

# Report of the Director of Finance & IT to the meeting of Governance & Audit Committee to be held on 22 July 2021

---

**H**

## **Subject:**

**Exceptions to Financial Regulations applied during 2020/21 under Director of Finance delegated authority**

## **Summary statement:**

**The Council Financial Regulations are reviewed annually. The financial regulations as currently approved allow the Chief Finance Officer to apply exceptions where these are in the Council's interest. This report provides information on exceptions applied during the financial year 2020/21.**

## **EQUALITY & DIVERSITY:**

There are no direct implications for equality and diversity arising from this report. It concerns the process by which the Chief Financial Officer has applied exceptions under Financial Regulations.

---

Chris Chapman  
Director of Finance & IT

### **Portfolio:**

**Corporate**

Report Contact: Chris Chapman,  
Director of Finance & IT  
Phone: (01274) 433656  
E-mail: [chris.chapman@bradford.gov.uk](mailto:chris.chapman@bradford.gov.uk)

### **Overview & Scrutiny Area:**

**Corporate**

## 1. SUMMARY

Financial regulation 1.7 states

*“the Chief Financial Officer may allow specific exceptions to the Financial Regulations where in their opinion it is in the Council’s interest. The CFO must keep a record of these exceptions and report these to Governance & Audit Committee on an annual basis”.*

This report details the exceptions applied during the financial year 2020/21.

## 2. BACKGROUND

The Financial Regulations are updated on an annual basis, with updates reported to this Committee before being presented to Full Council for approval.

The last update to Financial Regulations was approved by this Committee on 20 August 2020 and agreed by Full Council on 8<sup>th</sup> December 2020.

Financial Regulation 1.7 (as above) was not amended as part of the recent annual review, as it is considered an appropriate exception and reporting mechanism. This report therefore informs the Committee of the specific circumstances where the Director of Finance & IT (CF) applied financial regulation 1.7.

## 3. APPLICATION OF FINANCIAL REGULATION 1.7

The Director of Finance & IT applied Financial Regulation 1.7 during the 2020/21 financial year in the following areas:

- Bowling Pool Filters, urgent request to replace condemned filters.
- Muslim Burial Ground, approval to advance the proposed extension of the existing burial ground at Scholemoor Cemetery as part of the approved Bereavement Strategy.
- Alhambra Theatre lift; approval of a new capital scheme to progress whilst the Theatre was closed.
- Flytipping capital scheme, approval of progression of capital scheme which had already been approved as a reserve scheme.
- Buck Mill Footbridge, approval of a new capital scheme to progress as a matter of urgency.
- Wyke Community Sports Village.

In considering and approving these exceptions the Director of Finance & IT determined it was in the Council’s interest to do so, having consulted Portfolio Holders, other members and stakeholders as appropriate.

Exception forms completed by the Director of Finance & IT providing full details are included as Appendices to this report.

#### **4. FINANCIAL & RESOURCE APPRAISAL**

The specific financial implications are detailed on the individual exception forms. In all cases the exception was used to expedite capital projects, either by approving progression of schemes approved as 'reserve' schemes or through approval of additional capital expenditure.

In all cases the approval of the projects was determined as urgent in nature and not able to await the next scheduled budget report to Executive.

#### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

There are no specific risk management issues in relation to the use of Financial Regulation 1.7.

The specific risk issues regarding the specific exceptions are reflected in the individual exception forms.

The approval, use and reporting of Financial Regulation 1.7 are in accord with approved governance processes.

#### **6. LEGAL APPRAISAL**

There are no specific legal issues arising from this report. It is made to comply with Financial Regulations.

#### **7. OTHER IMPLICATIONS**

##### **7.1 EQUALITY & DIVERSITY**

There are no specific equality and diversity issues arising from this report or use of Financial Regulation 1.7

##### **7.2 SUSTAINABILITY IMPLICATIONS**

There are no specific sustainability implications arising from this report.

##### **7.3.1 GREENHOUSE GAS EMISSIONS IMPACTS**

There are no specific greenhouse gas emissions impacts arising from this report.

##### **7.4 COMMUNITY SAFETY IMPLICATIONS**

There are no specific community safety implications arising from this report.

##### **7.5 HUMAN RIGHTS ACT**

There are no specific issues arising from this report.

