

# Report of the Director of Finance & IT to the meeting of Governance & Audit Committee to be held on 9 June 2022

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**Subject:**

**B**

**Exceptions to Financial Regulations applied during 2021/22 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 2021/22.

## **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.

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Chris Chapman  
Director of Finance & IT

**Portfolio:**

**Corporate**

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**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 2021/22.

## 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 (a report on Contract Standing Orders and the Financial Regulations was taken to the April 2021 meeting but this did not have any changes to the Financial Regulations)

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 2021/22 financial year in the following areas:

- Safety Work to Footbridge at Ilkley Riverside
- Emergency repairs to Buttershaw Youth Centre
- Work to Children’s Homes to improve residential estate
- Urgent electricity safety works to homes for the elderly
- Approval of BACES reserve scheme

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**

That the use of exceptions under Financial Regulation 1.7 be noted.

## **11. APPENDICES**

Appendix 1: Exception Form – Safety Work to Footbridge at Ilkley Riverside

Appendix 2: Exception Form – Buttershaw Youth Centre emergency repairs

Appendix 3: Exception Form – Children’s Services, repairs and maintenance works to Children’s Homes

Appendix 4: Exception Form – Adults Services, emergency electrical works to

residential homes

Appendix5: Exception Form – BACES, progression of identified reserve scheme

## **12. BACKGROUND DOCUMENTS**

1. Safety Work to Footbridge at Ilkley Riverside, Project Appraisal Group papers and minutes 14<sup>th</sup> May 2021
2. Emergency repairs to Buttershaw Youth Centre, Project Appraisal Group papers and minutes 9<sup>th</sup> July 2021
3. Essential works to Children's Homes, Project Appraisal Group papers and minutes 18<sup>th</sup> November 2021
4. Electrical safety works in residential homes, Project Appraisal Group papers and minutes 18<sup>th</sup> November 2021
5. BACES – progression of reserve capital scheme, Project Appraisal Group papers and minutes 11<sup>th</sup> March 2022

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

<b>Subject</b>	<b>Safety Work to Footbridge at Ilkley Riverside</b> Safety Work to Footbridge at Ilkley Riverside/Denton Road
<b>Status of Decision</b>	<p>The Riverside area at Ilkley has become an increasing anti-social behaviour problem during periods of hot weather. The focal point is the footbridge and nearby 'beach' area where crowds gather and (primarily) young men travel from outside the area to jump from it into the river. The water is shallow and this potentially makes things extremely dangerous given alcohol and substance misuse.</p> <p>Large groups of youths congregate on the bridge making it very difficult for others, including local residents to pass, causing concern particularly given expectation around social distancing. A risk assessment of the site conducted 23.4.21 advocates modification to the bridge to restrict the behaviour and avert danger and harm.</p> <p>The BMDC Highways team will be producing a design of works to prevent anyone from accessing the external structure of the bridge (to jump off).</p> <p>This is a 'design' solution that will negate the need for paid staff to have to 'police' the bridge. On several occasions last year, the bridge had to be closed due to the significant numbers congregating on the bridge to jump from it - along with associated intimidation and anti-social behaviour</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	<p>Service leads</p> <p>The service area confirmed appropriate members were aware and supportive of the scheme</p> <p>Project Appraisal Group (PAG) 14<sup>th</sup> May 2021</p>
<b>Reported to Executive</b>	6 July 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 Health and Safety implications</li> <li>- The link to the 'Public Space Protection Order' (PSPO) for the Ilkley Riverside area. This will make it an offence to commit a range of anti-social acts. This</li> </ul>

	<p>will complement the bridge works.</p> <ul style="list-style-type: none"> <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>
<b>Decision</b>	<p>PAG approved the works at a cost of £50k.</p> <p>PAG approved funding from the Capital General Contingency budget, and to be funded from Corporate borrowing.</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 addition to the capital programme and use of the approved capital contingency budget should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works 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 delays to completion of works, which would not commence until partway through the peak summer period at earliest.</p>

Approved  
Chris Chapman, Director of Finance & IT  
14 May 2021

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

<b>Subject</b>	Buttershaw Youth Centre, emergency repairs
<b>Status of Decision</b>	<p>The project comprises the replacement of the timber infill wall within the existing sports hall which is in a state of disrepair.</p> <p>The hall wall is constructed in timber and is in need of replacement ASAP. The wall façade structure is in a very poor condition and is a Health &amp; Safety issue along with a fire escape issue. As a consequence of the works being required the sports hall is unable to be used thereby causing inconvenience to the community and a loss of revenue income to the council.</p> <ol style="list-style-type: none"> <li>1. To secure the building and improve energy performance fit for 20<sup>th</sup> Century</li> <li>2. To secure and negate any H&amp;S issues with the sports hall</li> <li>3. To protect and enhance the future potential capital value</li> <li>4. Reinststate a revenue income stream</li> </ol> <p>Estates have indicated that it can't be accommodated within the Property Programme Capital budget (£2.2m 21-22 Programme) and the expectation is that a full scheme will be developed for this site in the near future.</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 2021
<b>Reported to Executive</b>	2 November 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 Health and Safety implications</li> <li>- The impact on local community / users</li> <li>- The impact on revenue stream</li> <li>- The advantages of progressing immediately versus awaiting a further 3 months for scheduled Executive finance report</li> </ul>

	<ul style="list-style-type: none"> <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>
<b>Decision</b>	<p>PAG approved the works at a cost of £21k. An update was provided at PAG on 21 November 2021 in which the cost was revised to £30k, which was approved</p> <p>PAG approved funding from the Capital General Contingency budget, and to be funded from Corporate borrowing.</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 addition to the capital programme and use of the approved capital contingency budget should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works 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 3 months for Executive approval. This would result in delays to completion of works, which would not commence until partway through the peak summer period at earliest.</p>

