environmental, ethical and employment policies;
 - previous experiences
- 27.3. A supplier that does not meet the council's minimum requirements will not be accepted.

28. Evaluation of Quotations and Tenders

- 28.1. Quotations or Tenders will be evaluated strictly in accordance with the evaluation criteria published in advance. The available options are:
- Price only - accept the offer from the Contractor who, having satisfied the council's minimum requirements, has offered the lowest price.
 - Price / Quality – where a price quality split is stipulated, the supplier who ranks highest over-all shall be awarded the Contract, this is otherwise known as the Most Economically Advantageous Tender (M.E.A.T).
 - Where the most economically advantageous tender is to be sought, an assessment criteria and associated weightings will be specified in the ITT.
 - The Procuring Officer must ensure that evaluation of tenders takes place involving suitably experienced officers to form "the evaluation panel". The results of the evaluation must reflect the consensus of the panel and be approved by the CPB

29. Contract Award Notice

- 29.1. Award notification letters must include the following debriefing information, and no additional details should be given without taking the advice of Procurement:
- How the award criteria were applied;
 - The name of the successful Tenderer(s);
 - The score/price of the Tenderer, together with the score/price of the successful Tenderer;
 - Details of the reason for the decision, including the characteristics and relative advantages of the successful Tender; and
 - Confirmation of the date before which the Council will not enter into the Contract (i.e. the date after the end of the 'standstill period')
- 29.2. For all Contracts with a value exceeding the EU Threshold a 10 stand-still period will apply, in compliance with PCR 2015 regulations.
- 29.3. If a decision is challenged by an unsuccessful Tenderer, after the issue of an award notification letter, the Procuring Officer must not award the Contract but immediately inform the relevant Chief Officer and the Procurement Officer and seek the advice of the Head of Legal.

30. Commencement of Work

- 30.1. No supply of work, supplies or services is to commence until a Contract is in place.
- 30.2. Proposed payment arrangements under a Contract must be discussed and agreed by the Chief Finance Officer in advance of any Contract being entered into. However, the Chief Finance Officer may issue guidance on approved payment arrangements.

CONTRACTS

31. Contract Sign Off and Sealing

- 31.1. A Contract can only be signed by one of the following:
- Chief Executive
 - Strategic Director of Resources
 - Section 151 Officer
 - Head of Legal and Monitoring Officer
 - Legal Specialist
- 31.2. A Contract should normally be sealed where:
- the Council may wish to enforce the Contract more than six years after its end;
 - the price paid or received under the Contract is a nominal price and does not reflect the value of the goods or services;
 - where there is any doubt about the authority of the person signing for the other Contracting party;
 - some Contracts with a value at or below Threshold 3;
 - all Contracts above Threshold 3

Legal advice should be sought as to whether a Contract should be sealed.

- 31.2. All contracts must be signed by the Council before the contract provisions begin. The hard copy contract documentation, along with confirmation of authority to enter into the contract (including any delegated urgent decision record, where appropriate) must therefore be passed to the legal team for signing as soon as possible.

- 31.3 Where a Contract is to be signed underhand, electronic signatures may not be used where statute imposes a requirement for the document to be in writing with an original signature. Advice should be sought from the Head of Legal where there is uncertainty. Examples include property transactions, transfer of securities, assignments of copyright etc.
- 31.4 Once the hard copy contract documentation has been signed and dated (completed), the officer must pass the documentation to the legal team and to the Procurement Specialist. The legal team will arrange for the documentation to be stored in the Council's strong room, in accordance with the Council's document retention policy.

32. Contract Conditions / Form of Contract

- 32.1. All Contracts should be in writing Contract and on terms and conditions (including any provision for liquidated damages) as may be determined by the Head of Legal.
- 32.2. There shall be inserted in every such written Contract a clause empowering the Council to terminate the Contract and to recover from the Contractor the amount of any loss resulting from such termination, if:
- 32.2.1. the Contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the Contract or any other Contract with the Council or for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Council; or
 - 32.2.2. the like acts shall have been done by any person employed by them or acting on their behalf (whether with or without the knowledge of the Contractor), or
 - 32.2.3. in relation to any Contract with the Council, the Contractor or any person employed by them or acting on their behalf shall have committed any offence under the Bribery Act 2010 or shall have given any fee or reward, the receipt of which is an offence under Section 117 (2) of the Local Government Act 1972.
- 32.3. All Contracts shall:
- 32.3.1. specify the goods, materials or services to be supplied and/or works to be undertaken, price to be paid, payment terms and conditions, details of any discounts or penalties, the period of the Contract and any other terms and conditions that may be agreed;
 - 32.3.2. provide for the payment of liquidated damages where they are appropriate;
 - 32.3.3. contain details of any security that is required by the council;
 - 32.3.4. prohibit the Contractor from sub-Contracting or assigning all or any part of the Contract without the express consent of the council.
 - 32.3.5. Except in exceptional circumstances with the prior written approval of the CPB all Contracts must be signed or sealed before their commencement.
 - 32.3.6. Every Contract shall require compliance with current legislation with respect to health and safety at work and with all statutory requirements under the Equality Act 2010.

32.4. Bonds and Parent Company Guarantees

32.4.1 Procurement Officers must consult with Procurement Specialist about whether a Parent Company Guarantee or Bond is necessary when a company is:

- a subsidiary of a parent company; and
- the Total Value exceeds £50,000, or
- award is based on evaluation of the parent company, or
- there is concern about the financial stability of the Candidate.

32.4.2 Where the Contract value exceeds £1,000,000 CPB will consider whether it is appropriate to provide for performance bonds. The amount for each performance bond will be approved by the Chief Finance Officer. The bond will be in a form that is acceptable to the Chief Finance Officer and the Head of Legal Services.

32.5 Corruption, bankruptcy and cancellation

32.5.1 Every Contract must state that the Council may cancel the Contract and recover any resulting losses if the supplier, his employees or anyone acting on his behalf, with or without his knowledge, does anything improper to influence the Council or commits an offence under Bribery Act 2010.

32.5.2 Every Contract must state that if the supplier enters into liquidation or administration, the Council is entitled to cancel the Contract and recover any resulting losses.

32.5.3 A non-collusive tendering certificate is to be included with all tender documentation which must be signed by Tenderers and included with their Tender.

