
Meeting: General Purposes Committee

Date: 17 July 2014

Subject: Constitution Update in Respect of Capital Programme Management and Asset Related Delegations

Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources

Summary: The report seeks the General Purposes Committee's views on a number of proposed amendments to the Constitution in respect of capital programme approval limits and asset related delegations.

Advising Officer: Charles Warboys, Chief Finance Officer

Contact Officer: Mel Peaston, Committee Services Manager

Public/Exempt: Public

Wards Affected: All

Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

This proposal supports the Central Bedfordshire Council priority of providing value for money by ensuring that assets and capital schemes are managed in efficient and effective manner.

Financial:

1. There are no financial implications arising from this report. The aim of the amendments is to revise the limits used for capital virements and the approval of any capital project additional expenditure so that they are in line with existing Constitution key decision and budget framework requirements. The proposed amendments to asset management delegations are intended to eliminate any unnecessary repetition and ensure references to relevant strategies and policies are consistent.

Legal:

2. The Constitution sets out how the Council will conduct its business. It is the responsibility of the General Purposes Committee to make recommendations to the Council on any proposed significant changes to the Constitution.

Risk Management:

3. Not Applicable.

Staffing (including Trades Unions):

4. Not Applicable.

Equalities/Human Rights:

5. There are no Human Rights/Equalities implications.

Public Health

6. Not Applicable.

Community Safety:

7. Not Applicable.

Sustainability:

8. Not Applicable.

Procurement:

9. Not Applicable.

RECOMMENDATION:

That the General Purposes Committee RECOMMEND TO COUNCIL that the Constitution be amended as set out in Appendices A and B to this report.

Background

10. To develop the Council's asset and capital management processes a number of amendments to the Constitution have been proposed to this Committee. In 2013 this Committee recommended to Council amendments to part I2 of the Constitution, the Code of Financial Governance, to streamline capital project approval requirements within the existing financial limits for Council Key decisions and the Budget framework. This report recommends further amendments to the Code of Financial Governance to ensure that the approval requirements for capital budget virements and additional expenditure are set at an appropriate level.
11. Both the Asset Management Plan and the Corporate Property Assets Disposal Protocol are approved by the Executive Committee and inform corporate asset management. Minor revisions to part H3 of the Constitution, Scheme of Delegations, are proposed to ensure references to the Asset Management Strategy and the protocol are consistent. Further minor revisions to the delegations are also proposed reduce some elements of repetition.

Proposal

12. The Code of Financial Governance in paragraph 4.7 sets out the approval requirements in respect of revenue and capital budget virements. Currently specific approval requirements for virements are the same for revenue and capital budgets. The proposed change set out in Appendix A section 4.7 would introduce higher values for capital virements, with cumulative values in excess of £500,000 requiring the approval of the Executive Committee. Currently capital virement values over £200,000 require Executive approval.
13. Variations in the cost of capital detailed business cases are approved in line with the values set out in paragraph 4.10.18 of the Code of Financial Governance. It is proposed to increase the current limits in line with the thresholds for Key Decisions with variations in excess of £150,000 requiring Executive Committee approval and £500,000 requiring Council approval.
14. The Code of Financial Governance at paragraph 5.7.1 indicates that the Chief Finance Officer has responsibility for the production of an Asset Management Plan. This responsibility rests more appropriately with the relevant Directors applying Council assets to deliver services as is currently set out in the Council's detailed Financial Procedures. The Chief Finance Officers' responsibilities, as set out in paragraphs 5.7.2 and 5.7.3 of the Code of Financial Governance, are to ensure that Council procedures provide for the sound stewardship of all assets, including the disposal or acquisition of interests in land and buildings.
15. Part H3 of the Constitution set s out the Scheme of Delegation by the Council and by the Executive to Directors and other officers. Section 4.2 of H3 sets out delegations to the Director of Improvement and Corporate Services and includes delegations specific to property and asset management. At Appendix B are proposed amendments to the existing property and asset management delegations to reduce elements of duplication (4.2.62, 66,73,77 and 86), align value limits with the existing criteria for Key Decisions (4.2.63) and to update references to specific asset plans and protocols (4.2.65 and 71).
- 16 The Corporate Property Assets Disposal protocol guides the identification of assets surplus to service requirements. Council approval is required for individual disposals of Land and Property assets with an estimated receipt value in excess of £500,000. Any significant assets identified as surplus to service requirements will be identified within the Capital Programme and Budget which is recommended annually to Council. It is proposed to amend paragraph 4.10.2 of part I2, the Code of Financial Governance, which details the components of the Capital Programme to include any surplus assets available for disposal.

Conclusion and Next Steps

17. The Committee is asked to consider these matters and determine the appropriate way forward.

Appendices:

Appendix A - Proposed amendment to Part I2 sections 4.7, 4.10 and 5.7 of the Constitution

Appendix B – Proposed amendments to Part H3 section 4.2 of the Constitution

Background Papers:

None