

<b>Recommendation to Council on 11 September 2014</b>	<b>From: General Purposes Committee on 17 July 2014</b>	<b>Item 10 (ii)</b>
	<b>Constitution Update in Respect of Capital Programme Management and Asset Related Delegations</b>	
1.	Council is asked to approve the following recommendation:-	
	<b>that Parts I2 and H3 of the Constitution be amended, as set out at Appendices A and B to this report.</b>	
	<b>Background</b>	
2.	The General Purposes Committee considered a report of the Executive Member for Corporate Resources which set out proposed amendments to the Constitution in respect of capital programme approval limits and asset related delegations which were found in Part I2 (Code of Financial Governance) and Part H3 (Scheme of Delegation by the Council and the Executive to Directors and other officers) of the Constitution respectively.	
3.	The meeting noted that the current approval requirements for virements were the same for both revenue and capital budgets (paragraph 4.7 of the Code of Financial Governance refers). The proposed change would introduce higher values for capital virements, with cumulative values in excess of £500,000 requiring the approval of the Executive in place of the current figure of £200,000.	
4.	The meeting then noted that variations in cost of capital detailed business cases were approved in line with the values set out in the Code (paragraph 4.10.18 refers) and that it was proposed to increase the current limits in line with the threshold for Key Decisions with variations in excess of £150,000 requiring Executive approval and £500,000 requiring Council approval.	
5.	Members were aware that the Code (paragraph 5.7.1 refers) indicated that the Chief Finance Officer had responsibility for the production of an Asset Management Plan. The report stated that this responsibility rested more appropriately with the relevant Directors as was already set out in the Council's detailed Financial Procedures. The Chief Finance Officer's responsibilities (as set out in paragraphs 5.7.2 and 5.7.3) were to ensure that Council procedures provided for the sound stewardship of all assets, including the disposal or acquisition of interests in land and buildings.	
6.	The Committee next considered the proposed amendments to Part H3 of the Constitution which set out the Scheme of Delegation. The delegations to the Director of Improvement and Corporate Services	

	(paragraph 4.2 refers) included delegations specific to property and asset management and the report proposed amendments to remove duplication, align value limits with the existing criteria for Key Decisions and update references to specific asset plans and protocols.	
7.	Last, the Corporate Property Assets Disposal protocol guided the identification of assets surplus to service requirements. Council approval was required for individual disposals of land and property assets with an estimated receipt value in excess of £500,000. Any significant assets identified as being surplus to service requirements would be identified within the capital Programme and Budget which was recommended annually to Council. It was proposed to amend Part I2 (paragraph 4.10.2 refers) which detailed the components of the Capital Programme to include any surplus assets available for disposal.	
8.	A Member referred to the proposed changes to Part I2 and expressed concern over what he viewed as a further reduction in Member influence. In response the Executive Member for Corporate Resources reminded the meeting that the original approval limits had been adopted prior to the Council's creation in 2009. Further, from 2009 until the present, there had been few capital related issues so the need for any Constitutional change in this area had not been required. This situation had now altered and the Constitution required updating to ensure the current limits were in line with the threshold for Key Decisions. Another Member reminded the meeting that the limits had been set at a level below that of the former County Council and that experience indicated that these were too restrictive as Central Bedfordshire matured as a unitary authority.	
<b>Appendices</b>	Appendix A	Tracked Changes Between the Existing and Proposed Code of Financial Governance (Part I2 of the Constitution).
	Appendix B	Tracked Changes Between the Existing and Proposed Scheme of Delegation by the Council and the Executive to Directors and Other Officers (Part H3 of the Constitution).