32.6 Consultants

32.6.1 Any Consultant employed by the Council to let or manage Contracts must comply with these CSOs. The Contract with any Consultant must provide that all records maintained by the Consultant in relation to a Contract must be made available to the Council on request and handed over to the Council on completion of the procurement.

32.7 Insurance

32.7.1 The Procuring Officer must consider the Council's need for appropriate indemnities backed by insurance. In the case of a Contract for works or services, the Contract must require the supplier to carry Public Liability insurance to a minimum of £10m unless otherwise agreed by the Chief Finance Officer.

32.7.2 In the case of a Contract for professional services, the Contract must require the supplier to carry Professional Indemnity insurance to a minimum of £5m unless otherwise agreed by the Chief Finance Officer.

32.7.3 For all Contracts there must be a requirement for the supplier to carry Employers Liability insurance to a minimum of £10m.

Table 3 - Insurance Requirements

Type of Insurance	Minimum Value
Public Liability	£10m
Professional Indemnity	£5m
Employers Liability	£10m

33. Contract Management

33.1. For all Contracts with a value at Threshold 4 or above a Contract Manager must be appointed. Where reasonably practicable, the Contract Manager should be part of the initial procurement process. The Procuring Officer must notify the name of the Contract Manager to the supplier prior to letting of the Contract.

33.2. The role of the Contract Manager will be to manage the Contract throughout its duration, as well as enforce duties owed to the Council under Contract and to be responsible on behalf of the Council for those duties owed to the Contractor.

33.3. The responsibilities of the Contract Manager will include:

- monitoring performance of the supplier against the agreed level of service
- monitoring the continuing level of operational and financial risk to which the Council is exposed and to institute controls as appropriate
- ensuring the supplier's compliance with all appropriate health and safety obligations
- facilitating the resolution of issues between the supplier and users of the service
- ensuring prompt payment of invoices and compliance with all financial regulations and CSOs during the lifetime of the Contract
- ensuring that appropriate arrangements are made for the termination or re-letting of the Contract at the appropriate time.

33.4. Variations

33.4.1. Where the relevant Contract Manager considers an existing Contract needs to be varied (i.e. practical changes which do not alter the essential nature of the original Contract as opposed to additional works or supplies not originally envisaged) he or she may approve these subject to the proposed variation being contained within the total budget approved for the Contract. The reasons for and details of any such variation must be recorded and stored with the Contract.

33.4.2. Where the approved budget would be exceeded because of the variation, approval for any such variation must be sought from the CPB.

33.5. Contract Termination

33.5.1. Contracts may be terminated, by the relevant Head of Service, by agreement prior to the expiry date or in accordance with the Termination Provisions set out in the Contract. Advice must be sought from the Head of Legal.

33.6. Contract Extension

33.6.1. Any Contract that expressly provides for extension may be extended in accordance with its terms provided that the CPB are satisfied that Value For Money will be achieved, and the extension is reasonable in all the relevant circumstances.

33.6.2. Where the Contract does not make provision for the extension of the Contract, the CPB shall not extend the Contract, unless legal advice has been sought from the Head of Legal at the earliest opportunity.

33.6.3. For the purposes of CSO 33.6.1 an extension of a Contract includes the option to increase the amount of supplies, services or works as well as the option to lengthen the duration of the Contract.

34. Contracts Register

- 34.1. Under Government Transparency Law the Council must publish and maintain details of all “live” Contracts over £5,000. In order to achieve this requirement, Procurement will add details of all Contracts to the e-procurement systems Contract Register.
- 34.2. The e-procurement systems Contract Register allows for private documents to be stored. Procurement will add an electronic copy of the final signed / sealed Contract and any relevant documents. This will be accessible to Council officers linked to the procurement.
- 34.3. All original sealed deed Contract documents must be held centrally by Legal Services for the term of the Contract (including any agreed extension periods), plus the statutory limitation period (12 years for sealed deeds). They must be referenced back to the Central Register.
- 34.4. Contract Managers are responsible for ensuring that:
- the original signed/sealed copies of the Contract and any subsequent signed variations, have been stored as set out in 34.2 and 34.3;
 - summary details of any Contract that has been entered into, that binds the Council to the terms and conditions of the Contract plus a pdf copy of the signed / sealed Contract is provided to Procurement to be entered on the Contracts Register administered by Procurement;
 - Procurement will maintain the online Contracts Register (via the electronic procurement system) to ensure the Council complies with the obligations of the Local Government Transparency Code (2015).
- 34.5 The Contract information that shall be entered into the register is as follows:
- the date of the award of Contract;
 - the name and address of the Contractor;
 - a description of the purpose of the Contract;
 - the duration of the Contract;
 - the estimated value of the Contract including any extensions available;
 - the start date;
 - the end date for the Contract, or the circumstances in which the Contract will end;
 - the duration of the potential extension periods to the Contract; and
 - any other information relating to the Contract which Procurement considers to be material.

35. Purchasing Cards

- 35.1 The Council operates a purchase card facility; these are available, with the approval of the Head of Service and finance.
- 35.2 Purchase cards are to be used for low value or one-off incidental spend where it is not efficient to add the suppliers to the finance management system.
- 35.3 Purchase cards must not be used to bypass corporate Contracts without the express permission of Procurement.
- 35.4 The principle of disaggregation applies to spend on purchase cards both in relation to the individual and the Council as a whole.

DEFINITIONS

Authorised Signatory List	The list of officers authorised to make financial transactions. Head of Service approval is required before an officer may be included in the list.
Award Criteria	The criteria on which the award of a Contract is based following an evaluation of Contract tenders in a procurement procedure. Award criteria must be focused on the tender and not the tenderer (which will already have been assessed at the pre-qualification stage against the relevant Selection Criteria).
Closed Group	Refers to the use of a selected shortlist of suppliers eg a Constructionline shortlist. PCR 2015 Regulation 110 states ‘a contracting authority does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators’
Call-off Contracts	This term is used to describe a Contract that is entered into for a specified period but where the total value and quantity of items ordered cannot be quantified at the outset. An example might be a Contract for the supply of office stationery. Prices are specified for the duration of the Contract, subject as necessary to fluctuation according to agreed formulae.
Chief Officer(s)	The Officers defined as such in the Constitution.
Concession Contracts	As defined by the Concession Contracts Regulations 2016; Contracts for pecuniary interest concluded in writing between a Contracting authority/utility) and an economic operator/(s) Where the consideration (or “payment”) is either: <ul style="list-style-type: none"> • Simply that the Contractor has the right to exploit (that is, to profit from) the works/services that are the subject of the Contract. • Where the Contractor has that right together with some payment from the Contracting authority/utility.
Constructionline	A national register of pre-qualified local and national construction and construction related Contractors and Consultants. The Council uses this register as its selection method for construction related Contracts.
Consultant(s)	Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the Council has no ready access to employees with skills, experience or capacity to undertake the work.

