Report PC26.111 Amendment to Financial Regulations for critical safety works
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Date: September 6, 2026

1. **PURPOSE**
   To consider whether the Council's Financial Regulations provide sufficient flexibility for officers to respond promptly to professionally identified risks whilst maintaining appropriate governance, transparency, procurement controls and protection of public funds. The report proposes a number of potential amendments for consideration.

2. **BACKGROUND**
   The Council owns and manages a substantial portfolio of assets, including public open spaces, trees, play areas, buildings and associated infrastructure.

   As part of its responsibilities as a landowner, the Council regularly commissions inspections and surveys from appropriately qualified professionals to identify defects, hazards and risks requiring management or remediation.

   Recent arboricultural inspections have highlighted a practical issue within the Council's current Financial Regulations.

   Whilst professional surveys may recommend works within a broad timescale, there can be occasions where subsequent inspections, contractor observations or changing site conditions indicate that works should be undertaken sooner than originally anticipated.

   Such circumstances may not constitute an emergency as currently defined within the Financial Regulations, but equally may not justify waiting several weeks for the next Council meeting before action can be authorised.

   This can create a governance gap between:
   - routine expenditure that can wait for Council approval;
   - emergency expenditure under Regulation 5.18; and
   - professionally identified risks where delay may unnecessarily expose the Council, members of the public or third-party property to increased risk.

   A recent tree safety case has highlighted a potential gap between routine expenditure and emergency expenditure. Specifically, there may be circumstances where professional advice identifies a material risk and the Clerk reasonably concludes that waiting for the next Council meeting is not the most appropriate risk-management response, despite the situation not meeting the strict definition of an emergency.

3. CURRENT FINANCIAL REGULATIONS

The Council's current procurement and delegation framework includes:
Procurement controls requiring quotations for higher-value works.
A Clerk delegated expenditure limit of £5,000 excluding VAT.
Council approval for expenditure above that threshold.
Emergency powers under Regulation 5.18.

The current wording of Regulation 5.18 states:
5.18 In cases of serious risk to the delivery of council services or to public safety on council premises, the Clerk may authorise expenditure of up to £10,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter.

The inclusion of Regulation 5.18 demonstrates that the Council already accepts the principle that officers may occasionally need authority to act between Council meetings where circumstances require.

The question for members is whether the current wording is sufficiently broad to address situations where:

- a qualified professional has identified a significant risk;
- works are recommended;
- the situation may not constitute an immediate emergency;
- but the Clerk reasonably considers that waiting until the next meeting would expose the Council to an unacceptable level of risk.

4. COMPARISON WITH SALISBURY CITY COUNCIL APPROACH

A review of Salisbury City Council's Financial Regulations shows that it, as with other larger councils, often provides officers with delegated powers to respond to operational risks between meetings, subject to reporting and audit requirements and to spend up to the amount set by a specific budgeted cost centre. Subject to certain upper limits.[1]

The key lesson from this comparison is not the monetary limits involved, but the governance principle that risk management should form part of the Council's financial control framework.

Strong governance should not simply protect public money from inappropriate expenditure. It should also ensure that the Council is able to act promptly where professional advice indicates that delay may increase risk, liability or exposure.

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[1] See Regulation 4, Financial Regulations and Internal Financial Controls. Salisbury City Council Policy Number FP001. Reviewed September 2025

The Parish Council's current regulations are generally more prescriptive than those of many larger authorities. Whilst this provides strong financial control, it can also limit operational flexibility when dealing with time-sensitive risk management issues.

5. GOVERNANCE

The issue under consideration is not procurement. The Council already has effective procurement rules requiring quotations and demonstrable value for money. Nor is the issue whether officers should be free to spend public money without oversight.

Rather, the issue is whether the current regulations provide an appropriate mechanism for managing professionally identified risks between Council meetings.

A typical scenario may involve a professional survey identifying a defect or risk and recommending that remedial works be undertaken. Officers then obtain contractor quotations which sometimes have values exceeding the Clerk's delegated authority. Further information or site observations can suggest the risk is greater than originally anticipated. The Clerk is then left with a judgement that waiting until the next Council meeting would expose the Council, the public or neighbouring property to an unacceptable level of risk.

Current regulations provide only limited flexibility in such circumstances.

