

# GOVERNANCE COMMITTEE

## AGENDA

7.30pm

Tuesday  
1 February 2006

Havering Town Hall  
Main Road, Romford

Members 9: Quorum 3

### COUNCILLORS:

#### Conservative Group (4)

Frederick Thompson  
(Chairman)  
Michael White (Vice-  
Chairman)  
Eric Munday  
Roger Ramsey

#### Residents' Group (3)

Ivor Cameron  
Barbara Reith  
Louise Sinclair

#### Labour Group (2)

Ray Harris  
Wilf Mills

For information about the meeting please contact:  
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# NOTES ABOUT THE MEETING

## 1. HEALTH AND SAFETY

The Council is committed to protecting the health and safety of everyone who attends meetings of its Committees.

At the beginning of the meeting, there will be an announcement about what you should do if there is an emergency during its course. **For your own safety and that of others at the meeting, please comply with any instructions given to you about evacuation of the building, or any other safety related matters.**

## 2. MOBILE COMMUNICATIONS DEVICES

Although mobile phones, pagers and other such devices are an essential part of many people's lives, their use during a meeting can be disruptive and a nuisance. Everyone attending is asked therefore to ensure that any device is switched to silent operation or switched off completely.

## 3. CONDUCT AT THE MEETING

Although members of the public are welcome to attend meetings of the Committee, they have no right to speak at them. Seating for the public is, however, limited and the Council cannot guarantee that everyone who wants to be present in the meeting room can be accommodated. When it is known in advance that there is likely to be particular public interest in an item the Council will endeavour to provide an overspill room in which, by use of television links, members of the public will be able to see and hear most of the proceedings.

The Chairman of the meeting has discretion, however, to invite members of the public to ask questions or to respond to points raised by Members. Those who wish to do that may find it helpful to advise the Committee Officer before the meeting so that the Chairman is aware that someone wishes to ask a question.

**PLEASE REMEMBER THAT THE CHAIRMAN MAY REQUIRE ANYONE WHO ACTS IN A DISRUPTIVE MANNER TO LEAVE THE MEETING AND THAT THE MEETING MAY BE ADJOURNED IF NECESSARY WHILE THAT IS ARRANGED.**

If you need to leave the meeting before its end, please remember that others present have the right to listen to the proceedings without disruption. Please leave quietly and do not engage others in conversation until you have left the meeting room.

**AGENDA ITEMS****1 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

**2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS**  
(if any) - receive.**3 DECLARATION OF INTERESTS**

Members are invited to declare any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

**4 MINUTES**

To approve as a correct record the minutes of the meeting of the Committee held on 20 September 2005, and to authorise the Chairman to sign them.

**5 GOVERNANCE (APPEALS) SUB COMMITTEE**

To receive the minutes of the Sub-Committee meeting held 28 November 2005  
(note: the exempt appendix is available only to Members of the Committee)

**6 AWARDS FOR EMINENT SERVICE TO THE BOROUGH****7 APPOINTMENT OF INDEPENDENT MEMBERS TO STANDARDS COMMITTEE****8 APPOINTMENTS TO OTHER ORGANISATIONS, 2005/06 - further report**

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9 **CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING**

10 **APPOINTMENT OF SCHOOL GOVERNORS – Council employee for appointment**

11 **AMENDMENTS TO THE CONSTITUTION - Monitoring Officer's alterations**

12 **REVISION OF CONTRACT PROCEDURE RULES**

To follow, if not attached

13 **URGENT BUSINESS**

To consider any other item in respect of which the Chairman is of the opinion, by reason of special circumstances which shall be specified in the minutes, that the item should be considered at the meeting as a matter of urgency.

Stephen Evans  
Chief Executive

**MINUTES OF A MEETING OF THE  
GOVERNANCE COMMITTEE  
Havering Town Hall  
15 November 2005 (7.30pm – 9.05pm)**

**Present:**

**COUNCILLORS:**

**Conservative Group** Frederick Thompson (in the Chair), Eric Munday, Roger Ramsey and Michael White

**Residents' Group** Ivor Cameron, Barbara Reith and Louise Sinclair

**Labour Group** Ray Harris and Wilf Mills

Except as noted, all decisions were taken with no vote against

No Member declared an interest in any of the business before the meeting

The Chairman reminded Members of the action to be taken in an emergency

**19 MINUTES**

The Minutes of the meeting of the Committee held on 20 September 2005 were approved as a correct record and signed by the Chairman.

**20 APPOINTMENT OF SCHOOL GOVERNORS**

The Committee noted that the panel established to make recommendations as to the appointment of school governors by the Council as LEA had recently met. The name of a prospective governor identified by the panel who was an employee of the Council was now submitted for approval.

**RESOLVED:**

That Mrs Anne Terrell be appointed to the governing body of Clockhouse Infant School.

21 **EAST LONDON LETTING COMPANY: APPOINTMENT OF A DIRECTOR AND AN ALTERNATE DIRECTOR**

At its meeting in September 2005, the Cabinet had approved the introduction of a choice-based approach to letting council and registered social landlord properties by participating in the East London Lettings Company (ELLC) system.

As part of this strategy, it was agreed in principle that the Council should become a member of ELLC, rather than simply purchasing its services, so as to (a) assert maximum influence over the development of the agency and its services, (b) share the benefits of any operating surpluses, and (c) demonstrate a pro-active approach to partnership working which would be valuable at the time of future inspections. Cabinet had invited this Committee to confirm that the Council should become a corporate member of the ELLC.

The Committee was also invited to appoint a director and an alternate director of that company. In doing so, it was noted that, as the company dealt with operational rather than policy issues, other local authority members had appointed staff as directors rather than Members.

**RESOLVED:**

- 1 That the Council agree to join ELLC
- 2 That Barry Kendler, Head of Housing & Health be appointed a Director of ELLC and that Jonathan Geall, Housing Needs & Strategy Manager, be appointed an Alternate Director.

22 **APPOINTMENTS TO OTHER ORGANISATIONS, 2005/06**

The Chairman agreed pursuant to section 100B(4) of the Local Government Act 1972 that oral reports about certain appointments to other organisations should be considered as a matter of urgency, to enable appointments to be made in due course.

The Committee noted that the Council had been invited to make an appointment to Futures Charitable Trust, and that two members of the Council of Management of the Queen's Theatre had recently resigned.

Further information about the appointments was awaited but it was suggested that, as the next meeting of the Committee would not be held for some time, arrangements were needed to facilitate the making of appointments without undue delay.

**RESOLVED:**

That, in consultation with the Chairman of the Committee and Group Leaders, the Manager of Committee and Overview & Scrutiny Support be authorised to make appointments to the Futures Charitable Trust and the Council of Management of the Queen's Theatre once the awaited information about them has been received and considered.

**23 AMENDMENTS TO THE CONSTITUTION - Monitoring Officer's alterations**

The Constitution provided that this Committee must be notified at the first reasonable opportunity of any amendment made by the Monitoring Officer in exercise of her delegated power. The Committee now noted the amendments made by her and published in Notifications 19 and 20 (as set out in Appendix 1 to these minutes).

**24 AMENDMENTS TO THE CONSTITUTION**

At the last meeting of the Committee (minute 18 refers), the Committee had requested the Monitoring Officer to prepare for consideration amendments to the Constitution aimed at ensuring that no staff would be engaged, whether temporarily or permanently, unless there was a specific post within the agreed staff establishment for them to occupy, and associated changes.

The report now submitted set out various issues to be taken into consideration in dealing with the proposal. Whilst accepting the need for operational flexibility, Members were concerned that changes appeared to have been made to service establishments without prior Member approval or even knowledge. Members were also surprised to be advised that it would not be easy to assign a unique number to identify every post within the Council's service and considered that the absence of such numbers made it difficult to keep track of developments within service staff establishments.

The Committee noted that not all of the concepts mentioned in the summary set out in previous minute 18 could be achieved through amendment of the Constitution and that further development of Human Resources policies and practice would be necessary in that respect.

**RESOLVED:**

- 1 That the Committee **RECOMMEND** to Council that the following amendments be made to Part 3 Section 3.3.2 of the Constitution:

Amend paragraph 3.3.2 as follows

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- (ii) all appointments to permanent posts must be within the approved establishment and be appointments to an identifiable vacant post and all appointments to temporary posts must be within existing budgetary provision.

Take in a new (iii) as follows and renumber original (iii) to (xiv) as (iv) to (xv):

- (iii) the creation of a new post outside of the corporate planning process or the appointment to a permanent vacant post requires the agreement in writing or by e-mail of
  - (a) the Cabinet Member for a post up to PO7
  - (b) the Cabinet Member and the Leader of the Council for a post above PO7such agreement to be given or withheld within seven working days of being sought (the Cabinet Member for Resources may act in the absence of either the Leader of the Council or of the Cabinet Member)

- 2 That all posts within the Council's service shall be assigned an individual and unique identifying establishment number.