Contract	<p>In this context, means</p> <ul style="list-style-type: none"> (i) an agreement between parties for the supply of goods or services or the execution of works; (ii) any Framework Agreement; (iii) any agreement where no payment is made by the Council, but which is of financial value to the Contractor (e.g. a concession); but does not include (without exception): <ul style="list-style-type: none"> • an employment Contract; or • a Grant Agreement.
Contract Value	<p>All references to Contract values refer to the estimated value unless otherwise specified. The estimated value is calculated over the entire period of the Contract, including the period of any possible extensions to the term of the Contract. Where the term of the Contract is not known, a term of 4 years must be assumed and applied when calculating the Contract value. The calculation of the value must be assessed exclusive of Value Added Tax.</p>
Contracts Finder	<p>A central website maintained by Government on which public sector tender opportunities above advertised by the Council are required to be advertised.</p>
Contracts Manager	<p>Those Officers authorised to carry out the day to day activities required to manage a Contract.</p>
Contracts Register	<p>The electronic register hosted on In-tend that must be populated, with key information about Contracts, for all Contracts awarded as required by these procedures.</p>
Corporate Management Team	<p>The Corporate Management Team is the meeting of the Executive Director and Directors, which is advised by Heads of Service and other Officers as appropriate.</p>
Corporate Procurement Board / CPB	<p>This is a board made up of members of the Corporate Management Team and acts as the governance board for the Council's procurement activity. Their role is:</p> <ul style="list-style-type: none"> • To challenge all spend and procurement activity • To ensure compliance with CSOs • To support the development of a consistent and coherent approach to procurement • Develop and sponsor a procurement strategy and procurement work plan • To take collective responsibility for driving forward best practice for procurement. • Ultimately to approve all procurement expenditure over £5k
Council	<p>For the purposes of these CSOs, "Council" refers to Tandridge District Council</p>
Deed	<p>A signed and sealed Contract document.</p>
Disaggregation	<p>Deliberately splitting down purchases or Contracts to avoid having to undertake a full competitive exercise.</p>

Dynamic Purchasing System (DPS)	A fully electronic compliant 'Approved List', which in effect operates as an open framework where economic operators can join at any point while the DPS is open, and they meet the Suitability Criteria.
Electronic Tendering	A secure means to store and transmit all Procurement Documentation via a secure electronic vault.
Estimated Total Contract Value	The estimated value of a procurement as defined in CSO 14
EU Directives	Means EU Directive 2014/24/EU and European Council Directive 89/665/EEC any Directives and Regulations by which it is applied, extended, amended, consolidated or replaced and any re-enactment thereof. The Directives are implemented into UK law as the Public Contracts Regulations 2015 ("the UK Regulations"), and reference to those Regulations in these CSOs includes any subsequent amendments to those Regulations and any replacement Regulations (and amendments thereto).
EU Threshold / OJEU Threshold(s)	The Estimated Total Contract Value at which the EU public procurement directives apply for the category of spend, i.e. Goods, Services and Works.
Evaluation Criteria	Detailed assessment and comparisons of each Bid against the Evaluation Criteria verifying how Bidders will meet the requirements of the Contract; measured against quality and/or price criteria
Financial Regulations	This refers to the set of rules that govern the way the council's finances are administered and controlled. They are maintained by the Section 151 Officer.
Framework Agreement	An agreement with Supplier Contract, to establish terms governing individual Contracts that may be awarded during a given period,
Framework Supplier(s)	An economic operator who has successfully secured a place on a public framework contract.
Goods/Works/Services	A Contract will be in connection with the acquisition of one or more of these categories of procurements. The use of one of these terms should be taken to mean all the terms unless expressly stated to the contrary.
In-Tend	The Councils e-tendering system which must be used for all procurement exercises exceeding £5,000.
Invitation to Tender / ITT	A key document within the Procurement Toolkit which must contain or reference, the instructions for Bidders, specification, evaluation model and other relevant materials to allow the procurement activity to be concluded successfully.
JCT	The Joint Contracts Tribunal suite of construction related Contracts. The Council's preferred form of Contract for construction Contracts.

Most Economically Advantageous Tender (MEAT)	<p>is a method of assessment used as the selection procedure for publicly-procured contracts, allowing the contracting party to award the contract based on aspects of the tender submission other than just price.</p> <p>Regulation 67 of the Public Contract Regulations 2015 states that:</p> <p>(1) Contracting authorities shall base the award of public contracts on the 'most economically advantageous tender' assessed from the point of view of the contracting authority.</p> <p>(2) That tender shall be identified on the basis of the price or cost, using a cost-effectiveness approach, and may include the best price-quality ratio, which shall be assessed on the basis of criteria, such as qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question.</p>
OJEU	The Official Journal of the European Union.
Open Procedure	A one-stage procurement where there is an open advert and any potential supplier can access and submit a tender to be evaluated.
PAS 91 PQQ	<p>Prequalification questionnaire to be used for all procurements for Works that are between the Service and Supplies Threshold and the Works Threshold where the Restricted Process is used.</p> <p>A template is available in the Procurement Toolkit.</p>
Procurement Toolkit	A guide to procurement providing help and advice in the procurement processes along with supplying template documents, useful forms and sample documents to assist Officers in running their own procurement projects.
Procuring Officer	Any Officer procuring a Contract on behalf of the Council.
Quotation	A quotation of price given by a supplier for a specified piece of work, goods or service (without the formal issue of an Invitation to Tender).
Relevant Director	<p>This term is used to denote the Executive Director, Director of Finance and Resources (Section 151 Officer) or the Director of Operations in person. Where an officer from one service is working in circumstances where they are responsible to another service for the purposes of a procurement exercise, then it is that other director who is the responsible director. In some CSOs the Executive Director and the Section 151 Officer are mentioned by title; where this is done, they are not acting as the relevant director.</p>
Relevant Head of Service	This term is used to denote the head of the service responsible for procuring a Contract.
Request for Quote / RFQ	<p>A key document within the Procurement Toolkit which must contain or reference, the instructions for Bidders, specification, evaluation model and other relevant materials.</p> <p>Only to be used for procurements with a value below Threshold 4.</p>

