

Covid-19 Pandemic - Policy for decision making and spending delegations within the Budget & Policy Framework

Background

The increased costs and loss of income facing the city council as a result of the COVID pandemic is both dramatic and uncertain. We are also aware that we expect the impact of the pandemic to continue for months if not years in terms of changing how we work, how people interact, and the services that may be needed from the council.

The Budget Framework set by Full Council in February 2020 sets a ceiling on what can be spent. However, given the context outlined above it may now be that it is no longer appropriate to spend in-line with the agreed budget. The situation is also not yet certain enough to make a full-scale budget review sensible. Therefore, we need a flexible solution to support a broad, ongoing and swift review of spending decisions, amending the Leaders' financial delegations provides a mechanism to do that.

Executive decisions can be taken that are in accordance with the Budget Framework. Those that fall outside must be made by Full Council.

The Leader has delegated decisions to Cabinet Members and officers of the Council under a scheme of delegation that can be found at Part 2 Section 7 (pg 48) of the Constitution. In addition to this delegations for financial limits for spending are detailed at Part 3 Section 2 (pg 94) of the Constitution.

Temporary Financial Restrictions

Subject to the exceptions below, there should be no expenditure or commitment to make expenditure on any project/programme of work/activity without first obtaining written approval as set out below.

The exceptions to the above include:

- Expenditure initiated as part of the COVID response
- Operational expenditure including purely administrative expenditure (eg. stationary) and on those essential services which have continued throughout the pandemic (eg. refuse collection and customer services)
- Any expenditure that is contractually/statutorily/legally required (eg. salaries)
- Any expenditure that was committed prior to 23 March where it is not possible or necessary to cancel or delay that commitment

For the avoidance of doubt, these temporary financial restrictions cover all revenue, reserves and capital expenditure that was agreed as part of the Budget Framework in February 2020.

In simple terms, no new expenditures, other than those required to address the COVID pandemic, should be made without approval and operations which were halted or reduced at the start of the pandemic should not be restarted or increased without written approval.

Authorisation/Written Approval

The following approval limits are set:

- Up to £5k – Director to authorise in consultation with cabinet member
- Over £5k – a simple majority from the Portfolio Holder, Director, Leader, Cabinet member for finance, and Chief Exec to authorise after consideration of advice from s151 officer
- Over £150k - Cabinet to authorise after consideration of advice from s151 officer

All authorisations will be in writing and signed and dated. A record will be maintained by the Section 151 Officer of all these authorisations.

All decisions on the use of reserves, the commencement of new capital projects or re-commencement of capital projects halted by the pandemic will require approval of cabinet irrespective of the financial level.

For the avoidance of doubt, the above limits extend to the full expenditure commitment so where that commitment is paid out in stages it is the value of the full commitment that should be considered.

Financial delegation Limits

Financial delegations are as set out in the Part 3 Section 2 (pg 93) of the Constitution. These are considered appropriate at this time but will be kept under review.

Financial Procedure Rules

Additionally, the Financial Procedure rules, specifically Section 4 (starting on pg 136) set out rules for 'Managing Income and Expenditure: Budgetary Control.' These mandate responsibility for budgetary control to Directors who designate Responsible Spending Officers for the authorisation of expenditure and monitoring of both expenditure and income. These rules still apply but should take account of the temporary financial restrictions set out above.

Monitoring expenditure and income

During the period of the temporary financial restrictions, the Section 151 Officer will provide a monthly report to Cabinet on the Council's financial position including the expected impact of the COVID pandemic. The report will include:

- A schedule of such expenditures which have been halted and reduced during the pandemic and the estimated expenditure saving.
- Any additional expenditures, planned or emergency, arising as a consequence of the pandemic as authorised by the Director of Communities and the Environment.
- An assessment of the losses of incomes arising from the pandemic as reported to the Section 151 Officer by Responsible Spending Officers.

Operational decisions

Operational decisions do not fall under this policy.

Operational decisions are defined as purely administrative decisions (such as those relating to the purchase of stationery) or those in relation to day-to-day delivery of services.

Operational decisions do not include any project or service that did not continue between 23 March 2020 and [one day after this rule is agreed] or returning any project to its pre-23 March 2020 capacity.

Status

This policy forms part of the Leader’s Scheme of Delegation of executive functions in the Constitution. If there is conflict between this policy and the scheme of delegation in the Constitution, then this policy takes precedence. Should any other financial delegation policy the Council has contradict this policy then the policy providing greater scrutiny at lower levels takes precedence.

Review

This policy is subject to review by the Leader, at any time, and no less than every month

Signed.....

Erica Lewis - Leader

Dated 9 JUNE 2020