

# **Appendix 2f**

**Reservation of Powers to the Executive**

**and**

**Corporate Scheme of Delegation**

## **CONTENTS**

- 1. Introduction**
- 2. Reservation of Powers to the Executive**
- 3. Delegation to Committees**
- 4. Scrutiny Function**
- 5. Scheme of Delegation to Officers**
- 6. Corporate Scheme of Delegation**

## **1. Introduction**

The purpose of this document is to define the powers and authorisation limits available to Members and officers within Blackpool Council regarding financial matters to which the Council as an entity is held accountable by the Department for Communities and Local Government. The Executive as the decision-making cabinet remains accountable for all of the Council's functions, even those delegated to the Leader and Portfolio Holders, and therefore expects to receive information about the exercising of delegated functions to enable it to maintain a monitoring role.

### **1.1 Roles of the Chief Executive and the Director of Resources**

All powers of the Council, which have not been retained as reserved by the Executive or delegated to a committee or sub-committee, shall be exercised on behalf of the Council by the Chief Executive who, as Head of the Paid Service, is accountable to the Leader of the Council. However, section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should *make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs*. At Blackpool Council the Director of Resources is charged with this role and shall prepare a Corporate Scheme of Delegation identifying which functions he shall perform personally and which functions shall be delegated to other Directors and officers. All powers delegated by the Director of Resources can be re-assumed by him should the need arise. The S.151 officer is accountable directly to the Secretary of State.

### **1.2 Caution over the Use of Delegated Powers**

Powers are delegated to Directors and officers on the understanding that they would not exercise delegated powers in a matter which in their judgement was likely to be a cause for public concern.

### **1.3 Directors' Ability to Delegate Their Own Delegated Powers**

The Corporate Scheme of Delegation shows only the 'top level' of delegation within the Council. The Scheme is to be used in conjunction with the system of budgetary control and other established procedures within the Council besides providing the basis for local schemes of delegation.

### **1.4 Absence of Directors or Officers to Whom Powers Have Been Delegated**

In the absence of a Director or officer to whom powers have been delegated those powers shall be exercised by that Director or officer's superior unless alternative arrangements have been approved by the Executive. If the Chief Executive is absent, powers delegated to him may be exercised by the Leader after taking appropriate advice from the Director of Resources.

## **2. Reservations of Powers to the Executive**

### **2.1 Medium-term Financial Strategy, Business Plans and Budgets**

Definition of the strategic aims and objectives of the Council:

- annual approval of plans in respect of the application of available financial resources for the Revenue Budget and Capital Programme
- overall approval of treasury management and investment strategies
- approval and monitoring of the Council's policies and procedures for the management of risk.

### **2.2 Direct Operational Decisions**

- acquisition, disposal or change of use of land and/or buildings
- the introduction or discontinuation of any significant activity or operation. An activity or operation shall be regarded as significant if it has a gross annual income or expenditure (before any set-off) in excess of £250,000
- approval of individual compensation payments over £50,000
- to agree action on litigation against or on behalf of the Council.

### **2.3 Financial and Performance Reporting Arrangements**

- continuous appraisal of the affairs of the Council by means of the receipt of reports as it sees fit from committees, Directors, heads of service and other officers of the Council as set out in management policy statements. All monitoring returns and performance indicators required by central government and the Audit Commission shall be reported at least in summary to the Executive

## **3. Delegation to Committees**

The Executive may determine that certain of its powers shall be exercised by standing committees. The composition and terms of reference of such committees shall be that determined by the Executive from time to time taking into account where necessary the requirements of the Secretary of State and/or the Charity Commissioners (including the need to appoint Finance and Audit Committee and a Remuneration & Terms of Service Committee). The Executive shall determine the reporting requirements in respect of these committees. Committees may not delegate executive powers to sub-committees unless expressly authorised by the Executive.

Consideration and approval of the Council's annual accounts is now undertaken by the Council's stand-alone Finance and Audit Committee.