Restricted Procedure	<p>A two-stage procurement, where the advert invites potential suppliers to submit a Pre-Qualification Questionnaire and only those that meet the selection criteria are then shortlisted and permitted to submit a tender for evaluation.</p> <p>The Regulations only permit this procedure for above EU Threshold procurements.</p>
Section 151 Officer	<p>This refers to the council's Chief Finance Officer, being the officer responsible for the council's financial administration as defined by the Local Government Act 1972.</p>
Scheme of Delegation	<p>This term refers to the council's Scheme of Delegation, which specifies the extent to which the conduct of the council's affairs is delegated to council officers. If at any time there appears to be a conflict between the Scheme of Delegation and Contract Procurement Rules, the former shall take precedence.</p>
Selection Criteria	<p>The criteria by which Tenderers are chosen to be invited to submit Quotations or Tenders, where a Restricted Procedure is adopted.</p>
Shortlisting	<p>The process of selecting Tenderers who are to be invited to submit Quotations or Tenders or to proceed to final evaluation.</p>
Social Value	<p>Social value is the term used to describe the additional value created in the delivery of a Contract which has a wider community or public benefit. This extends beyond the social value delivered as part of the primary Contract activity.</p> <p>Under the terms of the Social Value Act 2012 contracting authorities are obliged to consider wider social and environmental objectives alongside price and cost when evaluating tenders for services which are valued over the European Procurement Thresholds.</p>
Specification	<p>The use of the word 'specification' refers to a statement of the council's minimum purchase requirements. For illustrative purposes, it includes as appropriate such matters as: a) Technical drawings b) Recognised international standards c) Method of delivery d) Terms and conditions of supply and delivery e) Responsible purchasing requirements.</p>
Standard Form of Contract	<p>Forms of agreement to be used without variation for certain agreed areas of work with values []</p>
Standard Selection Questionnaire	<p>This is the questionnaire which has been developed to simplify the supplier selection process for businesses using the Restricted Procedure to procure goods or services. It has replaced the Pre-Qualification Questionnaire.</p>
Standstill Period	<p>Contracts over the EU Threshold must include a 10 calendar day standstill period between the notice of intention to Award and the actual award of Contract. This allows unsuccessful Bidders to be notified of the outcome of the Evaluation provides unsuccessful Bidders with an opportunity to appeal if they believe there is a justified reason to appeal against the Award.</p>

Supplier/Contractor	Both these terms are used to refer to a provider or potential provider of goods, works or services. Once a Contract has been placed with a supplier, that supplier may be more precisely referred to as a Contractor.
Tender	A Tenderer's proposal on price and quality submitted in response to an Invitation to Tender.
Tenderer	Any person who asks or is invited to submit a Quotation or Tender.
TUPE Transfer of Undertakings (Protection of Employment) Regulations	TUPE refers to the Transfer of Undertaking (Protection of Employment) Regulations, 1981. These regulations were introduced to ensure the protection of employees when, for example, a business is taken over by another organisation. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.
UK Regulations	The Public Contracts Regulations 2015.
Value For Money	Value for Money (VfM) is not the lowest possible price; it combines goods or services that fully meet the needs, with the level of quality required, delivery at the time it is needed and at an appropriate price. (Refer to Most Economically Advantageous Tender).

Surrey Hills AONB Management Plan 2020-25

Summary of changes from the 2014-19 Management Plan

Section 1

- Minor changes which relate to the overall context for the Plan.

Section 2

- The Statement of Significance and Vision have remained largely unchanged, reflecting the high degree of support for both during the consultation. There is now specific mention made to the health and wellbeing benefits of the landscape.
- An opportunity has been taken to redraft the policies covering agriculture to make them simpler and more understandable without altering their emphasis. The policy on farm diversification has been amended to make it more responsive to creating opportunities to increase biodiversity.
- The coverage of woodlands has been expanded to include hedgerows and veteran trees. The policies have been amended slightly to improve readability and include reference to biosecurity in relation to disease control.
- The Biodiversity policy has been amended to include water resources in recognition of the importance of wetland habitats. In the supporting text reference is made to the catchment partnerships and the work being undertaken to enhance the river catchments and meet Water Framework Directive targets. A second additional paragraph links to the section of the NPPF on biodiversity with its references to biodiversity net gain. A change to Policy B4 seeks biodiversity gains through the planning process.
- The Historic and Cultural policy area has been subject to very minor changes to improve readability.
- In relation to policies for Recreation and Tourism, the term 'Wellbeing' has been added to the title. Other revisions are minor, with the exception of the removal of policies relating to sustainable tourism and development criteria for recreation enterprises which are now covered within the Planning policies.
- Within the Planning policies the main changes are to the supporting text to provide additional guidance on the landscaping of developments, developments resulting in the loss of agricultural land and external lighting.
- Transport policies remain unchanged but there is additional supporting text relating to schemes designed to declutter rural roads and the value of sensitive verge management to biodiversity objectives.
- The Development and the Local Economy policies have been retitled Economy, Tourism and Community Development. Policies have been made clearer with an emphasis on sustainable development, the promotion of local services and produce, affordable housing and community transport.

Section 3

- Some minor redrafting. It explains the role and function of the Surrey Hills 'family', the Surrey Hills Brand and the strategic targets underlying the Plan. The section on monitoring remains unchanged.

The Management Plan redrafting does not result in major changes to any of the policies or supporting text. Changes have been introduced to update it, to ensure it responds to changing circumstances and reflects recent initiatives e.g. biodiversity net gain, addresses previous omissions, e.g. hedgerows and to improve readability. It has also been updated to ensure it responds to the results of the consultation and the priorities of the local authority and other partners. Priorities, for example, to engage in the boundary review over the next 2 to 3 years, would become part of the next Management Plan, 2025-2030.

