

POLICY AND PROCEDURE:**Unplanned Expenditure - Decision Making**

PURPOSE: The categorisation of expenditure decisions as an aid to the Clerk and Councillors in setting priorities for items outside precept plans.

SCOPE: All financial decisions to spend amounts greater than £100 made by Melbourn Parish Council that arise outside those items pre-planned through the annual precept. Items specifically listed within the precept are not included.

1. POLICY: It is the policy of Melbourn Parish Council to use this document as the primary reference to ensure non-designated money set aside and spent *outside the planned and itemised precept* is used to the maximum benefit of the community. This objective will be achieved through an agreed system of priorities, as set out in this document, to properly balance parish council musts, needs and wants against the financial resources available.

2. PROCEDURE:

2.1 The Annual Precept will include a global estimate, based on historical requirements and extrapolated into the future year, of non-designated funds that should be available for servicing items that arise randomly and that cannot be easily predicted.

2.2 Unplanned items can arise from many sources and can be made known to the Clerks and Councillors, depending on the nature of these. The logging of new items will be co-ordinated by the Clerks, based a clear and complete description of the matter in question and details of the originator of the request.

2.3 If quotations are required, ideally three competitive quotes must be provided, together with supporting technical information and images as appropriate. Costings, quotations and justifications to spend may be developed by either the Clerks or through Sub-Committees and/or Working Parties

2.4 The Clerks will refer to the Categorisation List in Appendix A of this document and decide action on the item accordingly, and by type.

2.5 Decision Making:

Category A – High Priority

The Clerk will authorise work or purchases defined by this grouping, informing the Chairs and Vice Chairs of both the Parish Council and Finance Sub-Committee of the action taken, for information only. There is no requirement that the Clerk should seek prior approval to act. However, in the case of any doubt, the Clerk can seek advice from one or more of those councillors holding the positions noted above.

Category B – Medium Priority

The Clerk will log items in this grouping and notify the issues raised, together with any background information as appropriate, to the Chair and Vice Chair of the Parish Council and to members of the Finance Sub-Committee. The Clerk will bring the accumulated list to Finance Sub-Committee meetings for consideration. Depending on tracked annual spend and any other influences the Clerk will be asked to proceed with spending on items defined in this grouping but only as formally decided through the Finance Sub-Committee who will then make a recommendation for approval to the Full Council.

Category C – Low Priority

As with Category B, the Clerk will log items in this category. The clerk will bring these to the Finance Sub-Committee for consideration. Depending on tracked annual spend and any other influences the Clerk will be asked to proceed with spending on items in this grouping but only as formally decided through the Finance Sub-Committee. However, spends defined in this grouping will only be approved when financial circumstance allow. Annual pre-planning of certain expenditure may be required for Category C in order that low priority items are eventually addressed; where this is the case items would be included within the precept budget.

Document Approval:



(Chair to Melbourn Parish Council)

Date of Parish Council meeting: 25 September 2017

Review Policy: Every 12 months

APPENDIX A

Spend Items - Priority Categorisation

Category A

Expenditure that is a 'must pay', and often where associated with a high risk issues, including:

- Salaries of members of staff
- Failure to act will result in prosecution
- Danger to life and limb
- Undertaking statutory and mandatory maintenance
- Making safe in emergency situations
- Negating insurance cover
- Replacing essential equipment
- Contractual commitments where cost of cancelling contract significantly exceeds costs and nature of work being undertaken
- Foul and storm-water sewer blockages
- Making safe water leakage or similar problems where damage is occurring in real time.
- Payments to statutory bodies
- Matters that would otherwise adversely affect the image of the Parish Council

Category B

Expenditure with a 'need to pay' but can in certain circumstances be deferred or the timing otherwise reviewed, including:

- High impact grass cutting /tree surgery
- Repair rather than replace decisions on key equipment
- Work to be undertaken following emergency to make safe prior to repair/replace decision
- Maintaining key equipment
- Maintaining cemeteries
- Expenditure that can result in measurable cost savings to the Parish Council

Category C

'Discretionary' expenditure with medium/low short term impact, including:

- Expenditure to maintain village facilities
- Internal/external decoration
- Stationery (if not required for business continuity)
- Low impact landscaping/flower beds etc.
- Elements of planned maintenance where decision to allow equipment to fail is more cost effective and of low priority
- Work to be undertaken following emergency to make safe prior to repair/replace decision not considered to be in Category A or B
- Purchase of new equipment not in Category A or B