## 25 **ADJUSTMENTS TO OVERVIEW AND SCRUTINY ARRANGEMENTS**

The Committee was reminded that the Children Act 2004 had required establishment of new arrangements for Children's Services. In consequence, proposals were now submitted for the establishment of two new overview and scrutiny committees – one dealing with Children's Services (in place of the current Education OSC) and the other with Adult Social Services (and other services for adults) and Health (in place of the current Social Care and Health) in order to allow for effective scrutiny of the new structure.

The changes currently proposed would not prevent further review and development of the overview and scrutiny of both children's and adult services in due course.

### **RESOLVED:**

That the Committee recommend to the Council that the following amendments to Article 6, paragraph 6.01 of the Constitution be agreed:

- (a) The reference to "Education Overview and Scrutiny Committee" be replaced with "Children's Services Overview and Scrutiny Committee"
- (b) The areas of responsibility for this Committee be as follows:



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- School Improvement
  - Pupil and Student Services (including the Youth Service)
  - Strategy and Commissioning
  - Children's Social Services
  - Children's Health Services
  - Social Inclusion
- (c) The reference in paragraph 6.01 of the Constitution to "Social Care and Health Overview and Scrutiny Committee" be replaced with "Adult Services and Health Overview and Scrutiny Committee".
- (d) The reference in the areas of responsibility of this Committee to "Social Care" be replaced with "Adult Services".
- (e) The first line of Article 6, paragraph 6.05 of the Constitution (Joint scrutiny of health service development proposals) now read as follows:
- "This article applies when either the Children's Services Overview and Scrutiny Committee or the Adult Services and Health Overview and Scrutiny Committee are consulted...."

**26 AREA COMMITTEE REVIEW - proposals**

Following a detailed review by Members of the Council's Area Committee arrangements, the Committee was now invited to consider a number of proposed changes of arrangement, intended to facilitate improvements in the operation and scope of the Area Committees. The intention was to increase the Committees' closeness and relevance to the communities they represented, to make their purpose clearer and to ensure that they operated affordably and within the resources available.

To achieve this, it was proposed that the number of Area Committees be increased from six to nine but that their expected frequency of meeting be reduced to quarterly, with a consequent reduction of the number of Wards covered by each from three to two. This required a change to the Council's Constitution.

Other changes proposed, which could be effected without constitutional change, included developing a specific job description for Area Committee Chairmen, alterations to the decision-making process for local highway and environmental improvement schemes, and the introduction of twice-yearly Havering Community Conferences. It was noted that further reports would be submitted to the Committee on the development of these proposals in due course.

The Committee noted that it was proposed that the changes be effected following the Local Elections in May 2006.

**RESOLVED:**

1 That the Committee **RECOMMEND** to Council that the Constitution be amended, with effect from the Borough elections in 2006, so as:

(a) To replace the current six area committees with nine area committees each covering two wards, as set out in the following table:

Name	Wards
North Romford	Havering Park and Mawneys
Harold Hill	Heaton and Gooshays
Romford	Brooklands and Romford Town
Gidea Park	Pettits and Squirrels Heath
Emerson Park and Harold Wood	Harold Wood and Emerson Park
Upminster	Upminster and Cranham
Hornchurch	Hylands and St Andrews
Elm Park and Hacton	Elm Park and Hacton
South Hornchurch and Rainham	Rainham & Wennington and South Hornchurch

(b) To empower the area committees to undertake the following responsibilities:

- To consider local issues, consult with local people, and make recommendations to the Council or Cabinet;
- To be responsible for local highway management decisions, subject to certain limitations within the policies and practices set by the Regulatory Services Committee; and
- To be responsible for any budgets allocated to them and that these responsibilities be exercised in accordance with the principles of the Rules and Conventions for Area Committees (set out in Appendix 2)

(c) To delegate to Area Committees decision making powers incorporating:

- local highway management matters
- local environmental improvement budgets – expenditure on capital projects, for the well being of the local community, of any budget that Council may make available for this purpose

(d) That the future process for approving highway schemes be

that:

1. Where only one Area is concerned, the Area Committee shall receive a report on initial design of scheme and
    - a. approve it in principle for public consultation or, if changes are required to the scheme before it goes to consultation, delegate approval of them to the Head of Technical Services in consultation with the Chairman of the Area Committee; and
    - b. delegate approval of the final scheme in the light of the results of the public consultation to the Head of Technical Services in consultation with the Chairman of the Area Committee.
  2. Where a scheme is set within more than one Area:
    - a. the views of the relevant Area Committees shall be sought on the initial design for public consultation;
    - b. the Head of Technical Services in consultation with the Chairman of the Regulatory Services Committee and in the light of the views of the Area Committees may approve the scheme for public consultation; and
    - c. the Head of Technical Services shall approve the final scheme in the light of results of the consultation and in consultation with the Chairman of the Regulatory Services Committee and the Chairmen of the relevant Area Committees.
- (e) That the Monitoring Officer be authorised to make the detailed changes to the Constitution required to give effect to these decisions.
- 2 That the Job Description for the Chairman of an Area Committee (as set out in Appendix 4 – see also minute 28 following) be approved, subject to the inclusion of specific authority for the Chairman to arrange informal meetings of the Area Committee, alone or jointly with others, where to do so is conducive to dealing with particular items of business.
  - 3 That the Leader of the Council and the Cabinet Member for Resources be authorised to conclude the bidding mechanisms for the central funds allocated to the Area Committees held on behalf of Cabinet.
  - 3 That further reports be submitted to this Committee -
    - (a) on detailed proposals for the twice yearly Havering Community Conference including any organisational and financial implications;

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- (b) on suggested amendments to the constitution to enable any deadlock in the appointment of any Chairmen to be resolved; and
- (c) on suggested conventions around the quorum of meetings to ensure that decisions cannot be taken without both wards being represented by at least one member at any formal committee meeting.

Note: At their request, it is recorded that Councillors Ivor Cameron, Ray Harris and Wilf Mills reserved their positions in relation to the decisions recorded above.

27 **MOBILE PHONES – policy issues associated with issue to and use by Members**

In May 2004, the Committee had approved an eligibility policy for the issue of mobile phones to Members. Further issues relating to such telephones had arisen since then and the Committee was now invited to approve a policy document setting out all the relevant arrangements.

The Committee noted that the Audit Committee had drawn attention to the inadequacy of records of past decisions relating to the issue of mobile telephones and noted that steps were being taken to ensure that such records were held more robustly.

**RESOLVED:**

That the eligibility criteria set out in Appendix 3 to these minutes be approved as the Council's policy on the availability of mobile telephone equipment to Members.

28 **MEMBERS' JOB DESCRIPTIONS - adoption**

Consideration was invited of a proposal that job descriptions be adopted for Members. Their purpose was to ensure that Members knew what would be expected of them in their various roles and to enable members of the public also to have this understanding.

**RESOLVED:**

That the Job Descriptions for Members as both Members of the Council and as office-holders set out in Appendix 4 to these minutes be adopted and made available on the Council's website.

**29 EMPOWERING FRONT LINE SERVICES**

Consideration of a report dealing with arrangements for paying compensation to people with justifiable complaints against the Council was deferred to enable further information to be gathered in relation to various matters referred to in it.

Notification No. 19

Date 4<sup>th</sup> October 2005**Notification of amendments to the constitution****Amendments made by the Monitoring Officer**

Part 2, Article 15.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution:

Part and article/section	Page reference	Substance of amendment / amended wording	Reason for amendment
Part 3 Section 7 Appendix B	155	<p><b>Type of Expenditure</b>  <b>Current Limit</b>  <b>New Limit from 1 April 2005</b></p> <p>Loss of personal property (including education)            £3,000            £3,070</p> <p>Ex gratia payments to housing tenants for compensation arising from breakdown and floods or for improvements to vacated property            £3,000            £3,070</p> <p>Gifts for long service*            £170            £175</p> <p>Costs of adaptation, disabled aids and interest-free Loans*            £11,500            £11,760</p> <p>Assistance to children*            £1,590            £1,630</p>	Mo Amendment  Inflation increase



**Notification No. 20****Date 31<sup>st</sup> October 2005****Notification of amendments to the constitution****Amendments made by the Monitoring Officer**

Part 2, Article 15.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution:

<b>Part and article/section</b>	<b>Page reference</b>	<b>Substance of amendment / amended wording</b>	<b>Reason for amendment</b>
Part 3 Sections 3,4,5,6 & 7	77-168	The whole of the Scheme of Delegation has been completely re-ordered and updated in the light of the further adjustments to management lines.	Organisational change
Whole Constitution		The whole Constitution has been amended to reflect the organisational change and titles where these appear throughout and some minor statutory amendments have also been made	Organisational change/ statutory amendment



