



**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
29 SEPTEMBER 2022**

**COUNCIL CONSTITUTION AND SCHEME OF DELEGATION GENERAL PROVISIONS –
UPDATE**

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee’s consideration of a proposed revision to the above powers within the Constitution and to recommend to the Council that the revision is made.

2. RECOMMENDATION

- 2.1 That the Committee agrees and recommends to the Council that the proposed addition be made to Part 3 – Responsibility for Functions - Scheme of Delegation (General Provisions) as detailed in paragraph 3.4 below.

3. SUMMARY OF KEY ISSUES

- 3.1 It has become apparent that the Scheme of Delegation is devoid of any general powers of authorisation to Directors to operate within the general parameters of approved budgets, particularly in the interests of service provision. This is distinct from the Scheme of Delegation itself which sets out a range of powers and functions exercisable by Directors which would otherwise require the specific decision of the Council or a Committee.
- 3.2 The focus for this derives from a reference in the Council’s adopted Financial Regulations, which forms part of the Constitution. Part A of Appendix A deals with Financial Management procedures and standards, and part of managing expenditure includes the provision for virements. It states, “The scheme of virement is intended to enable the Strategy and Resources Committee, Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources.”
- 3.3 The Regulations then describe the key controls over the use of virements, and in paragraph A.2.2.1(b) it states “the overall budget is proposed by the Strategy and Resources Committee and approved by the Council. Directors and budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
- 3.4 It is the view of Officers that the above statement is more of a commentary or an acknowledgement rather than providing an authority itself. In order to be seen as a form of authorization, and for added clarification and status, it would be best to replicate it in the Scheme of Delegation (General Provisions) rather than the Scheme of Delegation to Officers. It is therefore proposed that the following be added:

*12. **Financial Management** – Directors, and service managers, have responsibility for the management of the financial aspects of service provision, which includes authority to incur expenditure considered to be reasonably required to carry out the policies of the Council at any time provided that such expenditure is in accordance with the budget, is fit for purpose, and there is sufficient money existing within the budget or otherwise vired.*

3.5 The Corporate Governance Working Group, at a recent meeting, was advised of this issue and supported the proposed revision.

4. IMPACT ON STRATEGIC THEMES

4.1 No direct impact on the three Strategic Themes. Good governance, of which the Constitution is a key component in relation to decision-making, enables delivery of strategic priorities.

5. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None .
- (iii) **Impact on Risk** – None.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.
- (vii) **Impact on Strengthening Communities** – None.

Background Papers: None.

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