## **Audit Arrangements**

The Executive have delegated responsibility of the following to the Finance and Audit Committee:

- to approve internal and external audit plans and arrangements and to receive reports
- consideration of the annual management letter received from the External Auditor and agreement of action on its recommendations where appropriate
- consideration of the annual report received from the Chief Internal Auditor and agreement of action on its recommendations where appropriate
- recovery plans to be reported to the Finance and Audit Committee if Officers are not delivering

## **4. Scrutiny Function**

The Council's Constitution sets out the relevant powers of the Scrutiny Committee, which include:

- the power to review or scrutinise decisions made or actions taken in connection with the discharge of Executive functions
- the power to make reports or recommendations to the Executive with respect to the discharge of any Executive functions
- the power to make reports or recommendations to the Executive on matters which affect the authority's area or inhabitants of the area
- the power to assist the Council and the Executive in the development of the policy framework and budget, subject to limitations set out in the Budget and Policy Framework Procedure Rules within the Constitution
- the power to require Members of the Executive to attend before it to answer questions.

## **5. Scheme of Delegation to Officers**

The Constitution's Rules of Procedure and the Council's Financial Regulations set out in summary the financial responsibilities of the Chief Executive, Director of Resources and other officers. This Scheme of Delegation covers in more detail financial matters delegated by the Executive to Council officers and certain other specific matters referred to in the Rules of Procedure and Financial Regulations. Other matters that could be covered in a scheme of delegation but not referred to in the above or ones which do not specify the responsible officer,

e.g. Major Emergency Plan, Health and Safety and Data Protection Act requirements, have been excluded in this document.

Each Director is responsible for the delegation within his/her Department and shall produce a local scheme of delegation for matters within it. In particular the local scheme of delegation shall include how the department's budgets and procedures for approval of expenditure are delegated.

## 6. Corporate Scheme of Delegation

All items concerning finance must be carried out in accordance with the Council's Constitution and Financial Regulations. Delegated matters in respect of decisions which may have a far-reaching effect must be reported to the Director of Resources. **The delegation shown below is the lowest level to which authority is delegated.** All values exclude VAT.

'Unit Manager' is defined as the head of a section within a division. 'Budget Manager' is defined as an employee to whom a unit manager has allocated responsibility and accountability within a locally agreed scheme of delegation.

	Delegated Matter	Authority Delegated To	Reference Documents
1.	<p><b>Maintenance/Operation of Bank Accounts</b></p> <p>Opening and closing of any bank and/or investment account</p>	Director of Resources on written request of Chief Accountant	Treasury Management Policy
2.	<p><b>Management of Budgets</b></p> <p>(a) Responsibility for keeping expenditure within budgets</p> <ul style="list-style-type: none"> <li>• at individual budget level (pay and non-pay)</li> <li>• at service level</li> <li>• for the totality of services covered by the Director</li> <li>• for all other areas</li> </ul>	<p>Budget Manager or Unit Manager</p> <p>Head of Service or Director</p> <p>Director</p> <p>Director of Resources</p>	<p><a href="#">The Financial Toolkit for Budget Managers</a> &amp; organisational controls such as PERS01 forms and Agency Staff Approval Form</p>

<p>(b)</p> <p>(c)</p> <p>(d)</p> <p>(e)</p>	<p>Reporting of monthly financial performance at months 3-10 and outturn to DMTs, CLT and Executive</p> <p>Required to produce a recovery plan of up to 3 years and to be formulated where budget overspends of £75,000 or 1.5% of budget where controllable budget &gt; £5.0m</p> <p>Accumulated budget virements up to £150,000</p> <p>Carry forward of year-end under and overspends</p>	<p>Director of Resources/Directors</p> <p>Director -&gt; Portfolio Holder and go to Finance and Audit Committee</p> <p>Head of Service</p> <p>Director of Resources</p>	<p>Budget report</p> <p>Executive Decision of 11/02/04</p> <p><a href="#">Cash Limited Budget Regime</a></p> <p><a href="#">Cash Limited Budget Regime</a></p>
<p>3.</p> <p>(a)</p>	<p><b>Non-pay Revenue and Capital/ Ordering/Commitment of Works, Goods &amp; Services</b></p> <ul style="list-style-type: none"> <li>• commitments up to £20,000</li> <li>• commitments up to £85,000</li> <li>• commitments up to £150,000</li> <li>• commitments up to £250,000</li> <li>• commitments over £250,000</li> <li>• placements/packages of care up to £100,000 gross p.a.</li> <li>• placements/packages of care up to £250,000 gross p.a.</li> <li>• placements/packages of care over £250,000 gross p.a.</li> </ul>	<p>Budget Manager</p> <p>Head of Service</p> <p>Director</p> <p>Director of Resources or Chief Executive</p> <p>Not delegated (Executive)</p> <p>Heads of Adult or Children Social Care – Children and Adult Services</p> <p>Director of People</p> <p>Not delegated (Executive).</p>	<p>Scheme of Delegation in line with <a href="#">Contract Procedure Rules</a></p>