**Appendix 2  
(Minute 26)****RULES AND CONVENTIONS FOR AREA COMMITTEES**

1. Area Committee meetings be treated as just one element of community engagement and be used as a means by which community engagement can be promoted.
2. Area Committees will be constituted under the Local Government Act 1972 and will have the purpose set out in Article 10 of Part 2 of the Constitution (as revised).
3. There will be nine Area Committees, each covering two electoral wards as set out in Article 10 of Part 2 of the Constitution (as revised).
4. Each Area Committee will decide the fixed venue where it will hold its meetings except in exceptional circumstances as determined by the Chairman. Additional meetings would ordinarily be held at the same venue.
5. Ordinary Area Committee meetings will start at 7.30pm.
6. Area Committees will meet four times a year, but will have the facility for holding special meetings. The Chairman may also arrange informal meetings of the Area Committee, alone or jointly with others, where to do so is conducive to dealing with particular items of business.
7. Area Committees should and can –
  - (b) consult the public to inform the decision makers;
  - (c) be used for the Council to inform the public;
  - (d) be used for non-Council agencies to inform or consult;
  - (e) be entitled to specifically invite appropriate people or organisations to meetings.
8. Area Committee Chairmen –
  - (a) operate under the Job Description, as agreed from time to time by the Governance Committee;
  - (b) take the role of steering committee and collective Member activity, and
  - (c) be required to report to each area committee meeting on their activities since the last meeting as well as an annual report to be submitted to the last ordinary meeting of the Committee of the Municipal Year.
9. In respect of Public Question Time -
  - (a) 30 minutes be allocated for questions from the public at each ordinary meeting, with the Chairman having discretion to modify that length of time, as the first part of the Agenda;
  - (b) Area Committee Chairman be responsible for dealing with questions and co-ordinate their replies.
10. Area Committee Members appointed to area-specific bodies on behalf of the Area Committee by the Governance Committee be required to report to the Area Committee at least once a year on their activities.
11. Area Committees shall –
  - (a) make decisions in respect of traffic matters or (the parameters to be defined) from time to time by the Governance Committee to be recommendation-makers to those taking the decisions;
  - (b) be allocated a budget of £5,000 and be delegated authority to spend on minor locally-focused environmental initiatives (on the basis of criteria established by the Governance Committee from time to time).

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- (c) be entitled to bid for an allocation from a £45,000 budget held on behalf of Cabinet, such bid to be accompanied by a business case.

**Appendix 3  
(Minute 27)****MEMBERS' COUNCIL-ISSUED MOBILE TELEPHONES****ELIGIBILITY AND USEAGE CRITERIA**

- (1) The following office-holders shall be eligible for the issue of a mobile telephone on request –
- Leader of the Council
  - Cabinet Members
  - Leaders of Opposition Groups
  - The Mayor

Requests are to be made to the Assistant Chief Executive, Legal and Democratic Services.

- (2) The Leader of the Council, after consultation with Group Leaders, shall be empowered to authorise the provision of a mobile telephone to any other Member who can establish a need for such provision, such arrangement to be made through the Assistant Chief Executive, Legal and Democratic Services
- (3) European roaming may be applied to a mobile phone on application by a mobile phone holder who can establish a need for such provision to the Assistant Chief Executive, Legal and Democratic Services, whose authority in writing is required for such use. Approved applications shall be copied for information to Group Leaders.
- (4) A G3-capable mobile phone may be made available to a mobile phone holder who can establish a need for such provision to the Assistant Chief Executive, Legal and Democratic Services, whose authority in writing would be required for such use. Approved applications shall be copied for information to Group Leaders.
- (5) The Leader of the Council, in consultation with Group Leaders, shall be empowered to authorise the hire or purchase of a tri-band mobile telephone or any other type of telephone for use in the USA or other locations where a tri-band or other telephone is required where the mobile phone holder can establish a need for such provision, such arrangement to be made through the Assistant Chief Executive, Legal and Democratic Services. Approved applications shall be copied for information to Group Leaders.
- (6) Any approvals given under this policy must be evidenced in writing, signed and lodged with the Democratic Services Manager.
- (7) Mobile phone equipment shall not be available to a Member during any period he/she is away on holiday unless a specific need for its use can be established.

**Appendix 4  
(Minutes 26 and 28)****MEMBER JOB DESCRIPTIONS**

- 1 COUNCILLOR
- 2 LEADER OF THE COUNCIL
- 3 DEPUTY LEADER OF THE COUNCIL
- 4 EXECUTIVE MEMBERS
- 5 OVERVIEW & SCRUTINY CHAIRMAN
- 6 AREA COMMITTEE CHAIRMAN
- 7 CHAIRMAN OF A COMMITTEE WITH A REGULATORY  
ROLE
- 8 CHAIRMAN OF A COMMITTEE
- 9 MEMBER CHAMPION
- 10 LEADER OF AN OPPOSITION GROUP

**Governance Committee, 15 November 2005****POST 1: COUNCILLOR****Purpose**

1. To participate constructively in the good governance of the Borough.
2. To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery
3. To represent effectively the interests of the Ward for which the councillor was elected, and deal with constituents' enquiries and representations
4. To champion the improvement of the quality of life of the community in terms of equity, economy and environment
5. To represent the council effectively, when appointed to an outside body, such as a charitable trust or association, etc.
6. To act at all times with probity and propriety in the best interest of the Council

**Duties and Responsibilities**

1. To fulfil the statutory and locally determined requirements of an elected member of a local authority and the authority itself, including compliance with all relevant codes of conduct, and participation in those decisions and activities reserved to the full Council (e.g. setting budget, overall priorities and strategy)
2. To participate effectively as a member of any committee or Panel to which the councillor is appointed, including related responsibilities for the services falling within the committee's (or Panel's) terms of reference, and its liaison with other public bodies to promote better understanding and partnership working
3. To participate in the activities of an outside body to which the Councillor is appointed, providing two-way communication between the organisations. Also, for this purpose, to develop and maintain a working knowledge of the authority's policies and practices in relation to that body and of the community's needs and aspirations in respect of that body's role and functions
4. To participate in the scrutiny or performance review of the services of the authority including, where the authority so decides, the scrutiny of policies and budget, and their effectiveness in achieving the strategic objectives of the Council
5. To participate, as appointed, in consultative processes with the community and with other organisations
6. To provide a link between the authority to the community, through the various forums available
7. To develop and maintain a working knowledge of the authority's services, management arrangements, powers/duties, and constraints, and to develop good working relationships with relevant officers of the authority
8. To develop and maintain a working knowledge of the other organisations and services which serve the local Borough
9. To contribute constructively to open government and democratic renewal through active encouragement to the community to participate generally in the democratic process
10. To participate in the activities of any political group of which the councillor is a member
11. To conduct the business of the Council within the Council and not through the written or broadcast media

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12. To maintain confidentiality in all relevant Council business
13. Not individually to seek to instruct officers
14. To find a suitable substitute and to brief them on the meeting due to be attended, on occasions when personal attendance is not possible and where substitutes are permissible.

**Skills Required**

1. Good communication and Interpersonal skills
2. Ability to relate and deal with the public in a professional and timely manner
3. Ability to work effectively with Council officers and outside organisations
4. Community Leadership skills

**Governance Committee, 15 November 2005****POST 2: LEADER OF THE COUNCIL****Purpose**

1. To provide effective political leadership and strategic direction for the Council.
2. To ensure effective Corporate Governance
3. To provide effective stewardship of the Council
4. To chair the Cabinet and ensure that it achieves its terms of reference
5. To ensure that the Council delivers high quality, value for money services

**Duties and Responsibilities**

1. To provide the political leadership to the Council, including proposing the policy framework within which the Council will operate and to take such executive action as may be delegated by the authority
2. To ensure effective Corporate Governance including working with opposition groups to seek to achieve where possible cross party co-operation
3. To lead the Cabinet and be responsible for the Council's corporate and resource strategy
4. To ensure that the Cabinet achieves its terms of reference both collectively and as individual portfolio holders
5. To ensure the effective integration of roles, responsibilities and functions within the Cabinet membership
6. As Leader of the Council, to be the key contact for outside organisations (including Central Government, Local Authority Associations and Council partners) and the Council's Senior Management Team
7. To be the representative voice of the Council, for example, in its dealings with Central Government, other Local Authorities and their Associations and to positively promote the Council as a whole in the media.
8. To act as the political spokesperson for the Council
9. To promote the long term financial, business and economic stability of the Council
10. To encourage the highest standards of probity and corporate governance for the well being of the borough.
11. To communicate the Administration's policies and priorities to the Senior Management Team and to receive their advice.