## **7.6 TRADE UNION**

There are no specific issues arising from this report

## **7.7 WARD IMPLICATIONS**

The approvals have an impact upon the Wards within which the capital projects are based.

## **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

Nil

## **7.9 IMPLICATIONS FOR CORPORATE PARENTING**

There are no specific corporate parenting implications arising from this report.

## **7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

There are no specific issues arising from this report.

## **8. NOT FOR PUBLICATION DOCUMENTS**

Nil

## **9. OPTIONS**

This report is to update Governance & Audit Committee on the use of exceptions as required within Financial Regulation 1.7. As such the report is for information.

Options were considered and evaluated at the time of considering exceptions and are included within the individual exception forms.

## **10. RECOMMENDATIONS**

Members note the use of exceptions under Financial Regulation 1.7

## **11. APPENDICES**

Appendix 1: Exception Form – Bowling Pool Filters

Appendix 2: Exception Form – Muslim Burial Ground

Appendix 3 - Alhambra Theatre Lift

Appendix 4: Exception Form – Flytipping Capital scheme

Appendix 5: Exception Form – Buck Mill Footbridge approval

Appendix 6: Wyke Community Sports Village

## **12. BACKGROUND DOCUMENTS**

1. Bowling Pool Filters, Project Appraisal Group papers and minutes 14<sup>th</sup> May 2020
2. Bereavement Strategy 2016-2031 and report to Executive 11 June 2019
3. Project Appraisal Group (PAG) Project Appraisal form for Alhambra Theatre lift and associated PAG minutes of 9<sup>th</sup> July 2020
4. PAG Project Appraisal form for Flytipping Capital scheme and associated PAG minutes of 12<sup>th</sup> November 2020
5. PAG Project Appraisal form for Buck Mill Footbridge associated PAG minutes of 10<sup>th</sup> December 2020
6. Wyke Community Sports Village, report to Executive 11 June 2019

## Exceptions to Financial Regulations (section 1.7) under Director of Finance delegated authority

<b>Subject</b>	Bowling Pool Filters Urgent need to replace the two pool filters that were condemned following inspection.
<b>Status of Decision</b>	<p>The existing two pool filters were due to be refurbished and repaired as part of the Bowling Pool Major Works Scheme included in the Estates Capital Programme. However, following further inspection they have been condemned. The additional cost of new filters has been identified as £0.05m and the funding is not available within property programme budget. An additional £0.05m has been requested to be funded from the contingency budget.</p> <p>The position was reported to PAG on 14<sup>th</sup> May and was approved by PAG.</p> <p>In considering the nature of the works; the status of overall repairs to the pool; the fact a quote had already been received; and the opportunity to expedite repairs in the current Covid lockdown period it was determined that progressing immediately would potentially enable the pool to re-open sooner, as soon as lockdown allowed. Approval was therefore granted for works to commence immediately with funding from the capital contingency budget.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Project Appraisal Group (PAG) 14 <sup>th</sup> May 2020
<b>Reported to Executive</b>	7 July 2020
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>In considering whether approval under delegated authority was appropriate the Director of Finance &amp; IT considered.</p> <ul style="list-style-type: none"> <li>- The urgent nature of the works</li> <li>- The advantages of progressing immediately versus awaiting a further 2 months for scheduled Executive finance report</li> <li>- The cost of the works</li> <li>- The availability of budget to fund identified works</li> <li>- PAG approval of the works</li> </ul>

<p><b>Decision</b></p>	<p>PAG approved the additional costs to replace condemned filters which are £0.05m in excess of the Executive approved Capital Investment Plan for the scheme.</p> <p>PAG approved funding from the Capital General Contingency budget.</p> <p>Director of Finance &amp; IT applied his delegated authority to enable works to commence immediately and not await Executive approval.</p>
<p><b>Key Features and Risk Analysis</b></p>	<p>The increased costs should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works contract whilst under current lockdown enabling the facility to be available as soon as lockdown allowed approval was sought to commence outside of Executive approval as a delegated decision.</p>
<p><b>Alternative Options</b></p>	<p>Not to approve commencement under delegated authority and await a further 2 months for Executive approval. This would result in delays to completion of repairs and the re-opening of the site.</p>

