

## **Bath & Northeast Somerset Council**

### **Financial Scheme of Delegation – Summary of Delegation levels**

In the constitution, the Policy and Budget framework sets out the delegation of financial responsibility and budget spending limits to the officers of the Council, in conjunction with the Executive.

This Financial Scheme of Delegation outlines officers' delegation levels, details the responsibility levels that council officers hold to make financial related decisions on spending, income and other financial related issues and sets out the approved financial limits within which authorised officers may conduct council business.

If an officer is unclear of their delegation level when making a relevant financial decision, this should be discussed with the relevant Executive Director prior to any financial decisions being made.

The Financial Regulations themselves are also made up of several Codes of Practice and specific policies such as the Debt Management and Disposal of Property Assets policies which should be read in conjunction with this scheme of delegation.

#### **What is a KEY Decision?**

**Key decisions are those decisions which are of significance either in money terms (to be spent or saved) or in terms of community impact. They do not include the day-to-day operational service management decisions taken by Officers**

A “**key decision**” is defined in law as one which is likely to:

- result in the local authority incurring expenditure, or the making of savings, over a financial threshold of £500k; and/or
- be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.

The definition of key decision does not apply to proposals or decisions of the Leader acting in their capacity as Shareholder of a Local Authority Company owned or operated by the Council.

**Key decisions are reserved to Cabinet or are Single Member Decisions (SMD) unless specifically delegated to an officer (ODD) by a Cabinet /SMD decision. The following approved financial limits do not override the need to ensure a key decision is taken through the appropriate decision route.**

### Summary of Finance Delegations & Thresholds

No	Delegated Function	Limitations	Authorised officer
1	<p>General Expenditure</p> <p>Power to incur expenditure within approved budget, providing it is incurred legally, within Council policy and procured in accordance with the Councils procurement procedures.</p> <p>This covers all revenue and capital expenditure including the award of contracts for supplies, works and services.</p> <p><b>Subject to the financial limits in the following sections</b></p>	Up to £1,000	Budget Holder *
		Up to £5,000	Budget Holder *
		Up to £50,000	Budget Holder *
		£50,000 – up to £150,000	Head of Service
		Over £150,000 – up to £500,000	Director
		Over £500,000	Executive Director or S151 Officer
2.	<p><b>Adding schemes to the Capital Programme – must go through ODD or SMD to add to capital programme – Can only be authorised by a Director</b></p> <p>Schemes will in the main be added to or removed from, the capital programme as part of the <b>Medium-Term Financial Planning process</b>.</p>	Any amount	Director or S151 Officer
3	<p><b>Submission of bids to Government/External Bodies</b></p> <p>Bids submitted for external funding must go through the Councils appropriate governance process. With any associated match funding identified prior to submission.</p>	Expenditure of the funds must follow the authorisation levels at no 1.	Executive Directors and/ or S151 Officer must agree and sign off on all external funding bids and associated expenditure.

4.	<b>Asset Leasing</b>	Any Amount	Any proposed leasing arrangements must be approved by S151 Officer or nominated officer.
5.	<b>Treasury Management</b>  Only the nominated officers can borrow or invest council monies, make loans or acquire interest in companies, joint venture or other enterprises.	Any Amount	S151 Officer or nominated officer with delegated authority, including those set out in the Council's Treasury Management practices.
6	<b>Management, acquisition and disposals of land and property</b>  Also see - Delegated authority relating to the operational management of Council property assets within Constitution.	Up to £500,000	Head of Commercial Estate or Head of Corporate Estate
		Over £500,000	Head of Commercial Estate or Head of Corporate Estate in consultation with Cabinet Member
7	<b>Disposal of Assets (non-land and property)</b>  Including <ul style="list-style-type: none"> <li>• Fleet Vehicles</li> <li>• IT systems &amp; equipment</li> <li>• Other equipment</li> </ul>	Up to £1,000	Head of Service *
		Up to £5,000	Head of Service *
		Up to £50,000	Head of Service *
		£50,000- £150,000	Director following consultation with Executive Director
		Over £150,000 up to £500,000	S151 Officer following consultation with Executive Member Resources
8.	Power to make payments or provide other benefits in cases of <b>maladministration or compensation</b> (non-Insurance e.g fines, or tribunal cases)	Up to £500	Head of Service
		£500 - £5,000	Director
		Over £5,000	S151 Officer
9.	<b>Fees and Charges</b>  All fees and charges will be reviewed annually and subject to formal approval in accordance with the Constitutions Budget and Policy Framework.  Officers are authorised to: - <ul style="list-style-type: none"> <li>• determine the amount(s) of any fee or charge the Council is entitled or authorised to levy or make in respect of the discharge or any of its functions subject to such</li> </ul>	All values	If involving major restructuring of charges or the introduction of any new charges then Cabinet in consultation with relevant Executive Member and relevant Director, through SMD or Cabinet meeting

	charges: a) being in line with the Council's financial plan; and b) in the opinion of the officer concerned, not involving major restructuring of charges or the introduction of any new charges.		
10.	<b>Income Write off</b>	Up to £50,000	S151 Officer or nominated officer
		Over £50,000	S151 Officer in consultation with the Cabinet Member Resources
11	<b>Settling Legal and Insurance claims/ related works</b>  The settling of legal and insurance claims against the Council not covered by our insurance and in compliance with all relevant insurance terms and conditions, will be subject to approval as follows (except for historic Avon insurance and MMI levy claims)	Up to £1,000	Director *
		Up to £5,000	Director *
		Up to £50,000	Executive Director
		£50,000 - £150,000	S151 Officer and or Executive Director
		Over £150,000	S151 Officer
12.	<b>Emergency/Unplanned Payments</b> Emergency/urgent payments in this instance are those made in extenuating circumstances, arising because of unforeseen circumstances.	Up to £150,000	Executive Directors in consultation with S151 Officer
		Over £150,000	S151 Officer in conjunction with Executive Member Resources
13.	<b>Use of Reserves</b>  The request for the use of any earmarked or unearmarked reserves	Any Level	S151 Officer in consultation with Chief Executive and Cabinet Member Resources

**\* Can depend on individual delegation, agreed at Directorate/Service level**

## Virement of Budgets

### Summary of Virement Limits and Required Approval

<b>Amount</b>	<b>Between Services within Cash limit</b>	<b>Between Cash limits within Portfolio</b>	<b>Between Cash limits across Portfolios</b>
Less than £50k	Directors can approve	Directors can approve	Director can approve, consult portfolio holders
£50k-£150k	Director can approve, consults ED/CEO & S151 and approval by portfolio holder.	Director can approve, consult ED/CEO & S151 and approval by portfolio holder.	Director can approve, consults ED/CEO & S151 and approval by relevant portfolio holders
Over £150k	Included in quarterly Cabinet Budget Monitoring report for approval by full Cabinet		

S151 Officer – Statutory Financial Officer

ED – Executive Director

CEO – Chief Executive Officer

## Procurement Minimum Requirements

Minimum process requirements in respect of procurement activity are set out in the Contract Standing Orders.