**Skills required**

1. Good communication and interpersonal skills
2. To have the ability to analyse and grasp complex issues
3. A good understanding of how local, national and European government operates, including the statutory and financial frameworks
4. A clear understanding of the operation of the Council, including the economic and social situation within Havering
5. Business and financial acumen, including the ability to understand and manage the Council's budget
6. Effective leadership skills

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7. Excellent political knowledge and awareness
8. The ability to chair meetings and facilitate open discussion
9. The ability to work effectively with Council officers, the public, the media and outside organisations

**NOTE**                   The above duties and responsibilities are in addition to the member's role as a councillor and as an Executive Member (see separate job profile)



**Governance Committee, 15 November 2005****POST 3: DEPUTY LEADER OF THE COUNCIL (non SRA post)****Purpose**

1. To assist and work with the Leader of the Council to provide effective political leadership and strategic direction for the Council.
2. To assist the Leader of the Council with his other responsibilities such as ensuring effective Corporate Governance and Stewardship of the Council and to ensure the Council delivers high quality, value for money services
3. Where appropriate and where permissible under the Council's Constitution to act in the absence of the Leader of the Council.

**Duties and Responsibilities**

1. To assist and work with the Leader of the Council in delivering his responsibilities to the Council within his job profile
2. To deputise for the Leader of the Council in his absence from Council meetings and, if a member of Cabinet, to deputise in the Leader's absence at Cabinet meetings
3. In the Leader of the Council's absence to carry out the requirements of his job profile so far as legally possible and permissible.
4. To carry out such other duties and undertake portfolio responsibility as delegated by the Leader of the Council

**Skills required**

1. Good communication and interpersonal skills
2. To have the ability to analyse and grasp complex issues
3. A good understanding of how local, national and European government operates, including the statutory and financial frameworks
4. A clear understanding of the operation of the Council, including the economic and social situation within Havering
5. Business and financial acumen, including the ability to understand and manage the Council's budget
6. Effective leadership skills
7. Excellent political knowledge and awareness
8. The ability to chair meetings and facilitate open discussion
9. The ability to work effectively with Council officers, the public, the media and outside organisations

**NOTE**

The above duties and responsibilities are in addition to the member's role as a councillor and as an Executive Member (see separate job profile)

**Governance Committee, 15 November 2005****POST 4: EXECUTIVE MEMBERS****Purpose**

1. To provide collective and individual leadership as part of the Executive
2. To undertake lead responsibility for allocated portfolios
3. To contribute effectively towards the strategic direction of the Council

**Duties and Responsibilities**

1. Participate effectively as a Member of the Executive – take joint responsibility with colleague Executive Members for all actions and be accountable collectively. Challenge issues prior to making decisions if felt appropriate to do so. Ensure appropriate regard to the community's interests and to any equalities and diversity issues. Encourage openness and honesty.
2. To exercise delegated powers in accordance with the Council Constitution.
3. Shape and develop the Strategic priorities and vision of the Council, participating in debates and discussion about policy issues across the range of services provided by the Council.
4. Act as the Lead Member for a particular portfolio as may be determined by the Leader of the Council, but in doing so, have regard to the overall collective responsibilities of the Executive and the Council's corporate policy objectives. Champion the portfolio concerned within that strategic context.
5. Recognise the differing roles of members and officers in the Council's Constitution.
6. In connection with the portfolio:
  - a) Build good relationships with appropriate senior officers and work with them in developing policy or strategic issues prior to formal reporting. Be supportive in dealing with any problems at a strategic level
  - b) Keep abreast of related developments and policies at national, regional and local level
  - c) Enhance the Council's reputation through taking the national stage where possible and participating in regional and national networks
  - d) Aim for Havering to be at the forefront of service development and provision where possible; take an active interest in related performance indicators and rankings, including visiting Beacon Council's and exemplars of good practice
  - e) Represent the Executive at the Overview & Scrutiny Committee (O&S) in connection with any related matter that may be requisitioned (called in). Similarly, attend O&S and Scrutiny Panels at their request in connection with any issues associated with the Executive Member portfolio that are being scrutinised.
  - f) Be aware of issues of importance to the community and other stakeholders concerning portfolio services (for example, through issues raised at Area Committees), and work towards implementing the Community Strategy
  - g) Be aware of key budgetary issues affecting the portfolio of the Executive Member
7. Represent the Council on external bodies, as appointed, and feedback to the Executive any issues of relevance/importance.

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8. Facilitate a corporate leadership role where appropriate to do so, and foster links through partnerships such as Havering Strategic Partnership.
9. Be responsible for continuous personal development. Take advantage of learning opportunities to build on understanding and knowledge, and to develop relevant skills.
10. Along with colleague Executive Members and the Senior Management Team be available as appropriate for other Members to discuss any queries or matters of concern.
11. To positively promote the portfolio and where appropriate to act as the spokesperson with the media for that portfolio area only.

**Skills Required**

1. Good communication and interpersonal skills
2. Ability to analyse and grasp complex issues
3. An understanding of national and local government statutory and financial frameworks
4. An understanding of the Council, including the economic and social situation within Havering
5. The ability to understand the Council's budget especially in respect of the relevant portfolio
6. Leadership skills
7. Political knowledge and awareness
8. Ability to work effectively with Council officers, the public, the media and outside organisations
9. Ability to work as part of a team

NOTE: The above duties and responsibilities are in addition to the member's role as a Councillor (see separate job profile)

**Governance Committee, 15 November 2005****POST 5: OVERVIEW AND SCRUTINY CHAIRMAN****Purpose****Role**

1. To provide leadership of & direction to their particular Committee
2. To ensure that adequate resources (financial & officer support) are identified and sought from the Council
3. To chair Committee meetings and ensure the Committee achieves its terms of reference

**Duties and responsibilities**

1. To ensure that Committee members lead on developing an effective work programme
2. To encourage Committee members to obtain necessary skills to carry out the scrutiny role and to work with officers to provide training if necessary
3. To endeavour to engage all members of the Committee within the scrutiny process
4. To lead the Committee in prioritising its work so as to ensure effective scrutiny
1. To co-ordinate work with other scrutiny Committees & Chairmen and to share learning
2. To develop a constructive relationship with the Executive, especially with relevant portfolio holders
3. To develop a constructive relationship with the Executive Directors/Heads of Service in the areas that the Committee scrutinises
4. To find a suitable substitute and to brief them on the meeting due to be attended, on occasions when personal attendance is not possible and where substitutes are permissible.

**Skills Required**

1. Good communication and interpersonal skills
2. Leadership and chairmanship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public and outside organisations
5. Ability to work as part of a team

Note: The above duties and responsibilities are in addition to the member's role as a Councillor  
(See separate job profile)

**Governance Committee, 15 November 2005****POST 6: AREA COMMITTEE CHAIRMAN****Purpose****Role of Area Committee Chairman**

1. To provide leadership of and direction to their particular committee
2. To identify and request from the Council necessary resources to support the Area Committee process
3. To chair the meeting and ensure it achieves its terms of reference
4. Encourage Area Committee Members in their community development roles

**Duties and responsibilities**

1. To ensure that work is member-led and that the committee;
  - a. develops an effective work programme to encourage community development
  - b. lead on the monitoring of services within the area of the Committee, making recommendations where appropriate about their alteration or improvement
  - c. seek the necessary training to enable its members to carry out their roles effectively
2. To work with other Area Committees & Chairmen where appropriate to share learning and experience and to progress and promote the role of community development
3. To arrange informal meetings of the Area Committee, alone or jointly with others, where to do so is conducive to dealing with particular items of business.
4. To engage, liaise and consult with the local community
5. To find a suitable substitute and to brief them on the meeting due to be attended, on occasions when personal attendance is not possible and where substitutes are permissible.

**Skills Required**

1. Good communication and interpersonal skills
2. Leadership and chairmanship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public and outside organisations
5. Ability to work as part of a team

Note: The above duties and responsibilities are in addition to the Member's role as a Councillor (See separate job profile).

**Governance Committee, 15 November 2005****POST 7: CHAIRMAN OF A COMMITTEE WITH A REGULATORY ROLE****Purpose**

1. To provide leadership of and direction to the Committee
2. To demonstrate to the public, applicants, objectors etc., fair and open decision making by or on behalf of the Committee
3. To ensure that adequate resources (financial and officer support) are identified and sought from the Council
4. To chair and manage Committee meetings and ensure the Committee achieves its terms of reference

**Duties and responsibilities**

1. To encourage Committee members to obtain necessary skills to contribute the work of the Committee and to work with officers to provide training if necessary
2. To endeavour to engage all members of the Committee in its activities
3. To lead the Committee, in consultation with officers, in prioritising its work
4. To develop a constructive relationship with the relevant Executive Director and their staff and where appropriate, with relevant portfolio holders
5. To be willing to learn about the professional disciplines and services relevant to the work of the Committee
6. To be available to chair around 25 meetings per annum
7. To find a suitable substitute and to brief them on the meeting due to be attended, on occasions when personal attendance is not possible
8. To Chair the committee in a fair and open manner in accordance with the procedures of the committee, applicants and objectors to put their arguments to the committee
9. To guide, with the assistance of officers, the committee to reach decisions based on the information presented to it

**Skills Required**

1. Good communication and interpersonal skills
2. Leadership and excellent chairmanship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public, external advisors and outside organisations
5. Ability to work as part of a team

