

AGENDA ITEM:
SUMMARY



Report for:	Audit Committee
Date of meeting:	29 July 2015
PART:	1
If Part II, reason:	

Title of report:	Annual Review of Financial Regulations
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources James Deane, Corporate Director (Finance & Operations)
Purpose of report:	To provide Committee with an opportunity to scrutinise the updated Financial Regulations.
Recommendations	That Committee notes the content of the report, and provides feedback for Cabinet to consider when recommended to approve the revised Financial Regulations 2015.
Corporate objectives:	The efficacy of the Financial Regulations supports all of the Council's objectives.
Implications:	<u>Financial</u> Contained within the body of the report.
'Value For Money Implications'	<u>Value for Money</u> Contained within the body of the report.
Risk Implications	Contained within the body of the report.
Equalities Implications	None
Health And Safety Implications	There are no health and safety implications

Introduction

1. The Financial Regulations provide the framework for managing the financial affairs of the Council. They are approved by the Council and they apply to every Member and employee of the Council, and to anyone acting on its behalf.
2. In accordance with good practice, the Financial Regulations are reviewed annually to ensure that they remain relevant throughout any structural or operational changes within the Council.
3. All sections of the Regulations have been reviewed, and the following substantive amendment is proposed.

Proposed update

4. **Regulation A12 f)** has been added (page 7), containing the following paragraph:

Section 106 Contributions. Council sets the budget and Cabinet has executive responsibility for the delivery of services within budgets. Delegation is given to the Section 151 Officer for in-year amendments to budgets where a one-off item is to be funded wholly from Section 106 receipts.

5. S106 contributions are payments, or works in lieu of payments, made by developers as part of their planning application. In broad terms, the purpose of S106 contributions is for the developer to make a financial contribution to offset the effect of their development on the local infrastructure. Payments received by the Council under S106 can only be used for the purpose specified within the S106 agreement. For example, a developer who builds 6 new houses may be required to make a payment to the Council to fund the delivery and maintenance of a play area for the children who are expected to live in the houses.
6. The inclusion of this regulation within the Financial Regulations formalises the current practice of the S151 Officer signing to approve the Council's use of the funds for the correct purpose. The alternative to this process would be to require Member approval for the application of S106 funds. This would not be an appropriate use of Members' time, given that the use of the S106 funds is not discretionary, and the S151 Officer is merely signing to agree proper use of the funds, in line with the developer agreement.

Finance & Resources Overview and Scrutiny

7. This proposed amendment to the Regulations was considered by the Finance & Resources OSC in June 2015. The Committee noted the change and did not raise any further issues for Cabinet to consider.