

## **PART 2**

### Articles of the Constitution

#### **Article 14 - Finance, Contracts and Legal Matters**

##### **FINANCIAL MANAGEMENT**

- 14.1 The management of the Authority's financial affairs will be conducted in accordance with the Budget and Policy Framework Rules and the Financial Rules set out in [Part 4G](#) and [Part 4H](#) of this Constitution.

##### **CONTRACTS**

- 14.2 Every contract made by the Authority will comply with the Contract Rules set out in [Part 4I](#) of this Constitution.
- 14.3 Contracts shall be executed as follows;
- All Contracts with a value exceeding £50,000 shall be executed as a deed and the common seal (see below) shall be affixed unless the Borough Solicitor considers it more expedient to sign the contract.
  - All Contracts with a value exceeding £25,000 but not exceeding £50,000 shall be signed by the Borough Solicitor unless the Borough Solicitor requires that the contract be sealed.
  - All Contracts not exceeding £25,000 that require execution shall be signed by any of the Chief Executive, Executive Director, Director, Borough Solicitor or budget holder (subject to individual approved limit) unless the Borough Solicitor requires that the contract be sealed.

##### **LEGAL PROCEEDINGS**

- 14.4 The Borough Solicitor is authorised subject to 14.5 below to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Authority (Council, Cabinet, Committee, Joint Arrangements or Officer) or in any case where the Borough Solicitor considers that such action is necessary to protect the Council's interests and he/she is satisfied as to the available evidence.
- 14.5 This authority may only be exercised within the financial limit which is authorised by the decision or is within the authorised expenditure limit of the Borough Solicitor.

##### **AUTHENTICATION OF DOCUMENTS**

- 14.6 Subject to Article 14.7 below,
- where any document is necessary to any legal procedure or proceedings on behalf of the Authority, or

- where any legal document (not falling within article 14.3) is required to be signed (unless the Borough Solicitor requires it to be sealed)

it will be signed by the Borough Solicitor or Chief Executive or any other person authorised by them, unless any enactment otherwise authorises or requires or the Authority has given requisite authority to some other person.

- 14.7 A decision of a person or body in respect of a Function allocated to them under Part 3 of the Constitution will be sufficient approval for signing any document necessary to give effect to that decision.

### **COMMON SEAL OF THE AUTHORITY**

- 14.8 The common seal of the Authority will be affixed to those documents which in the opinion of the Borough Solicitor should be sealed.
- 14.9 A decision of a person or body in respect of a Function allocated to them under Part 3 of the Constitution will be sufficient approval for sealing any document necessary to give effect to that decision.
- 14.10 The common seal will be kept in a safe place in the custody of the Borough Solicitor.
- 14.11 The affixing of the common seal must be attested by any of: the Borough Solicitor, the Head of Law, the Chief Executive, Executive Director, the Mayor, or the Deputy Mayor.

### **ELECTRONIC SIGNATURES**

- 14.12 Electronic Signatures may only be permitted as a method of executing Contracts or other legal agreements with the prior consent of the Section 151 officer and having first obtained advice from the Borough Solicitor.