

Report to Governance Committee

Wednesday 27 September 2023

By the Monitoring Officer

DECISION REQUIRED

Not Exempt



**Horsham
District
Council**

Delegations to Chief Finance Officer (Section 151 Officer)

Executive Summary

This report recommends changes to the Chief Finance Officer's delegations contained in the Council's Constitution. It also incorporates a review of the delegation made by Council in June 2022 in relation to the receipt and expenditure of external grant funding.

The recommendations extend to:

- Grants up to £100,000 for new projects or new service areas;
- Grants up to £249,999 for existing projects or existing service areas; and
- Any other changes to the Council's budget relating to income or expenditure up to £100,000.

Recommendations

That the Committee is recommended:

- To ask Council to approve that the delegation to the Chief Finance Officer (Section 151 Officer) in paragraph 10 of section 3.5.2 of Part Three of the Constitution be removed and replaced by the following:

"10. With the Leader of the Council, to approve the receipt and consequent expenditure and/or allocation (as the case may be) of grant monies for new projects or new service areas for which there is no provision in the Council's budget up to a threshold of £100,000 in consultation with the Cabinet Member for Finance and Resources and the Chairman of the Overview and Scrutiny Committee.

11. With the Leader of the Council, to approve the receipt and consequent expenditure and/or allocation (as the case may be) of grant monies for existing projects or existing service areas for which there is no provision in the Council's budget up to a threshold of £249,999 in consultation with the Cabinet Member for Finance and Resources and the Chairman of the Overview and Scrutiny Committee."

- To ask Council to approve that an additional delegation to the Chief Finance Officer (Section 151 Officer) be included in section 3.5.2 of Part Three of the Constitution as follows:

"12. With the Leader of the Council, to be authorised to make decisions relating to any other income or expenditure for which there is no provision in the Council's budget up to a threshold of £100,000 in consultation with the Cabinet Member for

Finance and Resources and the Chairman of the Overview and Scrutiny Committee, such income or expenditure being the gross amount.”

- iii) To note that the Monitoring Officer will reflect the above-noted delegations in the Constitution (pursuant to her authority to do so, per Article 13, paragraph 13.3 b) 3 of the Constitution) should the recommendations be approved.

Reasons for Recommendations

The recommendations will further streamline the decision-making process by allowing certain decisions to be made by the Chief Finance Officer (Section 151 Officer) and the Leader of the Council in a timely manner without the need to obtain prior approval from Council. The Cabinet Member for Finance and Resources and the Chairman of the Overview and Scrutiny Committee will have oversight of these decisions.

Background Papers

Report and minutes of the June 2022 meeting of the Governance Committee
Minutes of the June 2022 meeting of Full Council
Horsham District Council Constitution

Wards affected: All

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Background Information

1 Introduction and Background

- 1.1 This report recommends changes to the Chief Finance Officer's delegations contained in the Council's Constitution, in order to further streamline the decision-making process.
- 1.2 These changes are to (i) extend a delegation made by Council in June 2022, and, (ii) introduce a new delegation.

2 Relevant Council policy

- 2.1 The recommendations in this report support section 5.3.4 of the 2019-2023 Corporate Plan: "Continue to manage our finances prudently and identify new sources of revenue to balance our budgets as funding from central government reduces."

3 Details

3.1 Receipt and expenditure and/or allocation of grant monies

- 3.1.1 Following a recommendation by the Governance Committee made on 8 June 2022, Council resolved at its meeting on 22 June 2022 to allow the Section 151 Officer and the Leader of the Council, in consultation with the (then) Cabinet Member for Finance and Parking and the Chairman of the Overview and Scrutiny Committee, to approve the receipt of grant monies, and consequent expenditure, up to £100,000. This was reflected in the Constitution as follows:

"With the Leader of the Council, to approve the receipt of grant monies and consequent expenditure up to a threshold of £100,000 in consultation with the Cabinet Member for Finance and Parking and the Chairman of Overview & Scrutiny Committee."

