

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

4 MARCH 2019

Title:

PROCESS AND DOCUMENTATION FOR SUPPLEMENTARY ESTIMATES

[Portfolio Holder: Cllr Ged Hall]

[Wards Affected: All]

Summary and purpose:

On 5 November 2018, the Audit Committee resolved that the Section 151 Officer and Head of Policy and Governance should produce a paper for the next meeting setting out the process and documentation required to support all future requests for supplementary estimates.

This report sets out the process and documentation to be used whenever a supplementary estimate is to be considered by the Executive or Full Council.

How this report relates to the Council's Corporate Priorities:

The Council's Corporate Strategy 2018-2023 says that the Council will be "open in our decision-making to create a culture of trust and confidence" and also that "we will plan carefully and invest wisely". A structured and transparent approach to making and documenting decisions related to supplementary estimates supports both commitments.

Equality and Diversity Implications:

None.

Financial Implications:

There are no direct financial implications from this report, however a robust, clear process will support effective financial management and transparency.

Legal Implications:

There are no direct legal implications arising from this report.

1. As set out within paragraph 4.27 of the Council's published Financial Regulations (agreed by Full Council in October 2018):

'A Supplementary Estimate is a request for additional unfunded budget that will increase the Council's overall budget and be funded from reserves. Supplementary Estimates up to £100,000 shall be approved by the Executive and, if over £100,000, Full Council.'

2. When the Executive or Full Council are asked to consider agreeing a Supplementary Estimate, they need to:

- (i) Consider why the need for funds, that were not identified or provided for within the Annual Budget and which cannot be found within existing budgets, has arisen;
 - (ii) Understand how much money is being requested and how it is proposed to be spent;
 - (iii) Assess whether or not the proposed supplementary estimate represents value for money, which will include noting and considering:
 - a. Any other options available to the Council that have been considered, including the control option of not taking any action;
 - b. The expected benefits agreeing the supplementary estimate; and
 - c. The expected risks, if any, of agreeing or refusing supplementary estimate;
3. The Council's Section 151 Officer's view on the supplementary estimate, including the above matters, will be set out, either within a stand alone report or as part of another budget report.
 4. Any manager wishing to propose a Supplementary Estimate, in the first instance needs to consider the issues set out at paragraph 2 above and submit their view to the Council's Section 151 Officer, or designate.
 5. Annexe 1 to this report sets out the proposed revisions to paragraph 4.27 of the Council's published Financial Regulations, including an advisory flow chart to support officers and councillors wishing to understand what supplementary estimates are and what needs to be considered before putting these to the Section 151 Officer and subsequently to Executive or Council as appropriate.
 6. Annexe 2 to this report sets out a new proposed pro forma to ensure a consistent approach is always taken and recorded.
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Recommendation

It is recommended that the Audit Committee:

1. Endorses the process set out within this report required to support all future requests for supplementary estimates; and
 2. Agrees to recommend to Council that paragraph 4.27 within the Council's published Financial Regulations be revised as set out within Annexe 1; and
 3. Agrees to recommend to Council that the pro forma attached at Annexe 2 of this report be added to the Council's published Financial Regulations.
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Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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