Approved  
Chris Chapman, Director of Finance & IT  
14 May 2020

**Exceptions to Financial Regulations (section 1.7) under Director of Finance delegated authority**

<b>Subject</b>	Muslim Burial Ground Advance proposed extension of the existing burial ground at Scholemoor Cemetery as part of the approved Bereavement Strategy
<b>Status of Decision</b>	<p>Muslim Burial Ground – approval to advance the proposed extension of the existing burial ground at Scholemoor Cemetery as part of the approved Bereavement Strategy.</p> <p>The original budget allocated to this was £1m but a review of the planned scheme has identified that a further £0.6m is required and this will be funded by corporate borrowing as planned within the overall bereavement strategy.</p> <p>In considering the nature of the works; and the potential / forecast impact of the pandemic it was determined that progressing immediately would be appropriate to manage any demand impacts.</p> <p>Approval was therefore granted for works to commence immediately with funding from capital borrowing in line with the approved bereavement strategy.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Cllr Sarah Ferriby PAG officers
<b>Reported to Executive</b>	7 July 2020
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>In considering whether approval under delegated authority was appropriate the Director of Finance &amp; IT considered.</p> <ul style="list-style-type: none"> <li>- The alignment with Bereavement Strategy approved by Executive</li> <li>- The urgent nature of the works, particularly in view of forecast pandemic implications</li> <li>- The advantages of progressing immediately versus awaiting a further 2 months for scheduled Executive finance report</li> <li>- The cost of the works</li> <li>- The availability of budget to fund identified works</li> </ul>

<b>Decision</b>	<p>PAG and Executive had previously approved the Bereavement Strategy including capital budget approval.</p> <p>Director of Finance &amp; IT applied his delegated authority to enable works to commence immediately and not await Executive approval.</p>
<b>Key Features and Risk Analysis</b>	<p>The proposal should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works to meet potential pandemic demand forecasts approval was sought to commence outside of Executive approval as a delegated decision.</p>
<b>Alternative Options</b>	<p>Not to approve commencement under delegated authority and await a further 2 months for Executive approval. This would result in potential underprovision of Muslim burial sites.</p>

Approved  
Chris Chapman, Director of Finance & IT  
14 May 2020

## Exceptions to Financial Regulations (section 1.7) under Director of Finance delegated authority

<b>Subject</b>	Alhambra Theatre Pit Lift Approval for installation of a new lift for operational and health and safety reasons
<b>Status of Decision</b>	<p>Alhambra Theatre Pit Lift – The Theatre does not currently have a pit lift, a mechanical lift which can be used to transport heavy technical equipment from the orchestra pit onto the stage. The works are planned to be completed in Autumn 2020, whilst the Theatre is closed, and will ensure safe working practices and maintain standards as a number one receiving theatre.</p> <p>It is a new scheme and £0.09m has been requested to be funded from the Capital Contingency Budget</p> <p>In considering the nature of the works; and the sensible proposal for works to be undertaken whilst the Theatre is closed it was determined that progressing immediately would be appropriate, thereby enabling the Theatre to open effectively as soon as lockdown allowed.</p> <p>Approval was therefore granted for works to commence immediately with funding from the capital contingency budget.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Project Appraisal Group (PAG) – 9 <sup>th</sup> July 2020 Cllr Hinchcliffe Cllr Ferriby
<b>Reported to Executive</b>	9 November 2020
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>In considering whether approval under delegated authority was appropriate the Director of Finance &amp; IT considered.</p> <ul style="list-style-type: none"> <li>- The urgent nature of the works</li> <li>- The ability to progress whilst the Theatre is closed due to Covid lockdown</li> <li>- The advantages of progressing immediately versus awaiting a further 2 months for scheduled Executive finance report</li> <li>- The cost of the works</li> <li>- The availability of Capital Contingency budget to fund</li> </ul>

	<p>identified works</p> <ul style="list-style-type: none"> <li>- PAG approval of the scheme</li> </ul>
<b>Decision</b>	<p>PAG approved the scheme and funding from the Capital Contingency Fund</p> <p>Leader and Portfolio Holder notified of intent to apply delegated authority to approve</p> <p>Director of Finance &amp; IT applied his delegated authority to enable works to commence immediately and not await Executive approval.</p>
<b>Key Features and Risk Analysis</b>	<p>The scheme proposal should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works to meet potential pandemic demand forecasts approval was sought to commence outside of Executive approval as a delegated decision.</p>
<b>Alternative Options</b>	<p>Not to approve commencement under delegated authority and await a further 2 months for Executive approval. This would result in potential delay to works which then could result in trying to undertake works whilst the Theatre was operational.</p>

