

## Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Council	
MEETING/ DECISION DATE:	12 <sup>th</sup> September 2013	
TITLE:	Arrangements for approval of unanticipated capital expenditure outside approved budget	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> None		

### 1 THE ISSUE

Council is asked to

- 1.1 Enable decisions to be taken that are not within an existing approved capital budget or relevant contingency reserve it is necessary to put in plan arrangement for the approval of expenditure necessary to deal with unanticipated issues that arise in an expeditious manner.

### 2 RECOMMENDATION

- 2.1 Agree that decisions on the approval of unbudgeted items of capital expenditure may be taken by the Director of Business Support as S151 officer in consultation with the Cabinet member for Community Resources and the Chief Executive and
- 2.2 Note that decisions on matters the responsibility of Cabinet will be taken in accordance with arrangements made by the Leader (which may include the delegation of such decision to officers, following consultation with such member(s) as may be specified).

### 3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 Council has in place an approved revenue and capital budget for the year 2013-14 which include a number of reserves and contingencies.
- 3.2 There are currently no mechanisms to enable unforeseen capital expenditure outside the projects approved as part of the Capital Programme, without a decision of full Council.

3.3 The proposal will provide a mechanism to enable unforeseen items of capital expenditure that can be accommodated within the overall approved revenue and capital expenditure limits, reserves and contingencies, to be agreed without the need to refer every item to the Full Council. The proposed delegation is consistent with the existing delegation approved by the Council for revenue expenditure and reserves.

#### **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

4.1 The Council has a variety of powers and duties in relation to matters such as property acquisitions and responding to claims made to the Council under various Acts of Parliament.

4.2 The Local Government Act 2000 (amended) creates a clear distinction between Council and Cabinet functions which are reflected in the Constitution. Council sets the budget; Cabinet implements policy within the approved budget.

#### **5 THE REPORT**

5.1 As outlined in 3.2 above, there is currently no mechanism in place to deal with issues that have financial consequences outside approved capital budget without recourse to a meeting of Full Council.

5.2 It is considered that this is not an effective mechanism and inhibits the ability of Cabinet to deal with issues that arise in a way that best protects the Council's interests.

5.3 The proposed delegation at 2.1 is designed to enable matters to be dealt with in an expeditious manner.

#### **6 RATIONALE**

6.1 This is self-evident from the report.

#### **7 OTHER OPTIONS CONSIDERED**

7.1 For the reason set out as paragraph 5.1 it is considered that existing arrangements should be modified.

#### **8 CONSULTATION**

8.1 This report has been prepared in conjunction with the Director of Business Support (as S151 Officer) and the Chief Executive.

#### **9 RISK MANAGEMENT**

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance. There are potential financial and reputational risks if the Council cannot take decisive and swift action.

<b>Contact person</b>	<i>Vernon Hitchman Monitoring Officer – (01225) 395171</i>
<b>Background papers</b>	<i>Copies of the Council Resolutions of February 2013, the Council's budget management scheme and its Constitution are available on the website.</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	