Note: The above duties and responsibilities are in addition to the member's role as a Councillor  
(See separate job profile)

**Governance Committee, 15 November 2005****POST 8: CHAIRMAN OF A COMMITTEE****Purpose**

1. To provide leadership of and direction to the Committee
2. To ensure that adequate resources (financial and officer support) are identified and sought from the Council
3. To chair Committee meetings and ensure the Committee achieves its terms of reference

**Duties and responsibilities**

1. To encourage Committee members to obtain necessary skills to contribute the work of the Committee and to work with officers to provide training if necessary
2. To endeavour to engage all members of the Committee in its activities
3. To lead the Committee, in consultation with officers, in prioritising its work
4. To develop a constructive relationship with the relevant Executive Director and their staff and with relevant portfolio holders
5. To be willing to learn about the professional disciplines and services relevant to the work of the Committee
6. To find a suitable substitute and to brief them on the meeting due to be attended, on occasions when personal attendance is not possible

**Skills Required**

1. Good communication and interpersonal skills
2. Leadership and chairmanship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public, external advisors and outside organisations
5. Ability to work as part of a team

Note: The above duties and responsibilities are in addition to the member's role as a Councillor (See separate job profile)

**Governance Committee, 15 November 2005****POST 9: MEMBER CHAMPION****Purpose**

1. To represent all of those people who are covered by the position and ensure that their needs are identified, recognised and met where possible by the Council and other relevant bodies, including the voluntary sector
2. Act as spokesperson to promote the positive aspects of the Council's work among those on whom the Champion's interest area impacts
3. Promote a joined-up approach between the activities of the Council and the work of other organisations, in supporting activities for the Champion's interest area and involving them in developing services.
4. Encourage people to play a fuller role in shaping the policies relevant to the Champion's interest area and to participate with statutory and voluntary organisations that are planning, making decisions on and delivering services that affect them.
5. Encourage the statutory and voluntary organisations to actively seek out and engage with other bodies in planning, defining and delivering services which effect them

**Duties and responsibilities**

1. To foster cross-party co-operation and be able to engage with relevant outside groups and officers
2. To understand and express the opinions and priorities of those groups
3. To be sensitive to Council priorities. Champions cannot allow themselves to "go native" and forget about their broader role as a Councillor
4. To act in respect of the whole range of relevant issues rather than focus upon a pet interest
5. Raise the profile of the issue and signalling to the relevant groups, the Council's commitment to the issue
6. Foster the engagement of a wider range of Members in the issue
7. Promote effective communication and positive working relationships both within the Council and among relevant partners, stakeholders and community groups
8. Provide positive support, and on occasions constructive challenge, to officers in driving forward the Council's agenda on the issue
9. Be available to be the Council's nominee on appropriate outside bodies and to attend relevant conferences and training and briefing opportunities
10. To work collaboratively with the relevant Cabinet Member and Overview and Scrutiny Committee
11. Keep up to date on issues relevant to the Champion's interest
12. Identify and represent needs of groups and individuals who are at the moment not represented or part of the existing processes

**NOTE**

The above duties and responsibilities are in addition to the member's role as a councillor.



**Governance Committee, 15 November 2005****POST 10: LEADER OF AN OPPOSITON GROUP****Purpose**

1. To provide effective leadership and strategic direction for an opposition party.

**Duties and Responsibilities**

1. To provide the leadership of an opposition party including scrutiny of the majority group's administration of the Council.
2. To act as spokesperson for the Opposition Group of which he/she is leader
3. To be a representative voice of an opposition party for example and where applicable, in its dealings with Central Government, other Local Authorities and their Associations and to positively promote the Council as a whole in the media.
4. To promote the long term financial, business and economic stability of the Council
5. To encourage the highest standards of probity and corporate governance.
6. To represent the Council's best interests on all organisations to which he/she is nominated by the Council.

**Skills required**

1. Good communication and interpersonal skills
2. To have the ability to analyse and grasp complex issues
3. A good understanding of how local, national and European government operates, including the statutory and financial frameworks
4. A clear understanding of the operation of the Council, including the economic and social situation within Havering
5. Business and financial acumen, including the ability to understand the Council's budget
6. Effective leadership skills
7. Excellent political knowledge and awareness
8. The ability to chair meetings and facilitate open discussion
9. The ability to work effectively with Council officers, the public, the media and outside organisations

**NOTE**

The above duties and responsibilities are in addition to the member's role as a councillor.



**MINUTES OF A MEETING OF THE  
GOVERNANCE (APPEALS) SUB COMMITTEE  
CEME, Marsh Way, Rainham  
28 November 2005 (9.30am – 4.15pm)**

**Present:**

**COUNCILLORS:**

**Conservative Group** Eric Munday (in the Chair) and Roger Ramsey

**Residents' Group** Ivor Cameron

**Labour Group** Wilf Mills

All decisions were taken with no vote against

No Member declared an interest in any of the business before the meeting.

The Principal Solicitor (Corporate), the Democratic Services Manager, and Denis Roberts an independent HR Advisor representing the Assistant Chief Executive (Human Resources) were also present.

**1 PROCEDURE FOR HEARING APPEALS**

It was reported that the Council did not have a procedure that sets out the manner in which it considers appeals referred to this Sub-Committee. Set out here are proposals for dealing with the appeals before this meeting which were consistent with the procedures established for officer-chaired staff appeals.

**RESOLVED**

- (1) That the events outlined in paragraphs 1.1 to 1.4 of the report regarding the pre-hearing procedures had taken place in respect of the appeals before the Sub-Committee.**
- (2) That the procedures set out in paragraphs 1.5 and 1.6 of the report regarding attendance at appeals be adopted.**
- (3) That the powers of the Sub-Committee as set out in paragraph 2 of the report as had been determined by the Governance Committee be noted.**

- (4) That the appeal hearing procedure set out in paragraph 3 (Appendix 1 to these minutes) be adopted for the appeals brought before this meeting.

## 2. PROCEDURE FOR HEARING APPEALS – future appeals

The Sub-Committee considered a report which supplemented the report referred to in minute 1 above. The report proposed that the processes and procedures due to be in place for this meeting be adopted for use in respect of any future appeals.

### RESOLVED

That the appeals procedures etc. set out in Appendix 2 to these minutes adopted for any future appeals.

## 3. EXCLUSION OF THE PUBLIC

On the proposal of the Chairman it was **RESOLVED** that the public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraphs 8 and 9 of Schedule 12A to the Local Government Act 1972.

## 4. THE CHIEF EXECUTIVE'S REPORT CONTAINING EXEMPT INFORMATION

The Sub-Committee received the Chief Executive's report which listed three appeals. It was noted that the third appeal on the list would now be considered on another occasion.

## 5. APPEAL AGAINST SELECTION FOR REDUNDANCY - OFFICER A

The Sub-committee heard A's case against selection for redundancy

Members followed the procedure for hearing agreed earlier in the meeting.

The Sub-Committee considered the appellant's written and oral representations and the written and oral representations on behalf of the appointments committee (which was represented by the Chairman of the

Committee, Councillor Paul Rochford, and the Assistant Chief executive, Human Resources, David Ede).

The Sub-Committee considered all the evidence submitted to it and

**RESOLVED that the appeal against selection for redundancy be dismissed as, based on the evidence presented, the post of Group Director Children's Services is sufficiently different from the post of Executive Director, Social Services, that it did not constitute suitable alternative employmentt.**

Although it was outside their remit, arising from the appellant's oral presentation, the Sub-Committee considered that the Appointments Committee should re-consider whether A should be short listed for the post of Group Director Children's Service

## **6. APPEAL AGAINST SELECTION FOR REDUNDANCY - OFFICER B**

The Sub-committee heard B's case against selection for redundancy

Members followed the procedure for hearing agreed earlier in the meeting.

The Sub-Committee considered the appellant's written and oral representations and the written and oral representations on behalf of the appointments committee (which was represented by the Chairman of the Appointments Committee, Councillor Paul Rochford, and the Assistant Chief Executive, Human Resources, David Ede).

The Sub-Committee considered all the evidence submitted to it and

**RESOLVED that the appeal against selection for redundancy be dismissed as, based on the evidence presented, the procedure for B's selection for redundancy was reasonable and sufficiently followed agreed Council policy**

## **7. DATE OF NEXT MEETING**

It was agreed that the next meeting be held on 12 December starting at 9.30am.