Approved  
Chris Chapman, Director of Finance & IT  
9 July 2020

**Exceptions to Financial Regulations (section 1.7) under Director of Finance delegated authority**

<b>Subject</b>	Flytipping capital scheme Progression of approved reserve scheme
<b>Status of Decision</b>	<p>Flytipping capital scheme A report was submitted to PAG (Project Appraisal Group) seeking approval to proceed with this capital project (following Capital Challenge session early that month) in November 2020. PAG approved in principle and noted it should be reported to Executive for formal approval to move from Reserve scheme into delivery.</p> <p>Fly Tipping - A three-year capital programme of £300k over 3 years (Year 1 £50,000 on CCTV 2020/2021 Year 2 £125,000 2021/2022 Year 3 £125,000 2022 / 2023) on cameras and 'hot spot site prevention'. To purchase additional CCTV cameras of varying types to complement and add to the existing stock to provide more capacity for improved surveillance and environmental enforcement.</p> <p>The request is for 300k of corporate borrowing and the scheme is currently in the CIP, within Reserve schemes. The annual financing costs are already included in revenue budget projections.</p> <p>The proposal was therefore to commence a scheme already approved by Executive and held in reserve schemes pending the detailed business case which was presented to PAG</p> <p>Approval was therefore granted for the reserve scheme to commence immediately and funded as approved within the capital programme.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Project Appraisal Group (PAG) – 12 <sup>th</sup> November 2020 Cllr Hinchcliffe Cllr Ferriby

<b>Reported to Executive</b>	2 February 2021
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>In considering whether approval under delegated authority was appropriate the Director of Finance &amp; IT considered.</p> <ul style="list-style-type: none"> <li>- The urgent nature of the works</li> <li>- The advantages of progressing immediately versus awaiting a further 2 months for scheduled Executive finance report</li> <li>- The cost of the works being within approved reserve scheme limits</li> <li>- The inclusion of the scheme as a reserve project in the Capital Programme following earlier Executive approval</li> <li>- PAG approval of the scheme</li> </ul>
<b>Decision</b>	<p>PAG approved the scheme to be released from reserve schemes</p> <p>Leader and Portfolio Holder notified of intent to apply delegated authority to approve</p> <p>Director of Finance &amp; IT applied his delegated authority to enable works to commence immediately and not await Executive approval.</p>
<b>Key Features and Risk Analysis</b>	<p>The scheme should be reported to and approved by the Executive under the Constitution however due to timescales to complete to progress and address flytipping approval was sought to commence outside of Executive approval as a delegated decision.</p>
<b>Alternative Options</b>	<p>Not to approve commencement under delegated authority and await a further 2 months for Executive approval. This would result in potential delay to works which then could result in further flytipping incidents.</p>

Approved  
Chris Chapman, Director of Finance & IT  
12 November 2020

**Exceptions to Financial Regulations (section 1.7) under Director of Finance delegated authority**

<p><b>Subject</b></p>	<p>Buck Mill Footbridge Essential urgent repairs</p>
<p><b>Status of Decision</b></p>	<p>Buck Mill Footbridge The existing hardwood deck planks have deteriorated quicker than anticipated following their installation in 2003. The reasons for this deterioration could include increased flood events and the fact that the bridge is regularly used by horses. Whilst interim maintenance comprising replacement of individual deck planks has retained the operational status of the bridge, the most recent report of a number of rotten deck planks led to a full safety inspection of the structure being undertaken by the Structures team to identify which planks would require replacement. As a result of this detailed safety inspection the number of damaged planks was found to be significant and presented a safety hazard for users of the bridge (particularly equestrians). Having identified the extent of damage short-term interim repair solutions were considered but discounted due to the use of the bridge by horse riders (as the loading on the structure caused by these users is significantly greater than that of pedestrians). The decision therefore was taken to close the bridge on safety grounds until a more permanent solution could be found.</p> <p>The position was reported to PAG and approval to allocate £40k of the Capital Contingency Budget was made to enable essential urgent repairs to enable the bridge to be re-opened. (However, it was noted that should there be a potential to utilise unallocated or additional external funding that should be used and 'swap out' borrowing requirements. Service managers were asked to keep this under review, appreciating the unlikelihood of any external funding. After initial investigations it was identified there was no alternative funding).</p>
<p><b>Decision Maker</b></p>	<p>Chris Chapman, Director of Finance and IT</p>
<p><b>Stakeholder Engagement</b></p>	<p>Service leads Project Appraisal Group (PAG) – 10<sup>th</sup> December 2020 Cllr Ross-Shaw Ward Members</p>