6. PRINCIPLES FOR ANY AMENDMENT

Any amendment should seek to balance prompt decision-making with robust governance. Therefore, the following principles are considered essential:

Professional evidence
Expenditure should only be authorised where supported by appropriate professional advice or documented evidence.
Financial control
Delegated authority should be subject to clearly defined limits.
Procurement compliance
Existing procurement requirements should continue to apply wherever practicable.
Transparency
All decisions should be reported to members.
Auditability
A clear and comprehensive evidence trail should be maintained.
Accountability
Delegated authority should be used only in justified circumstances and remain subject to member scrutiny.

7. OPTIONS FOR CONSIDERATION

(a) Option 1: amend existing Regulation 5.18

This option broadens the existing emergency expenditure power into a wider risk-management provision.

Rather than focusing solely on emergencies, the regulation would also allow action where a professional identifies a material risk and the Clerk reasonably believes that delaying works until the next Council meeting would expose the Council, the public or third-party property to an unacceptable level of risk. This is considered the most flexible and future-proof approach.

Proposed Regulation 5.18

5.18 In cases of:

(a) serious risk to the delivery of council services;

(b) serious risk to public safety;

(c) serious risk to council assets; or

(d) where a qualified professional has identified a defect, hazard or risk and the Clerk reasonably considers that delaying remedial works until the next available meeting of the Council would expose the Council, members of the public or third-party property to an unacceptable level of risk, the Clerk may authorise expenditure of up to £10,000 excluding VAT on repair, replacement or other works considered reasonably necessary.

Before exercising this authority, the Clerk shall, wherever practicable:

(i) obtain and retain relevant professional advice and supporting evidence;

(ii) comply with the Council's procurement requirements and obtain quotations where practicable;

(iii) ensure sufficient budget provision exists unless the circumstances otherwise justify emergency expenditure;

(iv) consult the Chair of the Council and the Chair of the relevant Committee where expenditure exceeds £5,000 excluding VAT;

(v) maintain a written record of the reasons for the decision and the basis upon which the expenditure was authorised.

All expenditure authorised under this regulation shall be reported to the next available meeting of the Council.

This authority shall not be used to avoid procurement requirements or circumvent the Council's contract or tendering procedures.

(b) Option 2: Introduce new Regulation 5.18A

This option retains the existing emergency provisions but introduces a separate delegated authority for professionally recommended tree safety works. So, is narrower than Option 1.

Proposed Regulation 5.18A

5.18A Where a qualified arboricultural consultant, tree surgeon or other suitably qualified professional has identified works as necessary for public safety, statutory compliance, risk management or the protection of Council property, the Clerk may authorise expenditure up to £10,000 excluding VAT, provided that:

(a) sufficient budget provision exists;
(b) where practicable, quotations have been obtained from suitably qualified contractors in accordance with the Council's procurement requirements;
(c) the works are required within a timescale that would make referral to the next scheduled Council meeting impracticable or would expose the Council to unacceptable risk;
(d) the Clerk consults the Chair of the Council and the Chair of the relevant Committee before authorising expenditure exceeding £5,000 excluding VAT;
(e) the reasons for the decision are recorded in writing and retained with the supporting professional advice and procurement records; and
(f) the expenditure is reported to the next meeting of the Council.

Option 3: **Increase the Clerk's general spending authority**

Increase the existing delegated authority contained within Regulation 5.15 from £5,000 to £10,000 excluding VAT.

This is simple to administer and removes many approval delays. **BUT** it applies to all expenditure rather than risk-related decisions and significantly reduces member oversight. It also provides fewer safeguards than Options 1 or 2. For this reason, this option is not recommended.

8. PROTECTION OF PUBLIC MONEY

Any extension of delegated authority must be accompanied by robust safeguards. Under either Option 1 or Option 2:
Procurement controls remain in place.
Financial limits remain defined.
Professional evidence is required.
Decisions must be documented.
Member consultation is required for higher-value expenditure.
Full Council remains informed through subsequent reporting.
Internal and external auditors retain oversight of all expenditure.
The intention is therefore not to weaken financial control but to ensure that the Council can respond appropriately when professionally identified risks arise between scheduled meetings.

9. RECOMMENDATION

On balance, Option 1 is considered the strongest and most future-proof approach, as it addresses the underlying governance issue rather than creating a tree-specific exception. It would allow the Council to respond promptly to professionally identified risks whilst maintaining strong financial controls, robust audit trails, member oversight and protection of public funds. It was supported by Finance and General Purposes Committee (Minute reference FGP26.022).

The Clerk requests that the Council resolves to support the Option 1 amendment to the Financial Regulations.