

Report For:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	11 June 2019

SUMMARY

Title of Report:	SPEND PROTOCOL
Responsible Officer:	Richard Ambrose
Officer Contact: Direct Dial: Email:	Mark Preston (01296) 383107 mpreston@buckscc.gov.uk
Recommendations:	a) That the proposed protocol be agreed; and b) That the proposed limits be reviewed after 2 months in terms of their appropriateness.
Legal & Finance:	<u>Resourcing requirements</u> There are no additional financial resourcing requirements as a consequence of this report. <u>Legal implications</u> There are no specific legal implications arising as a consequence of this report.
Options:	The Section 151 Officer has responsibility for the stewardship of the Council's finances. Introducing a spending protocol protects the interests of the new Council.
Reason: (Executive only)	To consider the introduction of a spending protocol.

Purpose of report

Introduction

1. This paper aims to protect the interests of the new Council by introducing a spending protocol (attached at Appendix 1). Each Council has a Section 151 Officer who has responsibility for the stewardship of the Council's finances. Their duty is obviously to their employing Council. However, they also have a wider fiduciary duty concerning public funds. A shadow Section 151 Officer will be appointed by the Shadow Buckinghamshire Council to consider the interests of the new Council.

Content of report

Background

2. It is suggested that all Councils sign up to some principles during the transition period and that this comes into effect following the first meeting of the Shadow Executive:-
 - Council's 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;
 - Council's 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.
3. The protocol requires that any new commitments that could have a future financial impact upon the new Unitary Council be initially assessed by the shadow Section 151 Officer. It is recommended that all new financial commitments above a de-minimis level of **£100,000 p.a.** be reported to the shadow Section 151 Officer and that those **above £500,000 p.a.** (or lower if in the view of the shadow Section 151 Officer the commitment requires further consideration) be further reported to the Shadow Executive for their approval.
4. The protocol also requires the Section 151 Officer of each Council to report any matters of concern to the shadow Section 151 Officer as they are identified.
5. The key areas covered by the protocol include 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 and use of reserves above those already approved.

