

FINANCIAL LIMITS ANNEX

1 KEY DECISIONS

The following will be Key Decisions:

Approver	Financial Threshold	Conditions
As set out in the Scheme of Delegations	Expenditure or savings with financial implications of up to £500,000	
Chief Executive or Executive Director	<p>Expenditure or savings with financial implications of £500,000 or more</p> <p>AND/OR</p> <p>The decision is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral wards in the area of the Council.</p>	<p>A written report setting out the justification for the decision must be produced by relevant Officers and reviewed by the decision maker.</p> <p>The decision maker must consult the relevant Commissioner and Cabinet Member, or in their absence, the Leader, about the decision.</p> <p>The decision must be:</p> <ul style="list-style-type: none"> • reported to Cabinet for information; • published on the Council's website in accordance with the Access to Information Procedure Rules; and • circulated to the relevant Overview and Scrutiny Committee for review.

The Key Decision Threshold will be reviewed annually as part of the Budget setting process.

2 AUTHORISATIONS AND APPROVALS

RESERVES

(section 2.19 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £500,000	Executive Director or Assistant Director	Relevant Budget Holder
Above £500,000	Cabinet	Section 151 Officer, Commissioners, relevant Executive Director(s) and relevant Service Cabinet Member

VIREMENTS, SUPPLEMENTARY ESTIMATES AND CHANGES TO “CONTROLLABLE NET BUDGET”

(sections 3.14 and 3.15 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £25,000 (subject to the aggregation rule in section 3.15)	Assistant Director	Relevant Budget Holder
Above £25,000 but no more than £50,000 (subject to the aggregation rule in section 3.15)	Executive Director	Section 151 Officer and relevant Service Cabinet Member(s)
Above £50,000 but no more than £500,000	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)
Above £500,000	Cabinet	Cabinet Member for Finance, relevant Service Cabinet Member(s), relevant Executive Director(s), Section 151 Officer, Commissioner

REPROFILING OF CAPITAL EXPENDITURE

(section 3.51 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £25,000	Assistant Director	Relevant Budget Holder, and the Section 151 Officer to ensure that there are no adverse implications on capital financing resource
Above £25,000 but no more than £50,000	Executive Director	Section 151 Officer and relevant Service Cabinet Member(s), unless the saving being utilised is more than 25% of the project or 'block' approval that it is to come from, in which case the approval in the next row in this table will apply
Above £50,000 but no more than £1,000,000	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)
Above £1,000,000	Cabinet	Cabinet Member for Finance, relevant Service Cabinet Member(s), relevant Executive Director(s), Section 151 Officer, Commissioners

CHANGES TO CAPITAL PROGRAMME

(section 3.54 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £1m	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)
£1m and above	Cabinet	Cabinet Member for Finance, relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s), Commissioners

SETTLING INSURANCE CLAIMS

(section 5.17 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £20,000	Claims Lead	
Above £20,000 and up to £150,00	Risk and Insurance Manager	
Above £150,000 and up to £500,000	Head of Financial Assurance, Risk, Internal Audit and Insurance	Section 151 Officer and Monitoring Officer
Above £500,000	Cabinet	Cabinet Member for Finance, relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s), Monitoring Officer, Commissioners

PROPERTY TRANSACTIONS, INCLUDING INVESTMENT PROPERTY AND ASSET DISPOSALS

(section 6.21 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Operational and surplus properties		
Up to £250,000	Assistant Director Property and Facilities	
Above £250,000 and up to £1m	Executive Director Place	Executive Member of Place, Cabinet Member for Finance, Section 151 Officer and Monitoring Officer
£1m and above	Cabinet	Cabinet Member for Property and Cabinet Member for Finance, Section 151 Officer, Monitoring Officer and Commissioner
Investment properties		
Up to £250,000	Section 151 Officer	Head of Property

Threshold	Minimum approval level	Consultation
Above £250,000 and up to £500,000	Section 151 Officer	Head of Property
Above £500,000 and less than £2m	Section 151 Officer	Cabinet Member for Finance
£2m and above but less than £5m	Cabinet Member for Finance	Leader and Section 151 Officer
£5m and above	Cabinet	Cabinet Member for Finance, Leader and Section 151 Officer

DISPOSAL OF ASSETS

(section 6.29 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £250,000	Head of Service	
Above £250,000 and up to £500,000	Assistant Director	
Above £500,000 and less than £2m	Executive Director	Service Director and Service Cabinet Member
£2m and above but less than £5m	Cabinet Member for Finance	Executive Director and Service Cabinet Member
£5m and above	Cabinet	Cabinet Member for Finance, Service Cabinet Member, Executive Director

STOCK WRITE OFF

(section 6.35 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £10,000	Budget Holder	
Above £10,000 but not more than £25,000	Assistant Director	Budget Holder
Above £25,000 but not more than £50,000	Executive Director	Director
Above £50,000 but not more than £100,000	Section 151 Officer	Executive Director
Above £100,000 but not more than £500,000	Service Cabinet Member	Executive Director and Section 151 Officer