**APPENDIX 1  
(See minute 1)**

1. The Chairman will confirm the presence of the parties to the Appeal and satisfy her/himself that the Appellant is aware of her/his right to be represented.
2. The Appellant shall present her/his case first and may call witnesses to give evidence, provided that at least three working days' notice has been given.
3. The Council Representative(s), the Appeals Panel and the Assistant Chief Executive (Human Resources) may ask questions of the Appellant and her/his witness(es).
4. The Council Representative(s) shall present a formal response to the Appeal and may also call witnesses to give evidence, provided that at least three working days' notice has been given.
5. The Appellant, the Appeals Panel and the Assistant Chief Executive (Human Resources) may ask questions of the Council Officer and her/his witness(es).
6. The Appellant and the Council Representative(s) shall have the opportunity to sum up their cases, with the Appellant having the right to speak last. No new or additional evidence may be submitted at this stage.
7. The Appellant and the Council Representative(s) shall withdraw whilst the Appeals Panel deliberates the merits of the appeal. The Assistant Chief Executive (Human Resources) shall remain in an advisory capacity.
8. The Appeals Panel shall be entitled to recall the parties to the Appeal to seek clarification or additional information. Both parties shall be recalled even if the point(s) at issue affect only one party.
9. The Appeals Panel shall notify the Appellant of its decision on the Appeal in writing within ten working days of the date by which it concluded its deliberations.

**APPENDIX 2  
(See minute 2)****APPEALS PROCESSES AND PROCEDURES****1. Preamble**

- 1.1 An employee wishing to invoke this procedure must write to the Assistant Chief Executive (Human Resources) within ten working days of being notified of the decision against which s/he intends to appeal, stating the grounds of appeal.
- 1.2 When acknowledging receipt of the letter of appeal, the Assistant Chief Executive (Human Resources) will notify the Appellant of the date by which s/he must submit her/his case statement.
- 1.3 Upon receipt of the Appellant's case statement, this will be forwarded to the relevant Council officer to enable a response to be prepared to a notified deadline.
- 1.4 The papers for the Appeal Hearing should normally be despatched with the agenda for the meeting of the Appeals Panel, subject to the condition that the Appellant is entitled to receive the papers and the details of any witnesses at least three working days before the date of the Appeal Hearing.
- 1.5 The Appellant is entitled to be accompanied by a workplace colleague or her/his trade union representative.
- 1.6 The Assistant Chief Executive (Human Resources) or his representative shall attend all meetings of the Appeals Panel in an advisory capacity.
- 1.7 Where an appeal under the auspices of the Managing Organisational Change and Redundancy Procedure is upheld, the matter shall be remitted to the Appointments Committee for appropriate action.
- 1.8 Where an appeal relating to added pension years is upheld, the Appeals Panel shall also determine the awarding of any additional years. In doing so, the Appeals Panel shall be advised by the Head of Exchequer Services or his representative on the Regulations and local policies that may affect an award.
- 1.9 The decisions of the Appeals Panel is final and there is no further right of appeal within the Council.

**2. Appeal Meeting Procedure**

- 2.1 The Chairman will confirm the presence of the parties to the Appeal and satisfy her/himself that the Appellant is aware of her/his right to be represented.
- 2.2 The Appellant shall present her/his case first and may call witnesses to give evidence, provided that at least three working days' notice has been given.
- 2.3 The Council Representative(s), the Appeals Panel and the Assistant Chief Executive (Human Resources) may ask questions of the Appellant and her/his witness(es).
- 2.4 The Council Representative(s) shall present a formal response to the Appeal and may also call witnesses to give evidence, provided that at least three working days' notice has been given.
- 2.5 The Appellant, the Appeals Panel and the Assistant Chief Executive (Human Resources) may ask questions of the Council Officer and her/his witness(es).
- 2.6 The Appellant and the Council Representative(s) shall have the opportunity to sum up their cases, with the Appellant having the right to speak last. No new or additional evidence may be submitted at this stage.
- 2.7 The Appellant and the Council Representative(s) shall withdraw whilst the Appeals Panel deliberates the merits of the appeal. The Assistant Chief Executive (Human Resources) shall remain in an advisory capacity.
- 2.8 The Appeals Panel shall be entitled to recall the parties to the Appeal to seek clarification or additional information. Both parties shall be recalled even if the point(s) at issue affect only one party.
- 2.9 The Appeals Panel shall notify the Appellant of its decision on the Appeal in writing within ten working days of the date by which it concluded its deliberations.





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MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	1 February 2006	<b>6</b>

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## **REPORT OF THE CHIEF EXECUTIVE**

**SUBJECT: AWARDS FOR EMINENT SERVICE TO THE BOROUGH**

### **SUMMARY**

The Local Government Act 1972 empowers the Council to recognise “eminent service” to the borough by conferring the honorary freedom of the borough, or (in the case of former Members) the office of Honorary Alderman.

It is also open to the Council to present non-statutory certificates in recognition of long service, irrespective of its eminence.

This report invites consideration of a policy for the conferment of such awards.

### **RECOMMENDATIONS**

That the Council be recommended:

- 1 That consideration be given annually (other than in the year of the Local Elections) as to whether the Council ought to confer the Honorary Freedom of the Borough on any person.

- 2 That, in the year of the Local Elections, consideration be given as to whether any former Member of the Council should be admitted as an Honorary Alderman.
- 3 That the practice of awarding non-statutory certificates of service to Members and former Members be reinstated and that their award be considered following the Local Elections.
- 4 That, if the previous recommendations are adopted, the amendments to the Constitution set out in Appendix 2 be approved in order to give effect to them.

## **REPORT DETAIL**

### 1 Introduction

- 1.1 Traditionally, borough councils have long had the ability to confer Freedom of the borough on “persons of distinction or who have rendered eminent service to the borough”. Although conferment once accorded its recipients particular privileges, over time these were eroded and the status of Freeman became simply honorific. The Local Government Act 1972 (“the Act”) empowers boroughs to admit “Honorary Freemen”. The Council has to date admitted twelve Honorary Freemen – see the Appendix 1 to this report.
- 1.2 The office of Alderman is ancient, dating from pre-mediaeval times. Until the Act came into force, it was an actual political office (the office of Alderman in Havering was abolished in 1978). In abolishing it as an actual office, the Act enabled local authorities to confer the status of “Honorary Alderman” on former – but not current – Members in recognition of “eminent service” specific to the local authority. The Council has not so far conferred the status of Honorary Alderman.
- 1.3 The difference between the two awards is that the status of “Honorary Freeman” is available to anyone deemed suitable to receive it in recognition of eminence or distinction within the borough, whereas “Honorary Alderman” is available only to former Members in recognition of eminence as a Member.
- 1.4 The status of Honorary Alderman does not confer Membership of the Council or of any of its Committees etc, but it would be open to the Council to accord privileges in respect of Civic events – for example, Honorary Freemen could be invited as special guests to the Annual Meeting or to participate in Civic Ceremonies, Services or special events. No allowance is payable to Honorary Aldermen. The holder may, however, use the title “Alderman” (unless subsequently re-elected as Councillor, and for so long as he or she remains a Councillor).

## Governance Committee, 1 February 2006

- 1.5 Conferment of one award on an individual does not prevent the other also being conferred on the same person, so long as the Council is of the opinion that the appropriate test for conferment is satisfied.
- 1.6 It is also open to the Council to present non-statutory certificates in recognition of past service to Members and former Members, irrespective of the nature of the service rendered. In the past, such certificates were presented – especially to Members who had retired after some years' service – but that practice has not been followed for some years.
- 2 Developing a policy on the awards
- 2.1 The Act requires that, before conferring either statutory award, the Council must be of the opinion that the potential recipient has rendered "eminent service" to the Council as a Member (for Honorary Alderman) or to the borough, or is a person "of distinction", (for Honorary Freeman). Any recommendation must therefore set out in detail the "eminent service", or reason for "distinction", to comply with the legislation.
- 2.2 It is entirely for Members to decide whether there should be a policy on conferring the honours, so that in effect conferment becomes a regular event (albeit not necessarily at any particular frequency), or that it should continue to be treated as an occasional practice, as and when appropriate.
- 2.3 The advantage of instituting a policy of regular consideration of conferment would be the opportunity, say once a year, to consider whether any individual had done something worthy of recognition and then marking that recognition at an appropriate event.
- 2.4 Although there is no statutory criterion, Members may consider that it would be appropriate to confer Honorary Alderman status on Members who retire or are not re-elected at the end of each four yearly term (subject to the "eminent services" test being satisfied).
- 2.5 Being non-statutory, the Council is free to determine the criteria by which the award of a non-statutory certificate can be gauged. Members may wish to award different certificates for different circumstances: for example
- On retirement after some years' service
  - In recognition of 25 years' continuous service
  - In recognition of 25 years' cumulative service, where there have been breaks in service
  - On cessation of serving as the holder of a particular office, such as Group Leader or Chairman of a key Committee.

3 Procedural issues

- 3.1 The Act requires that special procedures be followed in the passing of resolutions to confer the statutory awards.
- 3.2 The conferring resolution must be passed by a majority of two-thirds of the Members voting, at a meeting specially convened for the purpose.
- 3.3 The view is taken that the “specially convened” meeting can be an ordinary meeting, so long as it is clear in the summons that the business to be transacted includes the conferment of awards. It would assist this process if specific reference were made to the conferment of awards in the Council Procedure Rules in the Constitution.
- 3.4 Certificates can be awarded on the basis of a resolution passed by simple majority, at any meeting.