	<ul style="list-style-type: none"> <li>works orders up to £250,000</li> <li>Payment of Veolia invoices upto £325k</li> <li>works orders £250,000 to £500,000 (Capital schemes approved by Executive within budget)</li> <li>works orders over £250,000 (Revenue expenditure or Capital expenditure not within approved budget).</li> <li>Payment of Better Care Fund Invoices upto £600k</li> <li>Special Arrangement for Waste PFI</li> </ul>	<p>Director of Resources, Director Community and Environmental Services.</p> <p>Director Community and Environmental Services.</p> <p>Director of Resources, Director Community and Environmental Services.</p> <p>Not delegated (Executive)</p> <p>Director of People</p> <p>Due to the high value invoices for the Waste PFI, a local arrangement is in place as agreed by the Director of Resources.</p>	
(b)	Non-pay expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers or virement (subject to the limits specified above in (a))	Director of Resources, subject to limit of 0.1% of authority's total net revenue budget.	<a href="#">Waste PFI Limits Chart</a> <a href="#">Waste PFI Procedures</a>
(c)	All contracts for goods and services and subsequent variations to contracts including termination	Head of Procurement and Development or Head of Legal Services for high value contracts and Head of Service plus 2 <sup>nd</sup> officer for low value contracts	<a href="#">Contract Procedure Rules</a>
(d)	Use of the Corporate credit card	Director of Resources PA	Corporate Credit Card Guidance & Procedures for Administrators
	Change of credit card limit	Director of Resources to provide written authorisation	



(e)	<p>Use of Corporate purchase cards</p> <p>Change of purchase card limit</p> <p>Change of card restrictions e.g. blocking/unblocking suppliers</p>	<p>to Chief Accountant</p> <p>Chief Accountant on written request of Head of Service</p> <p>Chief Accountant on written request of Director or Head of Service.</p> <p>Head of Procurement and Development</p>	<p><a href="#">Purchasing Card Users' Manual</a></p>
4.	<p><b>Capital Schemes</b></p> <p>(a) Selection of architects, quantity surveyors, consultant engineers and other professional advisors within EU regulations</p> <p>(b) Approval of all capital schemes, irrespective of funding source</p> <p>(c) Financial monitoring and reporting on all capital scheme expenditure</p> <p>(d) Granting and termination of leases of annual rent &lt;£85,000</p> <p>(e) Granting and termination of leases of annual rent &gt;£85,000</p>	<p>The appropriate Chief Officer with delegated authority or the Director of Resources or Chief Executive</p> <p>Corporate Asset Management Group</p> <p>Director of Resources or nominated deputy</p> <p>Head of Service</p> <p>Director of Resources</p>	<p><a href="#">Code of Practice for Engaging with Consultants</a></p> <p><a href="#">Asset Management Strategy</a></p> <p>Financial Procedure Rules</p> <p>Procedures being developed</p> <p>Procedures being developed</p>
5.	<p><b>Quotation, Tendering and Contract Procedures</b> (where quotations and tenders are required, below are the delegated limits for each level of officer)</p> <p>(a) Inviting a <b>minimum 3 written quotations</b> for works, goods &amp; services or approving an order for the lowest quotation received, two of which must be from a Blackpool supplier:</p>		<p><a href="#">Contract Procedure Rules</a></p>

