Devon County Council

To: The Chair and Members of the Procedures Committee	County Hall Topsham Road Exeter Devon EX2 4QD

Date: 12 April 2021

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PROCEDURES COMMITTEE

Tuesday, 20th April, 2021

A virtual meeting of the Procedures Committee is to be held on the above date at 10.30 am to consider the following matters. To view the meeting as a live stream, use this link - https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZjFlZGY2ZDQtM2Q0NC00NWU3LWFlOTUtZWMwMzY4NjI5NmVk%40thread.v2/0?context=%7b%22Tid%22%3a%228da13783-cb68-443f-bb4b-997f77fd5bfb%22%2c%22Oid%22%3a%22b0735e0e-6faa-4f6a-91bb-917fd50284ca%22%2c%22IsBroadcastMeeting%22%3atrue%7d&btype=a&role=a

Phil Norrey
Chief Executive

A G E N D A

PART I - OPEN COMMITTEE

1   Apologies for absence

2   Minutes

Minutes of the meeting held on 2 February 2021, previously circulated.

3   Items requiring urgent attention

Items which in the opinion of the Chair should be considered at the meeting as a matter of urgency.

MATTERS FOR DECISION

4   Proposed changes to Financial Regulations (Pages 1 - 6)

 Report of the County Treasurer (CT/21/35) on proposed changes to Financial
 Regulations, attached.

Electoral Divisions(s): All Divisions

MATTERS FOR INFORMATION

NIL

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED

NIL

Members are reminded that Part II Reports contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). They need to be disposed of carefully and should be returned to the Democratic Services Officer at the conclusion of the meeting for disposal.

MEETINGS INFORMATION AND NOTES FOR VISITORS

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For SatNav purposes, the postcode for County Hall is EX2 4QD

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Committee Terms of Reference
For the terms of reference for any Committee, please [visit the Committee page](#) on the website and click on the name of the Committee. Under purpose of Committee, the terms of reference will be listed. Terms of reference for all Committees are also detailed within Section 3b of [the Council's Constitution](#).

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The proceedings of any meeting may be recorded and / or broadcasted live, apart from any confidential items which may need to be considered in the absence of the press and public. For more information [go to our webcasting pages](#)

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Filming must be done as unobtrusively as possible without additional lighting; focusing only on those actively participating in the meeting and having regard to the wishes of others present who may not wish to be filmed. Anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance.

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Declarations of Interest for Members of the Council
It is to be noted that Members of the Council must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

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Induction Loop available

CT/21/35
Procedures Committee
20 April 2021

Changes to the Constitution

Report of the County Treasurer

> Please note that the following recommendation is subject to confirmation by Committee before taking effect.

Recommendation: that Members approve the proposed changes to the Constitution as outlined below.

1. **Background**

1.1. Part 5c of the Constitution relates to Financial Regulations for which there are some elements now in need of updating.

1.2. Proposed changes are outlined in the following sections of this report and highlighted in detail in the attached appendix.

1.3. Consultation has been undertaken with Legal Services where appropriate.

2. **Financial Planning and Control of Expenditure**

2.1. Capital Expenditure and Leasing (B12) – The Capital programme must be submitted to Cabinet for approval. The introduction of new capital items after the Capital Programme has been approved requires advance approval in line with the table of delegation set out in section B12.8. Full Cabinet approval is required for items in excess of £1Million.

2.2. Learning from COVID19 has shown that there is a need to respond swiftly to implement changes linked to additional external funding, some of which is time limited.

2.3. It is therefore proposed that the table of delegation be adjusted to clarify that changes in excess of £1Million that are externally funded be approved by the Chief Finance Officer/Deputy in conjunction with the Capital Programme Group and relevant Cabinet Member via FIN letter. Any match funding required will follow the normal approval route.

3. **Risk Management and Control of Resources**

3.1. Financial regulations are needed to protect the assets and resources of the Council. It is important that internal controls promote economic, efficient and effective use of resources.

3.2. Staffing (C17) - the Council's policy requires that Chief Officers be responsible for ensuring there is a staffing strategy in place that matches staffing requests and budget allocations. Staffing establishments are approved alongside the annual budget. Any subsequent increase in staffing levels require the approval of the appropriate Cabinet Member.

3.3. Learning from COVID19 has shown that there is a need to flex our workforce as circumstances change. Often there is a need to implement changes swiftly and in the most efficient way possible in response to changes in demand and funding.