Approved  
Chris Chapman, Director of Finance & IT  
9 July 2021

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

<b>Subject</b>	Children's Services Residential Homes – urgent repairs and property works
<b>Status of Decision</b>	<p>A schedule of works was identified to ensure Local Authority owned Children's Homes were appropriately maintained and in an appropriate condition to enable occupancy in a safe manner.</p> <p>Works included those identified and agreed as a result of Ofsted findings and in line with the improvement plan identified by the service.</p> <p>Works included backlog maintenance and works to improve the environment, to ensure they were in an appropriate condition for occupancy.</p> <p>Works also included issues of a health and safety nature, for example upgrade and maintenance of CCTV and maintenance of fire alarm systems.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	<p>Service leads Children's Services DMT Project Appraisal Group (PAG) 21<sup>st</sup> November 2021</p> <p>Leader and Portfolio Holder also advised of my proposal to use my delegated approval and indicated their understanding of this and acceptance of the decision</p>
<b>Reported to Executive</b>	1 February 2022
<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 Health and Safety implications</li> <li>- Ofsted feedback and the Ofsted improvement plan</li> <li>- The impact on occupancy as homes were not able to be fully occupied</li> <li>- The advantages of progressing immediately versus awaiting a further 3 months for scheduled Executive finance report</li> <li>- The availability of budget to fund identified works</li> <li>- PAG approval of the works</li> </ul>

<b>Decision</b>	<p>PAG approved the works at a cost of £390k.</p> <p>PAG approved funding from the Capital General Contingency budget, and to be funded from Corporate borrowing.</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 addition to the capital programme and use of the approved capital contingency budget should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works 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 3 months for Executive approval. This would result in delays to completion of works, with consequential impact upon Children in Care and care packages.</p>

Approved  
Chris Chapman, Director of Finance & IT  
28 October 2021

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

<b>Subject</b>	Adult residential homes – urgent electrical repairs
<b>Status of Decision</b>	<p>Essential electrical works within adult residential homes were identified to ensure Local Authority owned Homes were appropriately maintained and in an appropriate condition to enable occupancy in a safe manner.</p> <p>The work was relatively minor in terms of cost, but extremely urgent from a Health and Safety perspective. Failure to address could have necessitated home closure with the consequential impact on vulnerable adults.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Project Appraisal Group (PAG) 18th November 2021
<b>Reported to Executive</b>	1 February 2022
<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 Health and Safety implications</li> <li>- The impact upon vulnerable residents</li> <li>- The impact on occupancy as homes were not able to be fully occupied</li> <li>- The advantages of progressing immediately versus awaiting a further 3 months for scheduled Executive finance report</li> <li>- The availability of budget to fund identified works</li> <li>- PAG approval of the works</li> </ul>
<b>Decision</b>	<p>PAG approved the works at a cost of £50k.</p> <p>PAG approved funding from the Capital General Contingency budget, and to be funded from Corporate borrowing.</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</b>	The addition to the capital programme and use of the

<b>Analysis</b>	approved capital contingency budget should be reported to and approved by the Executive under the Constitution however due to timescales to complete the works approval was sought to commence outside of Executive approval as a delegated decision.
<b>Alternative Options</b>	Not to approve commencement under delegated authority and await a further 3 months for Executive approval. This would result in delays to completion of works, with consequential impact upon vulnerable adults.

Approved  
Chris Chapman, Director of Finance & IT  
18 November 2021

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

<b>Subject</b>	BACES – approval for reserve capital scheme to commence
<b>Status of Decision</b>	<p>Essential need to provides BACES support to vulnerable adults and support discharge from hospital was identified.</p> <p>The work was essential and would be funded from an approved capital reserve scheme.</p> <p>£70,000 was requested to meet known commitments that would enable support to the vulnerable without building in delay.</p> <p>Failure to address would have deferred discharge from hospital, placing additional pressure upon this sector post Covid pandemic peaks.</p>
<b>Decision Maker</b>	Chris Chapman, Director of Finance and IT
<b>Stakeholder Engagement</b>	Service leads Project Appraisal Group (PAG) 11 <sup>th</sup> March 2022
<b>Reported to Executive</b>	5 April 2022
<b>Material Considered as part of approval under Director of Finance delegated authority</b>	<p>The BACES capital project was approved as a reserve scheme; and has been a rolling programme with funds approved in each years capital programme.</p> <p>The service identified a need to commit resources to provide support to service users and therefore approval was provided to draw down the approved reserve scheme.</p> <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 scheme had already received Executive approval and was identified in the ‘reserve’ schemes schedule pending further review; the nature of BACES spend and the benefits are well understood</li> <li>- The urgent nature of the works</li> <li>- The impact upon vulnerable individuals and the ability to provide support for them to continue living with some independence</li> </ul>

	<ul style="list-style-type: none"> <li>- The advantages of progressing immediately versus awaiting for scheduled Executive finance report</li> <li>- The availability of budget to fund identified works</li> <li>- PAG approval of the works</li> </ul>
<b>Decision</b>	<p>PAG approved the progression of an approved reserve scheme.</p> <p>Bradford and Airedale Community Equipment Services (BACES) – on going investment of £3.3m, over a five-year period, in BACES is required beyond the currently approved funding. The service provides essential equipment to facilitate an early discharge from hospital and provides support to people to remain in their own homes.</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 progression of an approved reserve scheme should be reported to and approved by the Executive under the Constitution however due to timescales and identified needs to provide BACES support to vulnerable adults 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 for Executive approval. This would result in delays to completion of works, with consequential impact upon vulnerable adults.</p>

Approved  
Chris Chapman, Director of Finance & IT  
11 March 2022