APPENDIX D

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APPENDIX 'E'

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Forecast Council Financial Position at year 31/3/2020

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20	Forecast Variance at year end (31/3/2020)
<u>Community Services Committee</u>		
Salaries	1,872,926	(22,060)
Tandridge Commercial Services	(219,965)	112,800
Other Variances less than £10k	4,842,719	650
Total	6,495,680	91,390
<u>Planning Policy Committee</u>		
Salaries	1,042,049	397,080
Planning Application and Advice	507,935	367,309
Enforcement	241,625	(11,004)
Other Variances less than £10k	391,241	1,167
Total	2,182,850	754,552
<u>Housing Committee-General Fund</u>		
Salaries	850,361	4,169
Douglas Brunton Centre	33,800	32,397
Meadowside	(68,622)	(4,900)
Benefits Administration	2,500	0
Other Variances less than £10k	67,221	4,581
Total	885,260	36,247
<u>Strategy and Resources Committee</u>		
Salaries	6,025,064	356,070
Other Variances less than £10k	(3,952,324)	(37,300)
Total	2,072,740	318,770
Corporate Items	(1,194,560)	0
Council -GF Position at 31/3/2020	10,441,970	1,200,959

Forecast HRA Financial Position at year 31/3/2020

KEY HRA REVENUE VARIANCES	Annual Budget 2019/20	Forecast Variance at year end (Sept)
Salaries	1,667,402	155,506
Services costs	735,833	(24,120)
Corporate Support Services- Internal Recharges	1,396,427	0
Repairs and Maintenance	2,650,285	(176,947)
Interest Charges payable on HRA Loan	1,782,800	(79,200)
Rental Income from Council Dwellings	(14,043,060)	(32,828)
Other Income	(310,177)	(3,700)
Garages	(322,830)	53,469
Other Variances less than £10k	5,122,723	(8,108)
Transfer to Reserves	1,320,597	0
Housing- HRA Position at 31/3/20	(0)	(115,928)

Narrative Explanation of Revenue Under/Overspends reported to Policy Committees

Community Services Committee

The overall Community Services Committee budget is showing a forecast underspend at the 31/3/2020 of £91,390. The comments of the Strategic Director of People on the variances and proposed management action is set out below:-

Explanation of the reasons for the forecast overspend

- Salaries Underspends (£22,060)
- There is a small forecast underspend of (£22,060) in Community Services Committee salary budgets. This principally comprises a projected overspend of £24k on the Depot staffing budgets, an overspend of £42k on the Street Cleaning staffing budget offset by a forecast underspend (£81k) on the Waste and Recycling staffing budget.
- There is a forecast overspend on Tandridge Commercial Services of £112,800, this arises following the centralisation of call centre staff as part of Customer First and will mean that Tandridge Commercial Services may lose the recovery of overheads previously charged as part of the overall service costs. Officers will be carrying out an in depth review of overhead recoveries to ensure that these costs are apportioned accurately between services.

Planning Policy Committee

The overall Planning Policy Committee budget is showing a forecast overspend at the 31/3/2020 of £754,552. The comments of the Strategic Director of People on the variances and proposed management action is set out below:-

Explanation of the reasons for the forecast overspend

- Salaries Overspends £397,080
- Local Plan-There is currently a forecast overspend on staffing costs within the Planning Strategy team on agency staff and consultants working on the Local Plan of £257,437. This overspend however will be funded from the Local Plan Reserve which was created to meet the costs of preparing the Local Plan.
- Community Infrastructure Levy additional administrative support costs of £50,006 will be funded from the Community Infrastructure Reserve.
- Planning Development & Enforcement-There is also a projected overspend on staffing costs in relation to planning development and enforcement of £397,080. The overspend arises directly from the staffing changes resulting from the implementation of Customer First, with a number of planning staff leaving the Council. Consequently, in order to cover current workload pressures temporary staff and consultants have been engaged to carry out planning development & enforcement work. It should be noted that the Case Services and Specialist Services teams, which are responsible for delivering both planning functions, are currently in excess of the approved budgeted establishment by 9 posts. These posts are dedicated to planning development and enforcement. Details of expenditure on unfunded temporary and consultancy posts is to be reported to the next meeting of Strategy and Resources Committee.

- Planning Appeal £290,000-The Council has received an invoice from one party in relation to the appeal against the Planning Committee decision on Copthorne Road, Felbridge. The invoice is for £290,000. A further invoice is expected from another party. The Council has appointed a costs assessor to challenge the costs. There is no provision within the budget for the legal costs arising from the appeal and this will therefore result in an overspend.
- Terraquest £77,000- Prior to Customer First implementation the Council appointed Terraquest as a contractor to carry out the validation of planning applications as planning staff were not replaced at that time in advance of the restructure. The cost of this contract is in excess of the available budget for the staff. The contract expires at the end of December but the cost above budget in 2019/20 will be £77,000. As agreed at the 25th June meeting (Minute 56) validation work will be taken back in-house.
- Planning Policy Income (£11,004)-Currently Planning Application fee income is in line with the budget, however the Council has received some additional income from (£11,004) received as a result of Planning Enforcement action.

Proposed Management Action regarding: Overspends

- Salaries Overspends
- Local Plan
The Local Plan enquiry has now commenced and should therefore result in a significant tapering in the need for temporary staff/consultants as it approaches its conclusion. There is sufficient funding for the Local Plan to meet all the current staffing requirements to deliver the plan. It is therefore anticipated that expenditure will be within available funding at year end.
- Planning Development & Enforcement
Considering that the overspend relates to staffing, it is proposed to carry out a review both the planning development and enforcement functions as a matter of urgency to examine all practical options to reduce the overspend. All practical options for reducing the overspend will be implemented. There is a separate report attached setting out the officers proposal.
- Planning Appeal- The Council has not yet received the bill for the legal costs arising from the Copthorne Road, Felbridge. However when the bill for these costs is received, these will be challenged by the Council through the costs assessor.

Housing Committee-General Fund

The overall Housing Committee-GF budget is showing a forecast overspend at the 31/3/2020 of £36,247 comprising the following variances.

