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**REPORT TO: CORPORATE COMMITTEE ON 25 APRIL 2023**

**SUBJECT: WARD BUDGETS**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To consider arrangements for agreeing expenditure of Ward budgets in 2023/24.
- 1.2 This report is submitted to the Committee in terms of the Council's Administrative Scheme section (III) (A) (2) relating to considering Capital and Revenue budgets and long term financial plans.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee considers its approach to spending ward budgets for 2023/24, the main options proposed for which are that:
  - (i) Potential expenditure is identified by members based on their local knowledge and understanding of minor works/concerns in their ward;
  - (ii) Authority is delegated to the Chief Financial Officer to authorise expenditure throughout the year until the budgets are exhausted if two thirds or more (3 in a 4 member ward) of local members are in agreement as to proposed expenditure;
  - (iii) If the agreement of at least two thirds of local members cannot be reached then proposals will be brought to Corporate Committee for consideration.

### **3. BACKGROUND**

- 3.1 The Council's revenue and capital budgets for 2023/24 were approved at a meeting of Moray Council on 1 March 2023 (paragraph 5 of the Minute refers). As part of the revenue budget the Council agreed to allocate £15,000 one-off spend to each ward, *"to be spent by elected members for that ward in consultation with each other to address "minor works/concerns"*.
- 3.2 Local priorities for spend on minor works/concerns can be surfaced by a number of routes, but it is anticipated that members will be familiar with potential spending options based on their local knowledge and understanding. For example, options may have been identified in locality planning exercises or other forms of community engagement, discussed in local community groups such as community councils, or have been directly raised with councillors. Given the one off nature of the funding, its relatively limited scope at only £15,000 per ward and officer capacity issues in managing any formal bidding process, it is proposed that potential expenditure options are identified by local members and considered as a collective at ward level.

### **4. APPROVAL OF EXPENDITURE OF WARD BUDGETS**

- 4.1 Council expenditure is governed by the Council's Financial Regulations – these are framed around the responsibilities of Council officers, specifically budget managers. There is therefore a need to set out a scheme for approving expenditure of Ward budgets, as these are clearly seen as sitting with local members.
- 4.2 An analogy could be drawn with Common Good funds, where decisions have been generally devolved to local members since May 1999. Moray Council on 13 March 2019 agreed that where two thirds or more of local members were in agreement on proposals for expenditure from Common Goods, then that was sufficient authority to proceed under the delegated authority of the Chief Financial Officer (paragraph 10 of the Minute refers). This arrangement also mirrors the arrangement for approval of expenditure of Developer Obligations for community facilities, playing fields, indoor / outdoor sports facilities and library facilities: Policy and Resources Committee on 25 October 2016 (paragraph 5 of the Minute refers) gave delegated authority to the Head of Economic Growth and Development to spend such developer obligations in consultation with ward members, with a two thirds majority deemed sufficient to proceed.
- 4.3 It is proposed that the same requirement for agreement of two thirds of local members (three in a four member ward) is required before expenditure is approved and that in cases where this level of agreement cannot be reached that a report is brought to Corporate Committee to decide.

- 4.4 Given constraints around Financial Regulations and staffing resources to give effect to spending proposals, before any firm commitment is given by local members (following a 2/3 or greater majority) to a proposed item of expenditure, it should first be approved as ready for implementation by both the S95 officer in terms of financial regulations regarding procurement, VAT and any other relevant financial considerations and the relevant Head of Service in terms of the impact on staffing capacity and options to manage this if it cannot be absorbed. For expenditure which cannot be agreed at ward level, this information will be added to the Committee report.

## 5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

There is no direct link between Ward budgets and the Corporate Plan or LOIP.

(b) **Policy and Legal**

Ward expenditure must be within the Council's statutory powers. Advice will be sought from Legal Services if any questions arises. The Council's standard procedures e.g. procurement procedures must be adhered to.

(c) **Financial implications**

There are no financial implications arising directly from this report. Provision has been made in the budget for this one-off spend to be funded from Council reserves.

(d) **Risk Implications**

There are no risk implications arising directly from this report.

(e) **Staffing Implications**

Actions for officers arising from this process should be carefully managed given other priorities and existing demands on limited capacity.

(f) **Property**

There are no property implications arising directly from this report.

(g) **Equalities/Socio Economic Impact**

There are no implications for equalities or the socio-economic duty arising directly from this report.

(h) **Climate Change and Biodiversity Impacts**

There are no implications for biodiversity arising directly from this report.

(i) **Consultations**

The Corporate Management Team, the Head of Legal and Democratic Services and Political Group Leaders have been consulted in the preparation of this report. No unanimous position on the approach to identifying spend emerged at Political Group Leaders.

**6. CONCLUSION**

- 6.1 Adopting the requirement for a two thirds agreement from local members on expenditure of the Ward budgets would be in line with the process for Common Good and Developer Obligation monies.**
- 6.2 A suggested approach to identifying options for expenditure is set out in the report.**

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Background Papers:  
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