<b>Reported to Executive</b>	2 February 2021
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>In considering whether approval under delegated authority was appropriate the Director of Finance &amp; IT considered.</p> <ul style="list-style-type: none"> <li>- The urgent nature of the works</li> <li>- The advantages of progressing immediately versus awaiting Executive in February</li> <li>- The cost of the works being within approved reserve scheme limits</li> <li>- The impacts of bridge closure on local community</li> <li>- Ward member and Portfolio Holder consideration</li> <li>- PAG approval of the scheme</li> </ul>
<b>Decision</b>	<p>PAG approved the scheme to be funded from Capital Contingency Budget</p> <p>Portfolio Holder and Ward Members requesting urgent action to enable the bridge to be re-opened</p> <p>Portfolio Holder notified of intent to apply delegated authority to approve</p> <p>Director of Finance &amp; IT applied his delegated authority to enable works to commence immediately and not await Executive approval.</p>
<b>Key Features and Risk Analysis</b>	<p>The scheme should be reported to and approved by the Executive under the Constitution however due to the impact upon local community arising from bridge closure approval was sought to commence outside of Executive approval as a delegated decision.</p>
<b>Alternative Options</b>	<p>Not to approve commencement under delegated authority and await a further 2 months for Executive approval. This would result in continued impacts on local community.</p>

Approved  
Chris Chapman, Director of Finance & IT  
10 December 2020

## Exceptions to Financial Regulations (section 1.7) under Director of Finance delegated authority

<b>Subject</b>	Wyke Community Sports Village Additional budget allocation from Sports Pitch Reserve scheme
<b>Status of Decision</b>	<p>Wyke Community Sports Village Returned tenders were above forecast budgeted costs. Officers undertook value engineering to seek to reduce costs to budget levels. The level of value engineering, needed to bring the scheme back to initial budget allocation, would however, reduce the initial scope of the scheme beneath level viewed as acceptable to members.</p> <p>Meetings were held to seek to identify a solution which would enable the scheme to progress promptly to enable the scheme to progress to avoid loss of £1m grant</p> <p>To progress the scheme and avoid grant loss approval was sought to allocate £665k from the remaining sports pitches budget, currently in the reserves section of the capital plan, into the Wyke project.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Project Appraisal Group Officers Cllr Ferriby Ward Members
<b>Reported to Executive</b>	2 February 2021
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>In considering whether approval under delegated authority was appropriate the Director of Finance &amp; IT considered.</p> <ul style="list-style-type: none"> <li>- The need to progress promptly to avoid loss of grant</li> <li>- The ability to manage variations within the existing procurement process</li> <li>- The advantages of progressing immediately versus awaiting Executive in February, particularly in relation to risk of grant loss</li> <li>- The cost of the works being within approved reserve scheme limits</li> <li>- Ward member and Portfolio Holder consideration</li> </ul>

	<ul style="list-style-type: none"> <li>- PAG officer approval of the utilisation of approved reserve budget</li> </ul>
<b>Decision</b>	<p>PAG officer approval of using the approved reserve budget allocated to sports pitches for this scheme</p> <p>Portfolio Holder and Ward Members requesting urgent resolution to retain scheme viability</p> <p>Portfolio Holder notified of intent to apply delegated authority to approve</p> <p>Director of Finance &amp; IT applied his delegated authority to enable works to commence immediately and not await Executive approval.</p>
<b>Key Features and Risk Analysis</b>	<p>The scheme should be reported to and approved by the Executive under the Constitution however due to the timescales likely leading to loss of grant, approval was sought to commence outside of Executive approval as a delegated decision.</p>
<b>Alternative Options</b>	<p>Not to approve commencement under delegated authority and await Executive approval. This would result in loss of grant funding.</p>

Approved  
Chris Chapman, Director of Finance & IT  
17 December 2020