Explanation of the reasons for the forecast underspend

- Overspend on Salaries £4,169
- Overspend on Douglas Brunton Centre (DBC) £32,397

The DBC will be run by the Council until the end of September, after which a Community Interest organisation will take over the running of the services, together with associated costs. The operational budget was £32,390 overspent at the point of handover because of additional staff costs being incurred due to redundancy and the need to carry out essential repairs or replace equipment.

- Underspend on Meadowside Mobile (£4,900).

Strategy and Resources Committee

The overall Strategy and Resources Committee budget is showing a forecast overspend at the 31/3/2020 of £318,770 comprising the following variances.

Explanation of the reasons for the overspend

- Salaries Overspends- £356,070
- Salaries overspends account for the majority of the forecast overspend within Strategy and Resources Committee. These overspends are in the main attributable to the implementation of the Customer First restructure which resulted in the departure of a number of key professional staff from the Council. In order to ensure the continuance of statutory services it has been necessary to rely on temporary staff and consultants. The overspending is in the area of Benefits and Council Tax £96k, Legal £84k, Finance £224k and IT £112k. These overspends are offset by underspending on Corporate Policy, Customer Services and Communications arising from the delay in filling posts following the implementation of the restructure.
- Variances less than £10,000- (£37,300)

There are a number of small under and overspends on non-salaries budget across the Committee which are not significant.

Proposed Management Action

- There is now a cross party Council Improvement Working Group established who are working to address The Councils overspends.
- Salaries Overspends- In the light of the budget pressure facing the Council. The overall staffing position in relation to temporary staffing and consultants is being reviewed. There is currently work being undertaken throughout The Council to develop and implement a plan for reducing the overspend significantly by the end of the financial year.

Housing Committee-HRA

The overall Housing Committee-HRA budget is showing a forecast underspend at the 31/3/2020 of (£115,928) comprising the following variances.

Explanation of the reasons for the forecast underspend

- Overspend on salaries £155,506.

Forecast overspend due to spending on agency staff, offset by forecast underspend in the Sheltered Accommodation service due to staff vacancies created as part of the Sheltered Housing Review.

- Underspend on Service costs (£24,120)

The underspend is mainly due to reduced spend on electricity and gas bills, due to improved management of the billing administration process following implementation of the new management service contract with Inspire in October 2018, and a one-off overpayment refund of £15,000 from our previous electricity supplier(Npower).

- Underspend on Repairs and Maintenance (£176,947)

Forecast underspend of Repairs and Maintenance budget is mainly due to envisaged underspend (£14,000) on void repairs due to lower volume of works and (£26,000) less spend on decoration repairs, and a budget savings of (£118,000) on the call handling service of the responsive repairs service with Tandridge Commercial Services. The call handling service has now been reorganised into the Case Services team, as part of the implementation of Customer First, and as a result the service is no longer provided by TCS.

- Underspend on Interest charges payable on HRA Loan (£79,200)

Forecast underspend of (£79,200) on the Interest charges payable on the outstanding HRA Loan with the Public Work Loan Board(PWLB) is due to expected spend based on actual existing HRA Loan and interest rates profiles being less than the budgeted amount which was based the updated 2019/20 30-year HRA Business Plan Model.

- Additional rental income from Council Dwellings (£32,828)

Forecast additional rental income of (£32,828) from council dwellings based rental income actual performance to date. There is an opportunity to bring in additional rental income of about £40,000 (not reflected in the July budget monitoring report) from new 8 units of affordable build when completed and let in the next few months. The additional rental income will be reflected in future HRA budget monitoring reports in the current financial year (2019/20).

- Reduction in income from garages £53,469.

Forecast decrease on rental income of £53,469 from garages based on garages rents actual performance to date. The forecast spend shortfall in garages rent is line with previous years trend (garage rent voids have always been high). The garage rents will form part of the planned strategic review of HRA income as it will include focus on the best use of the existing garages.

- Underspend on other miscellaneous budgets (£3,700)

Net underspend of net (£8,108) on other budget variances of less than £10,000

INVESTMENT SUB-COMMITTEE

Minutes and report to Council of the meeting of the Sub-Committee held in the Lyndsay Narcisi Room, Council Offices, Station Road East, Oxted on the 25th October 2019 at 10.00 a.m.

PRESENT: Councillors Elias (Chair), Bourne, Davies, Jecks and Jones

ALSO PRESENT: Councillor Farr

IN ATTENDANCE: Paul Sullivan (Funding Circle's Director of Global Capital Markets)

1. MINUTES

The minutes of the meeting held on the 8th August 2019 were approved as a correct record.

SUB-COMMITTEE DECISIONS ***(Under powers delegated to the Sub-Committee)***

2. EXCLUSION OF THE PUBLIC

R E S O L V E D – that members of the press and public be excluded from the meeting for the consideration of the items covered by Minutes 3 to 5 below because:

- (i) they involve the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972 (i.e. information relating to the financial or business affairs of any particular person); and
- (ii) for the items, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

3. FUNDING CIRCLE – PRESENTATION FROM PAUL SULLIVAN

Paul Sullivan presented an analysis the Council's £2m investment with Funding Circle's 'peer to peer' retail lending platform, including:

- reconciled net yield calculations;
- projected annualised rates of return from Funding Circle loans; and
- financial modelling to illustrate the effects of a more conservative investment approach (i.e. ceasing to invest in loans to less creditworthy businesses).

Paul Sullivan responded to Members' questions about the performance of the Council's current investment and the potential for alternative investment options with Funding Circle. He also undertook to clarify why the current net asset value of the investment was only £1,995,229 (the likely reason was that withdrawals had exceeded income).

RESOLVED – that the Council’s investment with Funding Circle be reviewed, pending consideration of further information regarding:

- (i) the viability of the investment being re-profiled on a more conservative basis; and
- (ii) the question of whether the investment could be switched to a Funding Circle institutional fund.

4. SUMMARY INVESTMENT AND BORROWING POSITION

The Sub-Committee received a summary of the Council’s investment and borrowing position at 30th September 2019, together with a mid-year performance review; information fact sheets from the fund managers of the Council’s long-term investments with CCLA, Schroder and UBS; and a reminder of the current statement of investment beliefs.

