Report for:	Standards Committee 13 November/ Full Council 24 November
Title:	Updates to the Constitution - Part Four Section I Financial Regulations
Report Authorised by:	Taryn Eves – Corporate Director for Finance and Resources
Lead Officer:	Kevin Bartle – Strategic Adviser
Ward(s) affected:	N/A
Report for Key/ Non Key Decision:	Non Key Decision

1. Describe the issue under consideration

The Constitution, at Part 4, Rules of Procedure Section I – Financal Regulations, provides the framework for managing the Council's financial affairs. Although minor administrative amendments were made to the Regulations in May 2023, the last substantive update was in March 2021. Officers have undertaken a review of the Regulations and propose some changes to the Council's Financial Regulations.

2. Cabinet Member Introduction

Not applicable

3. Recommendations

3.1 To comment on and endorse the proposed changes to the Financial Regulations set out at Appendix 1 for onward approval at Standards Committee and Full Council in November 2025.

4. Reasons for decision

As stated above, the Financial Regulations were last updated in March 2021. In addition to the need to undertake a regular review and consider required updates to the Financial Regulations in the light of current circumstances, it is also vital to ensure that these are as robust and transparent as possible to maintain the integrity and core values on financial decision making.

5. Alternative options considered

None – not to update the regulations would not be in keeping with good governance principles.

6. Background information

6.1 As stated above, a routine review of regulations was due. However in the light of the Council's current exceptionally challenging financial position, it is vital that Financial Regulations are up to date, easily understandable, concise and accountability for financial control and budget management is clear.

6.2 Although some of the changes are necessary tidying up, such as job titles, there are some other key sections of the regulations specifically around strengthening accountability for budget managers, that are necessary. For example, the current version does not include a requirement for budget holders to remain within budget or for Corporate Directors to notify the Section 151 Officer of all underspends, over-recovery of income or windfall benefits arising within their revenue and capital budgets.

6.3 These additional regulations are seen by the Section 151 Officer as essential if we are to tighten our financial control environment and move to a financially sustainable position as soon as possible.

7. Contribution to Strategic Outcomes

The Council's Constitution supports the governance of the Council and its decision making thereby assisting the Council to meet its strategic outcomes.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Director of Legal & Governance, Equalities)

Finance

8.1 There are no resources implications from these changes, however the Section 151 officer commends the changes to members.

Legal

8.2 Legal comments are contained within the report.

Equality

8.3 There are no equalities matters for consideration with this report as the proposals relate to governance procedural changes.

9. Use of Appendices

Appendix 1 – draft updated Financial Regulations for approval

10. Local Government (Access to Information) Act 1985

Council Constitution

1972 Local Government Act

Local Government Act 2000