

Financial Regulations and Scheme of Delegation for Financial Management

Report by Councillor David Finch, Leader and Cabinet Member for Finance

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Purpose of report

To seek Council's approval to changes proposed to the Financial Regulations and Scheme of Delegation for Financial Management.

Recommended:

That the Financial Regulations and Scheme of Delegation for Financial Management as set out at Appendix "A" to this report be adopted.

Background and proposal

The current Financial Regulations and Scheme of Delegation for Financial Management were approved by the Council in February 2012 but they now require substantial update to reflect changes to the organisational structure and its new operating model.

Aside from updating the Financial Regulations and Scheme of Delegation for Financial Management to reflect the new organisational structure, the intention has also been to refine the framework for financial management, to ensure that it aligns to the new operating model and allows for appropriate empowerment of operational budget holders.

One of the key changes has been to focus upon the role of the budget holder, and upon the delegations that can operate in support of the operational budget holder. The term 'budget holder' is used to cover a range of responsibilities and accountabilities, starting from the Executive Director, who oversees the overall delivery of a range of services, down to the operational budget holder who is accountable for the day-to-day running of a service and the management of the associated budget.

The revised Financial Regulations and Scheme of Delegation propose that the default position will be that Directors will be the operational budget holders. However, a Director may designate a Head of Service, or another officer, as the operational budget holder, where that officer will have responsibility for a service area with a budget of at least £1m. Where the budget would be less than £1m, it would not be permissible for a

Director to delegate budget holder responsibility, unless otherwise agreed by the Executive Director for Corporate Services.

There will usually be a series of delegations operating in support of the operational budget holder, whereby those with delegated authority are able to commit funds on the budget holder's behalf (i.e. within parameters agreed by the operational budget holder).

A number of changes are also proposed to financial thresholds. The Financial Regulations also now clarify that, in the event that an officer at the specified level is unable to take a decision for any reason, the decision may be taken at a higher level in the organisation.

The draft Financial Regulations and Scheme of Delegation for Financial Management are attached in Appendix "A" to this report. Appendix "B" provides an explanation of the proposed changes.