The Chief Finance Officer reflected that Public Works Loan Board borrowing costs could impact on future property investment decisions. He also suggested that paragraph 1.10.2 of the Council’s statement of investment beliefs (geographical criteria for ‘out of District’ property investments) may have to change in light of government guidance. This would be addressed at the next meeting.

It was suggested that future investment analysis should include amounts withdrawn as income.

RESOLVED – that the following be noted:

- A. the investment and borrowing position at 30th September 2019 as set out in Annexes ‘A’ and ‘B’;
- B. the individual factsheets for the long-term investments; and
- C. the current statement of investment beliefs (subject to paragraph 1.10.2 being reconsidered at the next meeting).

Note – Councillor Jecks declared that he was a non-executive director of UBS Asset Management UK Limited. This did not amount to a disclosable pecuniary interest under the Members’ code of conduct and Councillor Jecks remained in the meeting during the discussion and voting on this item.

5. PROPERTY INVESTMENT UPDATE

The Sub-Committee considered a report about current property investment activity, including potential new opportunities. Members discussed the merits of pursuing the respective sites.

Discussion also focused on the potential acquisition discussed in the confidential part of the Strategy & Resources Committee meeting on the 11th October 2018. The relevant minute of that meeting (Minute 138 (18/19)) stated that, “... *the Council should proceed to purchase the property in question, subject to the completion of due diligence*”.

RESOLVED – that

- A. the Council's property investment activity be noted;
- B. officers' continued investigations into potentially suitable investment sites be supported;
- C. officers be supported in their efforts to bid to purchase properties that align with the Council's property investment strategy and which offer a relatively low-risk income stream (all bids would be subject to contract and full due diligence and in line with the requirements of Financial Regulation 17); and
- D. regarding the site referred to in Minute 138 (18/19)), no decision be made to purchase without the matter being referred to the Sub-Committee for approval.

Rising: 1.05 p.m.

ANNEX 'A'

Summary of Investments and Borrowing

Investment	Investment Amount at 30/09/2019	Net Asset Value at 30/09/19	Yield Rate Note 1	Yield to 30/09/19 Note 2	Estimated Annual Return 2019/20 at 30/09/2019	2018/19 Actual
	£	£	%	£	£	£
<u>Non - Specified (Financial Investments)- Long Term (over 12 mths)</u>						
CCLA Property Fund	4,000,000	4,302,769	4.23	45,930	182,000	183,989
Schroders Bond Fund	3,000,000	2,873,584	4.50	30,838	129,300	120,508
UBS Multi Asset Fund	3,000,000	2,927,623	3.93	33,712	115,100	116,513
Funding Circle	2,000,000	1,995,299	3.40	34,114	67,800	98,171
CCLA Diversification Fund	2,000,000	2,049,420	3.20	34,329	65,600	67,030
Sub Total Non-specified (Financial Investments)	14,000,000	14,148,695		178,923	559,800	586,211
<u>Non - Specified (Non-Financial Investments)- Long Term (over 12 mths)</u>						
Gryllus Property Company Junior	342,000	342,000	10.47	0	35,800	35,807
Gryllus Property Company Senior	2,052,000	2,052,000	5.03	0	103,200	103,216
Gryllus Property Company Share Capital Note 3	1,026,000	0		0	0	0
Tandridge Leisure Ltd- Refurbishment Loan (TTLIC)	33,750	33,750	3.75	940	1,300	1,222
Freedom Leisure- Loan (TLP)	1,065,429	1,065,429	5.50	31,963	58,600	74,580
Freedom Leisure- Loan (de Stafford)	682,786	682,786	7.58	28,230	51,800	65,870
Caterham Barracks Note 4	257,813	257,813	7.58	10,070	10,300	9,627
Gryllus Property Company Loan	945,000	945,000	5.81	0	54,900	0
Gryllus Property Company Share Capital	405,000	405,000		0	0	0
Sub Total Non-specified (Non-Financial Investments)	6,809,777	5,783,777		71,203	315,900	290,322
Total Non-Specified Investments	20,809,777	19,932,473		250,125	875,700	876,533

Investment	Investment Amount at 30/09/2019	Net Asset Value at 30/09/19	Yield Rate Note 1	Yield to 30/09/19 Note 2	Estimated Annual Return 2019/20 at 30/09/2019	2018/19 Actual
	£	£	%	£	£	£
<u>Specified Investments-Short Term (less than 12 mths)</u>						
Banks/Building Societies Deposits	0	-	1.03	6,381	6,000	19,779
Notice Accounts	2,000,000	2,027,982	0.84	9,320	18,300	19,895
Money Market Funds	9,355,000	8,823,529	0.68	30,389	60,000	44,483
Total Specified Investments	11,355,000	10,851,512		46,091	84,300	84,157
Total Non- Specified and Specified Investments	32,164,777	30,783,985		296,216	960,000	960,690
Total Investment Income Budget 2019/20					975,900	
Over/(under) budget					(15,900)	

Borrowing	Loan Amount	Estimated Average Borrowing	Interest	Expenditure to 30/09/19	Estimated Cost 2019/20 at 30/09/2019
	£	£	%	£	£
General Fund Borrowing					
Gryllus-PWLB	3,420,000	3,420,000	2.46	42,066	84,100
Freedom Leisure-PWLB	2,225,000	2,225,000	2.45	27,256	54,500
Village Health Club	938,678	938,678	2.38	11,170	22,300
Linden House	4,175,000	4,175,000	2.69	56,154	112,300
Linden House	254,000	249,100	2.42	3,073	6,000
Quadrant House	15,340,000	15,340,000	2.41	184,847	369,700
Quadrant House	800,000	784,700	2.28	9,120	17,900
80-84 Station Road	724,400	710,500	2.28	8,258	16,200
Sub Total General Fund Borrowing	27,877,078	27,842,978		341,945	683,000
HRA Borrowing					

Borrowing	Loan Amount	Estimated Average Borrowing	Interest	Expenditure to 30/09/19	Estimated Cost 2019/20 at 30/09/2019
Public Works Loan Board	61,189,000	61,189,000	2.76	844,316	1,688,600
Sub Total HRA Borrowing	61,189,000	61,189,000		844,316	1,688,600
Total Borrowing	89,066,078	89,031,978		1,186,261	2,371,600

