

## **Appendix E – Changes to The Constitution**

Amendments required (changes and additions shown in red):

### **Part 9.7 – Financial Procedure Rules**

#### **7 Medium Term Capital Programme**

7.1 Investment in capital assets shapes future service delivery and creates future financial commitments. The Medium-Term Capital Programme is laid out within the Council's Capital Strategy and is a five-year programme of estimated capital expenditure and associated funding.

7.2 The Executive will receive proposals for inclusion in the Council's Capital Programme through the Capital Strategy and will submit a proposed programme (including block provisions where appropriate) to the full Council for approval. The programme will include all capital schemes including those proposed to be financed from revenue resources or external funding sources.

7.3 In year, the Executive may approve new schemes estimated to cost less than £500,000 that have not previously been included in the Capital Programme. New schemes estimated to cost more than £500,000 must be approved by Council.

TO BE REPLACED BY THE FOLLOWING:

7.3 Schemes should usually be identified as part of the Capital Strategy, however it is possible for complete new schemes to come forward in year. For these schemes outside of the Capital Strategy, the approval process is set out in the table below, based on value and funding source:

<b>New Capital Schemes Identified In-Year or Schemes Moving From The Development Pool</b>			
<b>Funding source (including mix funding)</b>	<b>Total Value of Scheme</b>	<b>Approval required</b>	<b>Reporting required</b>
<b>External grant S106 Other External Contribution ONLY</b>	£500k +	Executive Committee, once approved by SCB	1) Executive Committee CUR to approve budget  2) Separate Executive Report to approve scheme itself
	£50k - £499k	SCB	1) Report to Executive Committee in CUR to note approval given by SCB.
	£0 - £49.99k	CFO	1) Report to SCB to NOTE approval given by CFO outside of SCB

			2) Report to Executive Committee in CUR to note approval given by CFO under delegation
<b>Council Capital Receipts/Reserves (fully funded, or contains and element of)</b>	£500k +	Executive Committee, once approved by SCB	1) Executive Committee CUR to approve budget 2) Separate Executive Report to approve scheme itself
	£50k - £499k	Executive Committee, once approved by SCB	1) Executive Committee CUR to approve budget
	£0 - £49.99k	SCB	1) Report to Executive Committee in CUR to note approval given by SCB.
<b>Borrowing (fully funded, or contains and element of)</b>	£500k +	Full Council, once approved by SCB and Executive Committee	1) Full Council and Executive Committee CUR to approve budget 2) Separate Executive Report to approve scheme itself
	£50k - £499k	Executive Committee, once approved by SCB	1) Executive Committee CUR to approve budget
	£0 - £49.99k	SCB	Report to Executive Committee in CUR to note approval given by SCB.

7.4 For any new scheme, a project appraisal must be completed, covering the following elements as a minimum requirement:

- Description
- Justification
- Deliverable outcomes
- Feasibility study/options appraisal
- Contribution to Zero Carbon
- Financial analysis including revenue implications and appropriate measures of investment appraisal and VAT implications
- Budget including life cycle cost
- Project plan
- Risk evaluation.

7.5 Schemes lower than the thresholds for approval required at Executive Committee and/or Full Council may be submitted to them for formal sign off at the Chief Finance Officers discretion.

7.6 A separate Executive report is required for any capital scheme which has a capital expenditure value of £500k or above, regardless of the funding source. The approval of funding agreements, e.g. developer contributions, which contractually commit the Council to undertaking new capital schemes, (such as school builds), are required to follow the same approval process.

7.7 The CFO can authorise the following changes to the Capital Programme in-year:

<b>CFO delegated changes to approved Capital Programme</b>	<b>Reporting required</b>
Updates to existing schemes expenditure budgets that reflect total grants awarded, where the allocation of the grant changes after formal approval	To SCB and Executive CUR to note

7.8 Any Officer proposing to award or vary a contract for works, goods or services in connection with a scheme must refer to the Contract Procedure Rules.

### **Strategic Capital Board**

7.9 The overarching objective for the Board is to review and challenge capital schemes to be able to recommend to Executive that they move from the planning stage into delivery.

7.10 The board is advisory in nature to the CFO, and the CFO retains the delegated powers of decision making. The CFO's decision on matters discussed at SCB is final.

7.11 The Strategic Capital Board governance process will:

- Provide visible leadership in relation to the implementation of the Capital Strategy.
- Ensure funding is confirmed, secure and wherever possible received fully in advance of works commencing/being approved and that responsibility for this is taken by the project manager.
- Monitor performance against the Council's agreed capital discretionary funding levels.
- Escalate concerns and issues to Leadership Team.
- Optimise the funding for schools capital projects.
- Ensure other reporting and approval requirements have taken place, particularly in respect of schemes outside of the agreed Capital Strategy over £500k, ensuring schemes in excess of £500k have their own Executive report.

- Ensure that the revenue implications of all capital schemes are taken into consideration and that options appraisals have been carried out/considered.

7.12 The Membership of SCB will comprise of the following officers with voting rights:

- Chief Finance Officer (or nominated deputy)
- Members of CLN (or nominated deputy)

As appropriate, according to the schemes being discussed, the following officers will also be in attendance:

- Project Managers
- Assets and Environment Officers
- Finance Team Officers
- Procurement Team Officers
- Legal Officers

Plus any other officers at the discretion of the CFO.