



## **Updates to Financial Procedure Rules**

### **SUMMARY**

- 1.1 This report sets out proposed amendments to the Council's Financial Procedure Rules in respect of Grants the Council gives to organisations and individuals across the city.
- 1.2 The proposals are felt necessary to ensure that Financial Procedure Rules are consistent with the Council Constitution.

### **RECOMMENDATION**

- 2.1 To agree to update Financial Procedure Rules in line with the Council Constitution as set out in this report.
- 2.2 To approve consequential amendments to the Council Constitution to bring the key decision threshold for the awarding of grants in line with all other decisions.

### **REASONS FOR RECOMMENDATION**

- 3.1 To ensure Financial Procedure Rules are consistent with the Council Constitution.

### **SUPPORTING INFORMATION**

- 4.1 The Council's Financial Procedure Rules set out a framework that governs the way in which both Members and Officers manage the Council's finances on a day to day basis.
- 4.2 Decisions relating to financial matters falling within the Financial Procedure framework can be made by Cabinet through a Financial Matters report.
- 4.3 The Financial Procedure Rules cover all aspects of the Council's finances including the award of grants, where an inconsistency has been highlighted with the Council Constitution which needs to be addressed.

- 4.4 Our current Financial Procedure Rules (FPRs) state that Grants to individuals over £15,000 can be approved by Cabinet through a Financial Matters report, however, the Council Constitution states that any grant over £25,000 becomes a key decision and should be subject to a separate Cabinet report and therefore not through a Financial Matters report.
- 4.5 In addition, FPR's also states that grants or loans to Voluntary Sector/External bodies are subject to a cabinet report but with no value mentioned.
- 4.6 To correct these inconsistencies, it is proposed to amend FPRs as follows:
- Approval of the relevant Strategic Director following consultation with their respective Cabinet Portfolio Member and the Section 151 officer for decisions involving the making of a grant or allowance up to £100,000 per applicant per year;
  - Approval of the relevant Cabinet Member for any decision involving the making of a grant or allowance above £100,000 up to £249,999 to per applicant per year;
  - Approval of Council Cabinet for any decision involving the making of grant or allowances above £250,000.
- 4.7 This would have the consequential impact of requiring changes elsewhere in the Council Constitution to reflect the uplift in the key decision threshold for the awarding of grants.

## OTHER OPTIONS CONSIDERED

- 5.1 Do nothing is not considered appropriate, as this would leave the inconsistency in place, would amount to a flaw in the Council's governance arrangements and could lead to confusion for both Members and Officers.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowu, Head of Legal Services Toni Nash, Head of Finance – Corporate Resources
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Peter Shillcock 01332 642787 Peter.Shillcock@derby.gov.uk None Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 Amendment to the Council's Financial Procedure Rules with respect to all grants will ensure a clear and consistent approach going forward.

**Legal**

- 2.1 None, other than as set out within the report.

**Personnel**

- 3.1 None directly arising

**IT**

- 4.1 None directly arising

**Equalities Impact**

- 5.1 None - the amendments are purely to correct an inconsistency, so we have not completed an equality impact assessment'

**Health and Safety**

- 6.1 None directly arising

**Environmental Sustainability**

- 7.1 None directly arising

**Property and Asset Management**

- 8.1 None directly arising

**Risk Management and Safeguarding**

- 9.1 None directly arising

**Corporate objectives and priorities for change**

- 10.1 None directly arising