Notes

1. Yield Rate
CCLA Property Fund dividend yield Sept 19 Est provided by CCLA
Schroders Strategic Credit Fund Fact sheet on Schroders.com distribution yield as at 30 Aug 2019
UBS underlying yield latest per UBS Fact Sheet (Aug 19)
CCLA Diversified Fund dividend yield Aug 19 provided by CCLA
Funding Circle yield based on net earnings to date per Funding Circle statement
2. Yield to 30/09/19 include actuals received or notified of at this date - CCLA Property Fund, Schroders & UBS all only have the first quarter
3. No dividend will be paid in the current year
4. Caterham Barracks Community Trust have requested to repay their loan at the end of October 2019. These figures reflect this

ANNEX 'B'

Market Value of Long Term Investments Prepared on 16/10/19

Carrying Value	Carrying Value 31.3.2017	Carrying Value 31.3.2018	Carrying Value 30.6.2018	Carrying Value 30.9.2018	Carrying Value 31.12.2018	Carrying Value 31.3.2019	Carrying Value 30.6.2019	Carrying Value 30.9.2019
	£	£	£	£	£	£	£	£
CCLA Property Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Schroders Bond Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
UBS Multi Asset Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
CCLA Diversification Fund	n/a	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total	10,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

Market Value	Market Value 31.3.2017	Market Value 31.3.2018	Market Value 30.6.2018	Market Value 30.9.2018	Market Value 31.12.2018	Market Value 31.3.2019	Market Value 30.6.2019	Market Value 30.9.2019
	£	£	£	£	£	£	£	£
CCLA Property Fund(mid-market value)	4,082,986	4,276,854	4,299,512	4,300,362	4,369,186	4,276,005	4,346,669	4,302,769
Schroders Bond Fund	2,963,563	2,912,837	2,908,609	2,891,399	2,825,575	2,865,130	2,910,421	2,873,584
UBS Multi Asset Fund	3,018,705	2,918,160	2,895,094	2,905,148	2,777,398	2,868,479	2,916,977	2,927,623
CCLA Diversification Fund(indicative market value)	n/a	1,921,257	1,972,126	1,990,756	1,913,197	1,982,167	2,032,111	2,049,420
Total	10,065,254	12,029,108	12,075,341	12,087,665	11,885,356	11,991,781	12,206,179	12,153,396

Surplus/(Deficit)	Surplus/ (Deficit) 31.3.2017	Surplus/ (Deficit) 31.3.2018	Surplus/ (Deficit) 30.6.2018	Surplus/ (Deficit) 30.9.2018	Surplus/ (Deficit) 31.12.2018	Surplus/ (Deficit) 31.3.2019	Surplus/ (Deficit) 30.6.2019	Surplus/ (Deficit) 30.9.2019
	£	£	£	£	£	£	£	£
CCLA Property Fund	82,986	276,854	299,512	300,362	369,186	276,005	346,669	302,769
Schroders Bond Fund	(36,437)	(87,163)	(91,391)	(108,601)	(174,425)	(134,870)	(89,579)	(126,416)
UBS Multi Asset Fund	18,705	(81,840)	(104,906)	(94,852)	(222,602)	(131,521)	(83,023)	(72,377)
CCLA Diversification Fund	n/a	(78,743)	(27,874)	(9,244)	(86,803)	(17,833)	32,111	49,420
Total	65,254	29,108	75,341	87,665	(114,644)	(8,219)	206,179	153,396

N/R = Data not available from fund manager

Gross Revenue Yield	Yield 2016/17	Yield 2016/17	Yield 2017/18	Yield 2017/18	Yield 2018/19	Yield 2018/19
	£	%	£	%	£	%
CCLA Property Fund	164,434	4.03%	193,758	4.53%	183,989	4.30%
Schroders Bond Fund	127,340	4.30%	105,413	3.62%	120,508	4.21%
UBS Multi Asset Fund	100,600	3.33%	146,788	5.03%	116,513	4.06%
CCLA Diversification Fund	n/a	n/a	62,732	3.27%	67,030	3.38%
Total	392,375		508,691		488,040	

Surplus/(Deficit)- Capital Value	Surplus/ (Deficit) 2016/17	Surplus/ (Deficit) 2016/17	Surplus/ (Deficit) 2017/18	Surplus/ (Deficit) 2017/18	Surplus/ (Deficit) 2018/19	Surplus/ (Deficit) 2018/19
	£	%	£	%	£	%
CCLA Property Fund	(92,996)	-2.28%	193,868	4.53%	(849)	-0.02%
Schroders Bond Fund	16,634	0.56%	(50,726)	-1.74%	(47,707)	-1.67%
UBS Multi Asset Fund	36,559	1.21%	(100,545)	-3.45%	(49,681)	-1.73%
CCLA Diversification Fund	n/a	n/a	(78,743)	-4.10%	60,910	3.07%
Total	(39,803)		(36,146)		(37,327)	
Net Yield	Net Yield 2016/17	Net Yield 2016/17	Net Yield 2017/18	Net Yield 2017/18	Net Yield 2018/19	Net Yield 2018/19
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19

	£	%	£	%	£	%
CCLA Property Fund	71,438	1.75%	387,626	9.06%	183,140	4.28%
Schroders Bond Fund	143,974	4.86%	54,687	1.88%	72,801	2.54%
UBS Multi Asset Fund	137,159	4.54%	46,243	1.58%	66,832	2.33%
CCLA Diversification Fund	n/a	n/a	(16,011)	-0.83%	127,940	6.45%
Total	352,572		472,545		450,713	

	2016/17		2017/18		2018/19		2019/20	
	£	%	£	%	£	%	£	%
Peer to Peer Investment								
Funding Circle								
Carrying Value	2,004,525		2,003,498		1,971,379		1,995,299	
Interest Paid by Borrowers	219,299		181,591		212,877		95,730	
Less FC Service fee	(36,267)		(19,669)		(19,707)		(9,896)	
Bad Debts	(89,587)		(61,288)		(100,515)		(63,911)	
Amounts Recovered on principal in prior years (since 06.04.15)	9,869		14,780		15,513		12,191	
Amounts Recovered on principal in prior years (prior to 06.04.15)	0		0		2			
Net Yield	103,315	5.15%	115,415	5.76%	108,171	5.49%	34,114	1.71%
Provisions for future losses	0		0		(10,000)			