

**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

<b>1. Meeting:</b>	<b>Deputy Leader</b>
<b>2. Date:</b>	<b>10<sup>th</sup> June 2013</b>
<b>3. Title:</b>	<b>Authorisation Limits</b>
<b>4. Directorate:</b>	<b>Resources</b>

**5. Summary**

The Council's Standing Orders place a limit of £500,000 on the total amount value of contracts that may be placed by officers.

For the financial year 2012/13 this limit was exceeded by the Director of Human Resources. This was due to the significant value of vehicles nominally purchased by the Council on behalf of employees, under the salary sacrifice scheme.

**6. Recommendations**

That the Deputy Leader notes the additional expenditure for the year 2012/13 and that the position has been rectified by an amendment to the Council's Standing Orders.

## **7. Proposals and Details**

The Council's Standing Orders provide, at paragraph 34.1 that:-

- 34.1 The Chief Executive, strategic directors and directors of services have a general power to make council contracts that are estimated to be less than £500,000 in value, including power to determine select lists of tenderers and to accept tenders and award contracts.

The Director of Human Resources, in order to facilitate purchasing vehicles in accordance with the salary sacrifice scheme for employees, has incurred expenditure of £525,385.13 during the year 2012/13. Although the Council orders the vehicles, the funds are soon reimbursed to the Council under the terms of the scheme. However it has resulted in the Director of Human Resources having exceeded his purchase limit for the year 2012/13.

The balance of the expenditure, above £500,000 was reported to the Chief Executive. As a result the Council, at its annual meeting, approved the following amendment to Standing Orders:-

- 34.2 The Director of Human Resources has the general power to make Council contracts that are estimated to be less than £750,000 in value, including power to determine select lists of tenderers and to accept tenders and to award contracts.

This should ensure that future purchasing is within the expenditure limits authorised to officers.

## **8. Finance**

As contained in the report.

## **9. Risks and Uncertainties**

The amendment to Standing Orders provides assurance for Members and officers that orders are being placed in an authorised manner.

## **10. Policy and Performance Agenda Implications**

None

## **11. Background Papers and Consultation**

None

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