

## **ARTICLE 9 – FINANCE, CONTRACTS AND LEGAL MATTERS**

### **9.1 Financial Management**

The management of the council's financial affairs will be conducted in accordance with the financial regulations set out in part 3 of this constitution. These may change from time to time.

### **9.2 Contracts**

Every contract made by the council will comply with Contract Standing Orders set out in part 3 of this constitution. These may change from time to time.

All major contracts as defined in Contract Standing Orders must either be signed by at least two designated officers of the council or made under the common seal of the council attested by at least one designated officer.

'Designated Officer' shall mean the head of paid service or any other officer authorised by them. The monitoring officer shall keep a list of Designated Officers.

### **9.3 Legal Proceedings**

The Head of Paid service or any other officer authorised by them has authority to institute, defend, settle or participate in any legal proceedings concerning any members of staff in any case where such action is necessary to give effect to decisions of the Council or in any case where they consider that such action is necessary to protect the Council's interest, or otherwise where permitted at law subject to prior consultation with the Monitoring Officer.

With regard to the settlement of any legal proceedings concerning members of staff, where the settlement terms include the payment of a 'special severance payment', as defined in statutory guidance issued under Section 26 of the Local Government Act 1999, such payment shall be approved as follows:

- (i) The full Council must approve any special severance payments of £100,000 and above; and
- (ii) The approval of the Head of Paid Service and the Leader of the Council must be obtained and recorded for any payments of £20,000 or above but below £100,000 (alongside the approval of any other officers who have approved the payment).

Advice should be sought on a case-by-case basis as to whether a payment constitutes a 'special severance payment' however, redundancy payments and associated pension strain costs, payments ordered by a court or tribunal and payments agreed through judicial or non-judicial mediation are not special severance payments. The statutory guidance does not apply to staff employed in maintained schools.

### **9.4 Authentication of Documents**

Where any document is necessary to any legal procedure or proceedings on behalf of the council, it will be signed by the head of paid service or other

officer authorised by them unless any enactment otherwise authorises or requires, or the council has given requisite authority to some other person.

#### **9.5 Common Seal of the Council**

The common seal of the council will be kept in a safe place in the custody of the monitoring officer. A decision of the council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The common seal will be affixed to those documents which in the opinion of the head of paid service or monitoring officer should be sealed. The affixing of the common seal will be attested by a 'designated officer' as defined in 9.2 above.