

Spending Protocol and General Consent

Principles

- Councils remain responsible for taking day to day decisions for spending on service delivery within agreed revenue and capital budgets for 2019/20;
- Councils are committed to ensuring that the new Council is in the best possible financial position;
- Councils should not enter into any new financial or asset-related commitments (beyond those specifically agreed within their approved budgets) on behalf of the new Council, or create any new liabilities without the agreement of the Shadow Executive – subject to agreed limits for revenue and capital;
- That any agreed protocol to control spending needs to be agile to avoid introducing delays and risks to decision making.

1. Budget Preparation and Monitoring

- 1.1. The Section 151 Officer of each Council will report any matters of concern to the shadow Section 151 Officer as they are identified. A summary of these will be reported to the Shadow Executive.
- 1.2. A high level review of the 2019/20 budgets for the 5 existing Councils will be conducted by the shadow Section 151 Officer and the Section 151 Officers of the existing councils, including understanding all capital commitments and future borrowing requirements.
- 1.3. If there are any potential unmitigated overspends or income shortfalls in the 2019/20 financial year, the relevant Section 151 Officer must inform the shadow Section 151 Officer as soon as possible and this will then also be reported to the Shadow Executive together with proposed actions to address the issue.

2. Future Commitments

- 2.1. Any new commitments that could have a future financial impact upon the new Unitary Council must be initially assessed by the shadow Section 151 Officer and, if it has a significant financial impact, the prior approval of the Shadow Executive is required before any formal decision is then taken by the individual Council.
- 2.2. All new financial commitments (revenue and capital) above a de-minimis level of £100,000 p.a. must be reported to the shadow Section 151 Officer
- 2.3. All new financial commitments (revenue and capital) above £500,000 p.a. (or lower if in the view of the shadow Section 151 Officer the commitment requires further consideration) must be reported to the Shadow Executive for their approval.
- 2.4. Expenditure is calculated as the total cost of any project. Any expenditure which has been broken down into parts (whether through separate contracts or otherwise) must be aggregated.
- 2.5. Financial commitments includes but is not limited to purchase, disposal and transfer of assets, new contracts with significant on-going financial commitments (but not routine items like care packages), write off of debts / loans, new capital schemes (including those with on-going financial commitments) and use of reserves above those already approved.
- 2.6. Key decisions taken by the five authorities must include and record consideration of the financial implications of the decision for the new Council.

### 3. General Consent

- 3.1. Expenditure not subject to any of the restrictions set out above, and notwithstanding any direction made under s24 Local Government and Public Involvement in Health Act 2007, can be made by the existing Councils without referral to s151 Shadow officer or the Shadow Executive.
- 3.2. This consent does not apply to any situation in which item is to be reported to s151 officer. The s151 officer consent to any items which require his consideration must be in writing.
- 3.3. In the absence of the s151 officer consent must be provided by the new Council Director of Resources
- 3.4. Consent of the s151 officer (or the Director of Resources) will require the prior agreement of the Shadow Executive or where urgency or the situation demands, the Leader acting as the Executive, if the expenditure is above £500,000 or where the s151 officer determines it is required.

\_\_\_\_\_ **Andrew Small – Aylesbury Vale District Council**

\_\_\_\_\_ **Rachael Shimmin – Buckinghamshire County Council**

\_\_\_\_\_ **Richard Ambrose – Buckinghamshire Shadow Executive**

\_\_\_\_\_ **Steve Bambrick – Chiltern and South Bucks District Councils**

\_\_\_\_\_ **John East – Wycombe District Council**