3.4. At the same time, implementation of recruitment modules as part of the iTrent Human Resource Management System (HRMS) provides an opportunity to review existing policies and to automate process flows to deliver additional efficiencies.

3.5. In response, Leadership Group is recommending the following changes to financial regulations in respect of subsequent increases in staffing levels;

   I. Any increase in establishment levels for which funding exists will require the approval of the Chief Officer and the County Treasurer.

   II. Any increase in establishment levels which require additional funding will require the approval of the appropriate Cabinet Member.

Mary Davis

County Treasurer

Contact for Enquiries: Martin Oram

Tel No: (01392) 382418

Background Paper   Date   File Ref

Nil

There are no equality issues associated with this report.

Appendix

Financial Regulations

B12. Capital Expenditure and Leasing

Preparation of the capital programme

1. The Chief Finance Officer is responsible for ensuring that a capital strategy for the ensuing financial year and four subsequent financial years is prepared.

2. The Chief Finance Officer is responsible for ensuring that every service area submits to the Cabinet proposals for capital expenditure for the ensuing financial year.

3. The Capital Programme Group will assist in evaluating Capital Projects proposed for inclusion in the capital programme and make recommendations to the Chief Finance Officer.

4. Before items included in an approved Capital Programme may be committed a detailed estimate of their cost must be submitted to the Cabinet for approval. Items with a gross cost exceeding £100,000 must be submitted individually; others may be aggregated. Cabinet may also delegate approval of targeted programmes of work to Committees for schemes in excess of this amount.

5. The amount of capital expenditure to be financed by borrowing must be approved by the full Council.

Authority to incur, and control of, capital expenditure

6. All capital expenditure proposals must be included in the approved capital programme.

7. Revised project approvals must be obtained in line with the table of delegation set out below and will include the increase in approved programme and its financing. **An exception to the table will be where borrowing is required for financing, and in such instances Cabinet approval must be sought.**

Limit	Authorisation
Up to £50,000, from the original project approval.	Head of Capital & Technical Finance in conjunction with Relevant Head of Service
Up to £200,000, from the original project approval.	Chief Finance Officer / Deputy in conjunction with Capital Programme Group and Relevant Cabinet Member/s
Up to £1,000,000, from the original project approval.	Chief Finance Officer/Deputy in conjunction with Capital Programme Group and Relevant Cabinet Member/s via FIN letter
Above £1,000,000, from the original project approval.	Full Cabinet. Based on recommendation from Chief Finance Officer and Capital Programme Group

8. The introduction of new capital items after the Capital Programme has been approved (whether additional or in substitution) requires advance approval. Approvals must be

obtained in line with the table of delegation set out below, and will include the increase in approved programme and its financing. **An exception to the table will be where borrowing is required for financing, and in such instances Cabinet approval must be sought.**

Limit	Authorisation
Up to £50,000.	Head of Capital & Technical Finance in conjunction with Relevant Head of Service
Up to £200,000.	Chief Finance Officer / Deputy in conjunction with Capital Programme Group and Relevant Cabinet Member/s
Up to £1,000,000.	Chief Finance Officer/Deputy in conjunction with Capital Programme Group and Relevant Cabinet Member/s via FIN letter
Above £1,000,000 and Externally Funded	Chief Finance Officer/Deputy in conjunction with Capital Programme Group and Relevant Cabinet Member/s via FIN letter
Above £1,000,000.	Full Cabinet. Based on recommendation from Chief Finance Officer and Capital Programme Group

9. New approvals and variations approved in periods will be reported as part of the budget monitoring cycle to members and the Capital Programme Group.

10. The Cabinet must approve any re-phasing of Capital Programmes.

11. Capital items purchased must be recorded in the appropriate register or inventory.

C17. Staffing

1. Chief Officers are responsible for the operation of the following controls over staffing:

    (a) A staffing strategy is in place that matches staffing requirements and budget allocations

    (b) Appropriate methods are used to forecast staffing requirements and related costs.

    (c) Staffing establishments specified as full time equivalents are approved alongside the annual budget.

    (d) Any subsequent increases in establishment levels for which funding exists will require the approval of the Chief Officer and the County Treasurer.

    (d e) Any subsequent increases in establishment levels which require additional funding will require the approval of the appropriate Cabinet Member.

    (e f) Procedures are in place to ensure that only properly authorised vacancies are advertised.

(f g) Monitoring of full-time equivalents against budget is undertaken on a quarterly basis.

(g h) Corporate minimum standards on recruitment and selection are followed at all stages of the recruitment process.