

**Changes to Finance Procedure Rules – Schedule of determinations**

1. The schedule of determinations forms part of the Finance Procedure Rules of the Council. These “determinations” define some delegation limits and also specify some rules in relation to the Council’s trading organisations.
2. The making of any changes to the Finance Procedure Rules themselves is a function reserved to full Council, but changes to the determinations are expressly a cabinet function.
3. The current determinations refer to the “Commercial Services” department, which no longer exists following a recent organisational review. The paragraphs below seek to re-state the determinations in accordance with the current organisational structure. The revision has been done with the assumption that the present Cultural Services & Neighbourhood Renewal and Environment, Regeneration and Development departments will merge to form a single Department of Regeneration and Culture, following another organisational review which is almost complete. Cabinet may wish to recommend further changes to the list of trading services in the light of this organisational review. The thresholds for the surpluses which may be retained by the trading services should also be reviewed, in the light of legislative changes and also internal operational issues. A further report will be presented to Cabinet on this matter.
4. The determinations also set out some definitions in the context of Capital expenditure. These definitions need to be revised to reflect the introduction of the Prudential Framework for Capital finance with effect from April 1, 2004.
5. The amendments required are as follows (the paragraph numbers refer to those in the current determinations where appropriate):-
  - 5 Revenue budgets
    - 5.1 The following parts of the Council budget are trading organisations, and that the rules applied to budgets for internal trading units shall apply to them rather than the normal rules applicable to general fund budgets. Each Department may retain a percentage of the net surplus of the aggregate position of its trading organisations, listed in table 1 below. In the case of some of the trading organisations the percentage that may be retained is variable, depending on the amount of the net surplus. The surpluses that may be retained are detailed on table 2 below.

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**TABLE 1 : List of Trading Organisations**

<b><u>Department</u></b>	<b><u>Service</u></b>
Housing	
	Housing Maintenance
Regeneration & Culture	
	City Catering
	City Transport
	Citywide Cleaning
	City Cleansing
	City Landscapes
	City Highways
Resources, Access and Diversity	
	Cashiers
	Creativity works
	Design and Maintenance
	Customer accounts
	IT services
	Job Shop
	Legal Services
	Payroll
	Post room
	Standby Register

5.2 The percentages of the departments' net surpluses which may be retained are shown below:-

**TABLE 2: Surpluses which may be retained.**

<b><u>Department</u></b>	<b><u>Criteria (if applicable)</u></b>	<b><u>%</u></b>
Housing		100
Regeneration and Culture	Surplus up to £125k	45
	Surplus £125 > £175k	50
	Surplus > £175k	60
Resources, Access and Diversity		25

6. Capital

- 6.1 Service resources, which can be used to fund capital schemes under authority delegated to Service Directors are defined as follows:
- (a) Government grant;
  - (b) contributions from third parties;
  - (c) revenue contributions to capital spending made from within the Service Director's controllable budget.
  - (d) such resources as the Cabinet may determine when approving the annual Capital Programme.