

Report – requested changes to the Constitution (Financial Regulations and Cabinet Procedure Rules)

1. Some two months prior to this Council meeting I was approached as Monitoring Officer concerning a number of amendments to the Council's constitution which were to be presented as a motion.
2. Standing Order 28.2 of the Council's Standing Orders states 'any motion to add to, vary or revoke these Standing Orders will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council unless the proposal has been the subject of consideration and report by the Monitoring Officer'.
3. The amendments to the constitution as set out in the motion are to Financial Regulations and the Cabinet Procedure Rules and therefore in themselves do not fall within the provisions of Standing Order 28.2, however the amendment to the Cabinet Procedure Rules does require an amendment to Council Standing orders and therefore this report is being presented to the Council with that motion so that the amendments can be considered as one motion without that one element being deferred to the next meeting.
4. The motion for the 22 October Council meeting is for the constitution be amended as follows:

- a. Part 4 Section (d) – Financial Regulations

- i. Para B24 be amended as follows:

'Capital expenditure on a scheme not included in estimates or budgets may only be incurred after full evaluation of that scheme by the Leader (if under £20,000) or Cabinet (between £20,000 and £1million) Any proposed capital expenditure over £1 million must be evaluated and agreed by majority of Council Members'.

The paragraph will continue as detailed- 'This will include a statement.....'

A final sentence to be added: 'This paragraph (B24) shall take priority over any other clause or paragraph within this Constitution that may be, or appear to be, in conflict.'

- ii. Para A38 be amended as follows:

The Leader is authorised to approve a total supplementary expenditure in a year not exceeding 5% of the approved net revenue budget and £20,000 on any approved capital scheme.

- b. Part 4 section (c) Who May Make Cabinet Decisions

- i. Who may make cabinet decisions: Para 2.1 be amended as follows:

'The arrangements for the discharge of Cabinet functions may be set out by the Leader. The Leader may, after full consultation and agreement of the majority of Cabinet members, provide for Cabinet functions to be discharged by: The list (a) to (g)

- ii. Quorum: Para 6.1 be amended as follows:
The quorum for a meeting of the Cabinet is 5.

5. For ease of reference the requested amendments to the Financial Regulations put in tracked changes:

Supplementary Estimates

A37 If an essential increase in spending cannot be contained within existing budgets through the transfer arrangements described above, the relevant Deputy Chief Executive will consult with the Chief Finance Officer and report to the Leader, to obtain a supplementary estimate. No expenditure may be incurred until the supplementary estimate has been approved.

A38 The Leader is authorised to approve total supplementary expenditure in a year not exceeding 5% of the approved net revenue budget, and the greater of £20,000 ~~or 5%~~ on any approved capital scheme.

A39 The Chief Finance Officer shall maintain a record of all supplementary estimates approved.

A40 If a claim is made against the Council which is not recoverable under an insurance policy, the Leader has authority to spend as necessary in resisting the claim, and/or in deciding and meeting the terms of any settlement made in the best interests of the Council. The Chief Executive is authorised to decide the terms of any settlement involving expenditure not exceeding £26,500, and to spend such amounts subject to report on the circumstances of the claim and settlement to the next meeting of the Cabinet.

Authorisation of Capital Expenditure

B24 Capital expenditure on a scheme not included in estimates or budgets may only be incurred after full evaluation of that scheme by the Leader (if under £20,000 or Cabinet (between £20,000 and £1million). Any proposed capital expenditure over £1million must be evaluated and agreed by the majority of Council Members'. if over this amount). This will include a statement explaining the scheme's purpose, the need for it and a detailed analysis of capital costs involved. Exceptions are any payments authorised under paragraph A37 above. If the estimated expenditure is expected to cover more than one financial year, the estimate will show: i. the total estimated expenditure, and ii. the proposed levels of spend for each financial year involved. This paragraph (B24) shall take priority over any other clause paragraph within this Constitution that may be, or appear to be, in conflict.

B25 The scheme evaluation will also include a statement of estimated revenue expenditure and income generated by the scheme: (a) during the construction period, and (b) for the first three years following the completion of the project.

B26 The Deputy Chief Executives can authorise reasonable expenditure on necessary preliminary works, fees and salaries on schemes for which they are responsible, within the approved capital programme.

B27 Accountability for each capital project is to be accepted by a named manager.

6. The amendments to the financial regulations are not restricted by any laws or regulations.
7. The amendment proposed to the Cabinet Procedure Rules to amend the quorum to the Cabinet is not restricted by any laws or regulations.
8. The amendment to the Cabinet Procedure Rules does impact on Council Standing Orders as under Standing Order 29 (the standing order which incorporates the orders into all other committees and cabinet) standing order 2 on quorum applies to Cabinet. Standing order 2 states that a quorum of a meeting is $\frac{1}{4}$. Amending Cabinet quorum to 5 is above that $\frac{1}{4}$. If Councillors were minded to pass this motion that I would suggest that Standing Order 2 be amended to read:
 - a. The quorum of the Council is one quarter of the total number of councillors (and in the case of Cabinet shall be 5 members) and no business shall be considered unless a quorum is present.
9. I have no additional comments on the motion.