	<p>up to £20,000</p> <p>up to £85,000</p> <p>(b) Inviting <b>formal tenders</b> for works, goods &amp; services or approving an order for the lowest tender received:</p> <p>from £85,000 to £250,000</p> <p>over £250,000</p> <p>(c) Accepting other than the lowest quote or tender:</p> <p>Goods or services</p> <p>Works</p> <p>(d) Waiving Contract Procedure Rules requiring competitive tender to allow competitive quotations</p> <p>(e) Opening tenders</p>	<p>Budget Manager or Unit Manager</p> <p>Head of Service</p> <p>Head of Service</p> <p>Director</p> <p>Head of Service in consultation with the Head of Procurement and Development</p> <p>Head of Procurement and Development</p> <p>Not delegated (Executive)</p> <p>Member of the Executive or The Mayor and the Head of Legal Services or designated deputy</p>	<p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p>
<b>6.</b>	<p><b>Prudential Borrowing</b></p> <ul style="list-style-type: none"> <li>capital commitments of less than £50,000</li> <li>capital commitments between £50,000 and £250,000</li> <li>capital commitments above</li> </ul>	<p>Not delegated (Executive)</p>	<p><a href="#">Capital Programme 2010/11</a> &amp; Strategy Report to the Executive</p>

	£250,000		
<b>7. Income</b>			
(a)	Setting service fees & charges (excl. statutorily-prescribed) and income generation initiatives	Not delegated (Portfolio Holder)	Chief Executive decision
(b)	Setting charges for internal service level agreements	Head of Service in consultation with Director of Resources	CIPFA's <i>Fair Shares</i>
(c)	Income collection	Head of Service	<a href="#">Corporate Income and Debt Recovery Strategy</a>
<b>8. Engagement of External Staff and Consultants</b>			
(a)	External consultants where aggregate commitment in any 1 year is less than £25,000	Director	<a href="#">Code of Practice for Engaging with Consultants</a>
(b)	External consultants where aggregate commitment in any 1 year is £25,000 or more	Corporate Leadership Team	<a href="#">Code of Practice for Engaging with Consultants</a>
(c)	Bank or agency staff	Budget Manager or Unit Manager	Ref. 3(a)
(d)	Bank or agency teaching staff	Headteacher	Ref. 3(a)
<b>9. Expenditure of Charitable and Endowment Funds</b>			
	<ul style="list-style-type: none"> <li>up to £5,000 per request</li> </ul>	Trustee signatory	Individual trust deed
	<ul style="list-style-type: none"> <li>over £5,000 per request</li> </ul>	Trustee signatory and	-

		Director of Resources and to the Finance and Audit Committee for information	
<b>10. Agreements/Licences</b>			
(a) Preparation and signature of all tenancy agreements/licences	)	-	
(b) Actioning extensions to existing property leases	) Strategic Asset and Estates Surveyor	-	
(c) Letting of premises to outside organisations	)	-	
(d) Approval of rent based on professional assessment	)	-	
<b>11. Condemning and Disposal</b>			
Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively			<a href="#">Contract Procedure Rules</a>
(i) with current/estimated purchase price <£100	Budget Manager or Unit Manager as Condemning Officer		
(ii) with current/estimated purchase price <£1,000	Head of Service		
(iii) with current/estimated purchase price >£1,000	Head of Procurement and Development		
(iv) disposal of mechanical and engineering plant (subject to estimated income of less than £1,000 per sale)	Director Resources or Community and Environmental Services		
(v) disposal of mechanical and engineering plant (subject to estimated income exceeding £1,000 per sale)	Head of Procurement and Development		

