

## **APPENDIX A – DUE DILIGENCE FRAMEWORK**

1. The Council has developed a framework for undertaking due diligence which promotes consistency and rigour whilst at the same time allowing for flexibility and a proportionate approach. It is based around the “6 Ps” principle as set out below:

### **Powers**

- a) What legal powers is the Council relying on to make the investment being proposed;
- b) Has legality been considered in terms of the underlying nature of the activity, as well as the instrument or vehicle itself?
- c) Have capital financing and MRP requirements been considered?

### **Permission**

Does the Council need permission from the Secretary of State or anyone else before progressing this investment e.g.,

- a) Members – and if so who (committee with delegated authority, cabinet or full Council)
- b) Chief Officer if delegated decision-making powers apply
- c) Consultation with the public or staff may be a legal requirement
- d) Does the proposal involve legal negotiations with a contractor or 3rd party?

### **Policy**

- a) Does the proposal fit within the Council's policy objectives in terms of what it is trying to achieve?
- b) If not does the proposal need to go to Full Council for approval?

### **Payment**

- a) How is the proposal to be funded both in terms of initial and ongoing costs (i.e. is there a budget – revenue and capital)

### **Procurement**

- a) Has the proposal been subject to the Council's procurement procedures?
- b) Does it need to go through formal tendering or does it need a waiver?
- c) Are there any State Aid or other implications?

### **Press**

- a) Might the Council be exposing itself to criticism?

Whilst not all of the above considerations will apply to every investment scenario, this framework will be applied in principle to every investment proposal, with results reported to Members for consideration.