- 3.1.2 The Governance Committee agreed that, if Council accepted the recommendation, the decision would be reviewed in 12 months' time.
- 3.1.3 It is recommended that this delegation now be extended indefinitely to allow the receipt and expenditure and/or allocation of grant monies up to an increased threshold of £249,999 where such monies relate to existing projects or existing service areas. Decisions relating to grant monies often need to be made at short notice and increasing the threshold will obviate the need to obtain Council's approval in these circumstances. The rationale behind extending the delegation for existing projects or existing service areas only (as opposed to new projects and new services) is that a decision would likely already have been taken to undertake the project or provide the service to which the grant monies relate.
- 3.1.4 Any decisions involving the receipt and expenditure and/or allocation of grant monies for existing projects or existing service areas of £250,000 or above will likely constitute a material change to the Council's budget and, if so, would require

Council's approval unless the urgency provisions contained in the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution apply.

3.1.5 It is recommended further that the threshold for the receipt and expenditure and/or allocation of grant monies relating to new projects or new service areas be set at £100,000. This reflects largely the current position albeit the present delegation does not distinguish between existing and new projects/services or include the allocation of grant monies.

3.1.6 Any decisions involving the receipt and expenditure and/or allocation of grant monies in excess of £100,000 for new projects or new service areas will likely constitute a material change to the Council's budget and, if so, would require Council's approval unless the urgency provisions in the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution apply.

3.2 Other income and expenditure

3.2.1 The Section 151 Officer has limited authority to make financial decisions which fall outside of the Council's budget. For example, the postholder does not currently have the authority to make minor in-year changes to the budget for areas which reduce expenditure through efficiency or generate more income through changes made to effect growth in volumes.

3.2.2 In order to improve operational efficiency, it is recommended that the Section 151 Officer be delegated authority to make decisions relating to any income or expenditure up to a threshold of £100,000 and on the same terms as with grants i.e. with the Leader of the Council and in consultation with the Cabinet Member for Finance and Resources and the Chairman of the Overview and Scrutiny Committee.

4 Next Steps

4.1 If approved by the Governance Committee, Council will be asked to consider the recommendations at its next meeting.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

5.1 This report does not relate to policy development and as such the views of Policy Development Advisory Groups have not been sought.

5.2 The Monitoring Officer has been consulted on the content of this report.

5.3 The Leader of the Council, the Cabinet Member for Finance and Resources and the Chairman of the Overview and Scrutiny Committee have been consulted on the content of this report.

6 Other Courses of Action Considered but Rejected

6.1 The alternative courses of action considered but rejected are:

- (i) not to extend the threshold applicable to grant monies for existing projects or existing service areas, or to extend the threshold by a lesser amount; and
- (ii) not to grant the delegation in respect of (i) grant monies for new projects of new services areas, or, (ii) other income and expenditure or to grant the delegation but with a lower threshold amount.

6.2 The recommended delegations and threshold amounts are considered reasonable and proportionate in the context of the Council's overall budget, and the value of the grants that the Council receives without notice from time to time, which is becoming more frequent, and, the fact that related decisions need to be taken in a timely manner and without delay.

7 Resource Consequences

7.1 Granting the delegations referred to in this report is expected to have a positive impact on resources if more decisions are able to be made without requiring Council approval. This is because Council meetings are resource intensive.

8 Legal Considerations and Implications

8.1 The Council can arrange for the discharge of any of its functions by an officer pursuant to section 101(1) of the Local Government Act 1972.

8.2 The Council is required under section 37 of the Local Government Act 2000 to have a constitution and to keep it up to date.

9 Risk Assessment

9.1 The requirement for the delegations to be exercised in conjunction with the Leader of the Council and in consultation with the Cabinet Member for Finance and Resources and the Chairman of the Overview and Scrutiny Committee reduces any risks associated with granting them.

9.2 Not approving the subject delegations could mean that the Council will miss out on grant funding opportunities or need to convene meetings on short notice which will have an impact on resources, councillors' time and increase our carbon footprint.

10 Procurement implications

10.1 There are no procurement implications.

11 Equalities and Human Rights implications / Public Sector Equality Duty

11.1 There are no equalities or human rights implications.

12 Environmental implications

12.1 There are no environmental implications, save that granting the delegations could contribute to the reduction of the Council's carbon footprint if it avoids extra Council meetings having to be called.

13 Other considerations

13.1 There are no apparent GDPR, data protection or crime and disorder consequences.