	<p>The use of eBay is being trialled within Waste Services and if successful, will be rolled out across other Council Services. The <a href="#">guide</a> to eBay and PayPal for Blackpool Council includes general information as well as setting up an eBay and PayPal account, payments, despatch of goods, records, monthly reconciliations and monitoring feedback together with end of year transactions, security, VAT guidance and selling to abroad.</p>		
<p><b>12. Losses, Write-offs &amp; Compensation</b></p> <p>(a)</p> <p>(b)</p>	<p>Losses and cash due to theft, fraud, overpayment and others up to £50,000</p> <p>Individual bad debts and claims abandoned:</p> <ul style="list-style-type: none"> <li>• any individual debt up to £150</li> <li>• sundry debts &lt; £5,000</li> <li>• council tax &lt; £5,000 and NNDR &lt; £10,000</li> <li>• housing rents &lt; £5,000</li> <li>• non-residential services (Adults - Social Care) &lt; £5,000</li> </ul>	<p>Director of Resources</p> <p>Unit Manager</p> <p>Director of Resources</p> <p>Head of Revenues &amp; Exchequer Services</p> <p>Head of Housing</p> <p>Director of Adult Services, Head of Adult Services and Head of Care and Support. Director of Resources</p>	<p><a href="#">Corporate Write-off Policy</a></p>

		can also write off debts < £5,000 where a client has died with no estate or funds.	
	<ul style="list-style-type: none"> <li>• housing benefits &lt; £5,000</li> </ul>	Head of Benefits	
	<ul style="list-style-type: none"> <li>• any individual debt &gt; £5,000</li> </ul>	Not delegated (Executive)	
(c)	Compensation payments made under legal obligation up to £50,000	Director of Resources	
(d)	Extra-contractual payments to contractors up to 20% of scheme value	Director of Resources, subject to total capital programme < 105%	Financial Procedure Rules
(e)	Extra-contractual payments to contractors over 20% of contract value	Not delegated (Executive)	
(f)	Ex-gratia payments to customers and staff for loss of personal effects:		
	<ul style="list-style-type: none"> <li>• up to £150</li> </ul>	Budget Manager or Unit Manager	
	<ul style="list-style-type: none"> <li>• up to £500</li> </ul>	Head of Service	
	<ul style="list-style-type: none"> <li>• over £500</li> </ul>	Director of Resources	
(g)	For personal injury claims involving negligence where legal advice has been obtained and guidance applied up to £1,000,000 (including plaintiff's costs)	Chief Executive and Director of Resources	
(h)	Other, except cases of maladministration where there was no financial loss by claimant, of up to £50,000	Director of Resources	

<b>13.</b>	<b>Reporting of Incidents to the Police</b>  Where a fraud is involved	Chief Internal Auditor	<a href="#">Anti-Fraud and Corruption Strategy</a>
<b>14.</b>	<b>Petty Cash Disbursements (Not Applicable to Central Cashiers Office)</b>		
(a)	Establishment and disestablishment of petty cash accounts	Director of Resources/ Chief Accountant on written request of Head of Service	<a href="#">Financial Regulations</a>
(b)	Expenditure up to £30 per item	Petty Cash Account Manager	<a href="#">Financial Regulations</a> <a href="#">Petty Cash Admin Manager Guidance</a> and Petty Cash User Guidance.
(c)	Reimbursement of client's monies up to £1,000	Budget Manager or Unit Manager	Children/Adults currently reviewing petty cash usage for client money reimbursement.
(d)	Reimbursement of client's monies in excess of £1,000	Head of Service	
<b>15.</b>	<b>Receiving Hospitality and Gifts</b>  Applies to both individual and collective hospitality receipt items in excess of £25.00	Declaration required in Council's Hospitality Register The individual Officer.	<a href="#">Code of Conduct</a>
<b>16.</b>	<b>Investment of Funds (including Charitable and Endowment Funds)</b>	Director of Resources	Treasury Management and

			Investment Strategies
<b>17.</b>	<b>Authorisation of Sponsorship Deals</b>	Monitoring Officer	-
<b>18.</b>	<b>Maintenance and Update of Council Financial Regulations</b>	Director of Resources	Executive decision of 17/12/03
<b>19.</b>	<b>Insurance Policies and Risk Management</b>	Director of Resources	<a href="#">Financial Regulations</a>
<b>20.</b>	<b>Maintenance and Update of Council Contract Procedure Rules, Guidance Documents and Codes of Practice</b>	Head of Procurement and Development in consultation with Portfolio Holder	Executive decision of 30/06/04