Threshold	Minimum approval level	Consultation
Above £500,000	Cabinet	Cabinet Member for Finance, Service Cabinet member, Section 151 Officer, Monitoring Officer and Commissioner

LOANS TO THIRD PARTIES

(section 6.44 of the Finance Procedure Rules)

Type of loan	Approval
1. Season Ticket and similar loans made to employees	To be made in accordance with the 'My Employment' guidance on the Council's Intranet.
2. Monies invested with banks and other financial institutions	To be undertaken in accordance with the Council's annual Treasury Management Strategy (see sections 6.38 – 6.43 above).
3. Loans to third parties (including to subsidiaries of the Council) for the purpose of financing expenditure which, if incurred by the Council, would constitute capital expenditure	Such a loan constitutes capital expenditure by the Council (and the repayment constitutes a capital receipt) and so requires approval as part of the Council's Capital Programme (see sections 2.40 – 2.45) and Treasury Management Strategy if funded from borrowing.
4. Loans to third parties (including to subsidiaries of the Council) for other purposes (e.g. to support cash flows)	Subject to the following approval: <ul style="list-style-type: none"> • Less than £0.5m - Section 151 Officer • Over £0.5m Cabinet (following consultation with Cabinet Member with responsibility for Finance, Section 151 Officer, Monitoring Officer and Commissioner)

DEBT WRITE OFF

(section 7.17 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £10,000	Service Manager – Income and Assessments or Head of Finance and Transactional Services	
Above £10,000 but not more than £25,000	Assistant Director	Budget Holder and Service Manager – Income and Assessments or Head of Finance and Transactional Services
Above £25,000 but not more than £50,000	Executive Director	Director
Above £50,000 but not more than £100,000	Section 151 Officer	Executive Director
Above £100,000 but not more than £500,000	Service Cabinet Member	Executive Director and Section 151 Officer
Above £500,000	Cabinet	Cabinet Member for Finance, Service Cabinet member, Section 151 Officer, Monitoring Officer and Commissioner

ORDERS FOR WORK, GOODS AND SERVICES

(section 7.39 of the Finance Procedure Rules)

Threshold	Minimum approval required	Allocated cost centre
Above £500,000	Cabinet or Council Committee	Represents a key decision if not covered by approved Budget at the start of each financial year
Up to £500,000	Executive Director	In consultation with the Section 151 Officer or MO.
Up to £150,000	Officer with delegated authority to act on an Executive Director's behalf	As determined by the relevant Executive Director

EX-GRATIA PAYMENTS

(section 7.75 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £5,000	Budget Holder	
Above £5,000 but not more than £10,000	Assistant Director	Budget Holder
Above £10,000 but not more than £50,000	Executive Director	Director
£50,000 - £100,000	Section 151 Officer	Executive Director

EX GRATIA PAYMENTS SHOULD BE LIMITED TO £100,000

EMERGENCY PAYMENTS

(section 7.82 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £500,000	Executive Director	Executive Director to notify the Section 151 Officer as soon as practicable after the event that the emergency payment has been made
Above £500,000 but not more than £2m	Chief Executive or Section 151 Officer	Cabinet Member for Finance and Monitoring Officer
Above £2m	Cabinet Member for Finance	Chief Executive, Monitoring Officer and Section 151 Officer

DETAILS OF ALL EMERGENCY PAYMENTS SHOULD BE REPORTED TO CABINET FOR INFORMATION AS SOON AS PRACTICABLE.

DELEGATION OF BUDGET TO A PARTNERSHIP

(section 8.15 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Less than £250,000	Assistant Director	
£250,000 and above but not more than £500,000	Executive Director	Director
£500,000 and above but not more than £0.5m	Section 151 Officer	Executive Director
Above £0.5m	Cabinet	Cabinet Member for Finance, Service Cabinet Member, Section 151 Officer, Monitoring Officer, Commissioner

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3 OTHER

CAPITAL EXPENDITURE – DE MINIMIS

(section 2.27 of the Finance Procedure Rules)

De minimis limit	Threshold
General (to be applied where no specific limit is applicable)	£10,000
Schools' capital projects funded or supported by Formula Capital Grant	£2,000
Transport (highways) infrastructure	All transactions charged to capital
Land	All transactions charged to capital

4 CONTRACT FORMALITIES

Contract value	Contract formalities	Signing authority
Up to £150,000		Officer with appropriate delegated authority
Above £150,000 and in effect for more than 1 year	Order must be authorised by an Executive Director	
Above £150,000	Must be a deed	Execution as a deed
Less than £1m	Must be a deed	A person authorised to issue an order for the contracts, or The Monitoring Officer or the Section 151 Officer or someone nominated by them
Above £1m	Contracts to be in writing and must be a deed. Can only be entered into following Cabinet approval	Executive Director or Chief Executive or under the Council's common seal

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