4 Recommended approach

- 4.1 The Committee is invited to consider whether to recommend to Council that a policy on conferring awards be agreed: and, if so, that specific procedures be introduced to give effect to it.
- 4.2 Without committing the Council to making awards annually, it is suggested that the Council Procedure Rules be amended to provide that:
  - 4.2.1 Except in the year in which the Local Elections are held, the Council shall consider at the Annual Meeting whether to confer Honorary Freedom of the Borough on any person or persons; and
  - 4.2.2 In the year of the Local Elections, the Council shall consider at its ordinary meeting next following the Annual Meeting whether to confer the status of Honorary Alderman on any Member who retired at the Local Election or who was not re-elected, or to present a non-statutory certificate to any Member/former Member.
- 4.3 This would not affect the ability of Members at any time to requisition a meeting (in accordance with the appropriate rules) to consider the conferment of Honorary Freedom, award of the status of Honorary Alderman or the presentation of certificates, should circumstances make that appropriate.
- 4.4 There is no objective test of what constitutes “eminent services” or “distinction”: the Act simply requires that a two-thirds majority of those Members voting be of that opinion. While it would be open to the Council to establish criteria for judging whether service has been “eminent” or a person is “distinguished”, no such list could be exhaustive and it would be better to leave the issue open. It would, however, be necessary to include in any motion details of the “eminent service” or “distinction” that forms the basis for the award.

- 4.5 If Honorary Alderman status is to be conferred, the most obvious and appropriate occasion for that would be following the Local Elections at which change is most likely. Since the Annual Meeting following the elections is always particularly busy, and follows closely upon the election date, it is suggested that delaying the conferment of awards by one meeting cycle will give Members time to reflect upon who ought to be considered for the award.
- 4.6 Honorary Freedom is subject to different considerations and it is appropriate for it to be considered annually (although that does not imply need to make awards in every year if no one qualified for consideration). In the year of the Local Elections, it may be appropriate not to consider making such awards in order to concentrate on awards to former Members.

There are no **Human Resources, Legal, Equalities or Environmental Implications or risks.**

The only **Financial implications** are the cost of purchasing/preparing appropriate insignia and certificates for the award recipients, and of any ceremony held to mark the conferment. It is considered that such costs would be minimal and would be met from existing resources. There are no obvious **financial risks.**

**Stephen Evans  
Chief Executive**

**Staff Contact: Ian Buckmaster, Manager of Committee and  
Overview & Scrutiny Support**

**Telephone: 01708 432431**

**Background Papers**

There are none

**Honorary Freemen of the Borough**

The Honorary Freedom of the Borough has been conferred on the following persons:

2 April 1986

Councillor J F Moultrie  
Councillor W A Sibley  
Councillor N J Miles  
Dr Werner Ludwig, Oberburgermeister, Ludwigshafen-am-Rhein

16 July 2003

Councillor Louise Sinclair  
Councillor Wilf Mills  
Councillor Denis O'Flynn  
Councillor Eric Munday  
Councillor Len Long

25 May 2005

Councillor Owen Ware  
Christine Watson  
Marjorie Ramsey

At the time of conferment, all those who were Members were serving as such and hence would not have been eligible to be admitted as Honorary Aldermen. Marjorie Ramsey was a former Member and would have been eligible to be admitted an Honorary Alderman. Dr Ludwig and Christine Watson were not, and had not been, Members.

**Amendments to the Council Procedure Rules: Part 4 of the Constitution**

Note: CPR refers to Council Procedure Rule

CPR 1 Annual Meeting of the Council:

Insert new para. (viii) and renumber subsequent paras accordingly

- (viii) other than in a year when there is an ordinary election of Councillors, consider whether to confer on any person of distinction or who has rendered eminent service to the borough the Honorary Freedom of the Borough

CPR 2 Ordinary Meetings:

Insert new para. (iv) and renumber subsequent paras accordingly

- (iv) at the first ordinary meeting following the Annual Meeting in a year when there is an ordinary election of Councillors, consider whether to confer on any former Member who has rendered eminent service to the Council the office of Honorary Alderman, and to present to any other Member a certificate of service.

Insert new CPR and renumber subsequent CPRs accordingly

**25. CONFERMENT OF AWARDS FOR EMINENT SERVICE**

25.1 Other than in a year in which there is an ordinary election of Councillors, Council shall consider at the Annual Meeting whether to confer on any person the Honorary Freedom of the borough, in recognition of their distinction or eminent services to the borough.

25.2 In a year in which there is an ordinary election of Councillors, Council shall consider at first ordinary meeting following the Annual Meeting

- (a) whether to upon any former Councillor the office of Honorary Alderman, in recognition of their eminent services to the Council;  
or

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- (b) the presentation to any Member or former Member of a certificate in recognition of service to the Council.
  
- 25.3 Notwithstanding rules 25.1 and 25.2, the Council may by motion consider conferring Honorary Freedom or the office of Honorary Alderman on a qualifying person, or presenting a certificate to an Member, where in the circumstances it is inappropriate to await the next Annual Meeting or that following it, as the case may be.
  
- 25.4 A motion to confer the Honorary Freedom or the office of Honorary Alderman shall set out the details of the “eminent service”, or the reason for “distinction” for which the award is to be conferred, and shall be passed if two thirds of those present and voting at the meeting vote in favour.





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MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	1 February 2006	<b>7</b>

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## **REPORT OF THE CHIEF EXECUTIVE**

### **SUBJECT: APPOINTMENT OF INDEPENDENT MEMBERS TO STANDARDS COMMITTEE**

#### **SUMMARY**

The Local Government Act 2000 requires the Council to appoint a Standards Committee, at least 25% of whom must be Independent Members. The four-year term of office of the existing Independent Members of that Committee will expire at the Annual Meeting in May and therefore the process of re-appointing them, or appointing new Independent Members in their place, needs to be put in hand.

This report outlines the requirements of the Act and invites agreement to the proposed procedure for making the appointments.

#### **RECOMMENDATIONS**

- 1 That the procedure outlined in the report for appointing Independent Members to serve on the Standards Committee for a four year term commencing at the Annual Meeting of the Council in May 2006, be approved.
- 2 That the arrangements proposed for selecting applicants be approved, and for consideration as how the Member-level short-listing stage should be dealt with.

- 3 That an ad hoc Sub-Committee be established to short list and interview prospective Independent Members, and to nominate to the Committee those to be recommended for appointment.
- 4 That the Committee recommend to Council that the Independent Members be appointed to serve a four year term, and that Independent Members be appointed as Chairman and Vice-Chairman of the Standards Committee.
- 5 To consider whether to recommend to Council that a number of prospective Independent Members of the Standards Committee should be appointed as “reserves” in order to ensure that a quorum can be maintained for that Committee in the event that any of the appointed Independent Members cease to serve.

## **REPORT DETAIL**

### 1 Introduction

- 1.1 The Local Government Act 2000 (“the Act”) requires that each Council appoint a Standards Committee responsible for the maintenance of high standards of conduct among Members. The Act makes no prescription as to the size and general composition of the Committee (beyond specifying that no more than one Member of the Cabinet can be appointed to it and that he/she may not chair it), but requires that at least 25% of its membership should be Independent Members. The political balance rules do not apply to the Standards Committee (although, for convenience, a politically balanced membership has in fact been appointed, disregarding the two Independent Members).
- 1.2 There is no particular qualification for “Independent Member”, apart from the obvious need for them to be genuinely independent, but they need to be sought by public advertisement and to have completed an application form prior to being considered for appointment.
- 1.3 As currently constituted, the Council’s Standards Committee has a membership of eight, of whom two (25%) are Independent Members. The Council has provided that the two Independent Members should be respectively Chairman and Vice-Chairman of the Committee.
- 1.4 It should be noted that a membership of eight is considered to be too large by both the Monitoring Officer and the Standards Board without a specifically constituted Sub-Committee to deal with hearings. This point must be addressed at (or immediately after) the next Annual Meeting either by reducing the size of the Committee or by the formation, by the Standards Committee, of a Sub-Committee.

2 **Procedure for current appointments**

- 2.1 Once applications have been invited by advertisement and forms submitted, there is no particular requirement as to the procedure to be adopted and thus the Council is free to proceed as it wishes. In 2002, when the process was first employed, three applicants were initially interviewed (out of four) but none was considered suitable to be appointed; and thus a second advertisement was placed following which six further applications were received. Four of these applicants were subsequently short-listed and then interviewed and Ms Jennifer Spearman and Ms Debra Collard were recommended for appointment, respectively as Chairman and Vice-Chairman.
- 2.2 The interviews were carried out by the then Board Sub-Committee, whose recommendations were considered, and adopted, by Council at the Annual Meeting following the local elections in May 2002.
- 2.3 The short-listing was undertaken by the then Chief Executive and the Monitoring Officer.
- 2.4 Although the two Independent Members were appointed by Council to four year terms, their membership of the Standards Committee is renewed annually at the Annual Meeting (as it that of the Councillor Members).

3 **Advertising for new appointees**

- 3.1 As there is no specified procedure for making the appointments, other than the requirement to advertise, the Council is free to proceed as it wishes in making the appointments.
- 3.2 Early in 2005, an advertisement was placed for those interested in applying for appointment as Independent Members. At the time, there had been a suggestion that it would be useful to appoint additional Independent Members; In the event, that suggestion has not proceeded. The advertisement was placed because, at the same time, the Council was seeking individuals to serve as Independent Persons for school and other appeals and it seemed convenient and economic to advertise for both types of independent appointment at the same time.
- 3.3 An exceptionally good response resulted with some forty applications being received, many from eminently appointable individuals.
- 3.4 The applicants were advised that, for the time being, the Council would not be proceeding with the proposed appointment of additional Independent Members of the Standards Committee but that their names would be held on file for future reference. A number of these individuals have since been appointed as Independent Persons for appeals.

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- 3.5 The view is taken that the advertising for Independent Members last year, and the holding of applicants' returned forms "on file", satisfies the statutory requirements and there is thus no need to repeat the exercise. The applicants have all been advised that the Council is now in a position to consider them and only a few have confirmed that they do not wish to be considered in the coming exercise.
- 3.6 The Committee is recommended therefore to proceed on the basis of considering only the applications already received; but that would not preclude placing another advertisement should Members prefer to do so.
- 3.7 Consideration should also be given as to whether the number of Independent Members should be increased. The Council is currently compliant with the legislation but if one Independent Member resigned or otherwise ceased membership the Committee would not be quorate under the statutory rules and could potentially leave itself open to judicial review should it not hear or determine referred cases within the three month time limit. The situation would not be easily rectified given the need for advertisement, the appointment process and Council approval.
- 3.8 For these reasons, it is also recommended that any appointments are made for a four year term. Standards Board guidance suggests that best practice would be to allow Independent Members to serve for no more than two consecutive terms. A mixture of old and new Independent Members has the advantage of continuity given there is a steep learning curve for new appointees.

## 4 Proposed procedure

- 4.1 Whether or not the Council decides to advertise again, the procedure for making the appointments is proposed as follows.
- 4.1.1 Assuming no further advertisement is required, the Monitoring Officer, assisted by the Manager of Committee and Overview & Scrutiny Support, will see all applicants who remain interested for a preliminary interview (a gradual process over several weeks). This will be intended to gauge the extent of the individual's interest in, and suitability for, appointment. Depending on the outcome of this stage of the exercise, individuals will be identified as being within one of three categories:
- Not suitable for appointment
  - Possibly suitable for appointment
  - Definitely suitable for appointment
- 4.1.2 Those not considered suitable for appointment will be so advised at that point and not considered further. Those in the other two categories will move to the next stage, short-listing by Members.

4.1.3 The Committee will wish to consider how best to carry out the short-listing. The most appropriate options for short-listing appear to be:

- By all Members of the Committee
- By an ad hoc Sub-Committee of, say, three Members of the Committee or
- By a small group of, say, three or four other Members, nominated by Group Leaders.

Each option has its disadvantages as well as its advantages and there is no “right or wrong” way. A decision is required as to the short-listing arrangements. Past experience suggests, however, that short-listing by the full Committee is likely to be a cumbersome process and it is therefore recommended that an ad hoc Sub-Committee (say of four Members – 2:1:1) be established for the purpose: whether it should comprise only Members of the Committee, or include (or indeed comprise only) other Members is a matter for decision by the Committee.

4.1.4 The short-listed applicants will then be invited to attend a meeting with Members for full interview. This could be a meeting of this Committee; but, again, it is considered preferable for a smaller ad hoc Sub-Committee to carry out the interview and formulate nominations for endorsement by the main Committee.

4.2 Once the interviews are completed, the Committee will be able to make a recommendation to the Council at its forthcoming Annual Committee as to the individuals to be appointed.

4.3 The Committee may wish to consider whether it would be appropriate, in addition to appointing the Members to serve on the Committee, to appoint two or more others as “nominated reserves”, who could be asked to become Independent Members in the event that one or other of those appointed resigns or otherwise ceases to be a member. Such individuals could also be considered for appointment should additional Independent Members be required during the four year term. In agreeing this, it should be borne in mind both that “reserves” may lose interest in being appointed if they are not brought into active participation at some stage, and that there is probably a limit to the period that “reserves” should be held without a fresh advertisement being issued

There are no **Human Resources, Legal, Equalities or Environmental Implications or risks** other than as contained in the report.

The only **Financial implications** are that Independent Members receive a flat-rate allowance of £100 per meeting attended. If only two Independent Members are appointed there will be no additional costs; but if more than two are appointed, some additional costs will be incurred, though they should be

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marginal overall. All such costs will be contained within existing budgets. There are no obvious **financial risks**.

**Stephen Evans  
Chief Executive**

**Staff Contact: Ian Buckmaster, Manager of Committee and  
Overview & Scrutiny Support**

**Telephone: 01708 432431**

**Background Papers**

There are none



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## **REPORT OF THE CHIEF EXECUTIVE**

**SUBJECT: APPOINTMENTS TO OTHER ORGANISATIONS, 2005/06 - further report**

### **1. Havering College of Further and Higher Education**

- 1.1 Nomination is required of a Council representative governor of the College to fill the vacancy caused by the death last year of former Councillor Valerie Evans. The term of office for this appointment will expire in 2008.
- 1.2 Mrs Evans had been a Residents' Group nominee but it is understood that that Group does not wish to make a nomination at this time.
- 1.3 The Conservative Group has put forward for nomination **Kevin Gregory**. Mr Gregory is a former student at the College who has qualified as a barrister and currently works at a legal advice centre in Romford.

### **2. Adoption Panel**

- 2.1 The Adoption and Children Act 2002 came into force on 30 December 2005, at the same time as the Adoption Agencies Regulations 2005. The Regulations make provision for the administration of the Adoption Services run by local authorities and adoption societies (collectively termed Adoption Agencies).
- 2.2 Among the requirements of the Regulations is a continuing requirement for a local authority providing an adoption service to appoint an Adoption Panel. In Havering, the actual appointment of the Panel is a matter for this Committee.
- 2.3 The regulations require that the adoption panel shall consist of no more than ten members, including the Chair and must include -

- (a) two social workers each with at least three years' relevant post-qualifying experience;
  - (b) one member of the Council;
  - (c) the medical adviser for adoption;
  - (d) at least three other independent members including where reasonably practicable at least two persons with personal experience of adoption.
- 2.4 The adoption agency must appoint one member of the adoption panel as vice chair, to act as chair if the person appointed to chair the panel is absent or his office is vacant.
- 2.5 The new Regulations introduce limits on the time that any person may serve as a member of an Adoption Panel and this affects several of the current members, who are nearing the absolute maximum of nine years' service.
- 2.7 The Council's Adoption Panel thus needs to be re-appointed in accordance with the new Regulations. The current membership is:

<b>Panel Member</b>	<b>Status</b>
Alan Johnstone	Independent Member; Chair
Stephen Richards	Social Worker; Vice Chair
Councillor Wendy Brice-Thompson	Authority Member
Councillor Patricia Mylod	Authority Member
Dr Banerjee	Medical Adviser
Roger Bolton	Independent Member (with experience of adoption)
Beryl Thornton	Independent Member
Cedric Hendricks	Independent Member

- 2.8 The Committee is asked to re-appoint the Adoption Panel in accordance with the new Regulations. A further report will be submitted in due course when a fully compliant Panel can be appointed.

<b>RECOMMENDATIONS</b>
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1. For consideration as to whether Mr Gregory should be nominated for appointment as a governor of Havering College for the remainder of the term of office expiring in 2008.
2. That the current members of the Adoption Panel, including the Chair and Vice-Chair, be re-appointed for the purposes of the Adoption Agencies Regulations 2005.



No **Financial, Human Resources and Equalities, Social Inclusion Implications and Risks or Legal Implications and Risks** arise. Appointments are made with the Council's Equalities and Social Inclusion policies in mind.

**STEPHEN EVANS**  
Chief Executive

**Staff Contact: Ian Buckmaster**  
**Manager of Committee and Overview & Scrutiny Support**  
**Telephone: 01708 432442**

**Background Papers**

None.





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## **REPORT OF THE CHIEF EXECUTIVE**

### **SUBJECT: CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING**

This report provides the six monthly update in respect of Corporate Governance arrangements.

That Committee:

1. Note the actions taken and views expressed.
2. Confirm that the expectations as set out in the assessment are in place within Havering.
3. Note that the information in this report will be used to develop the 2005/06 Statement of Internal Control.
4. Confirm their commitment to promote good Corporate Governance.
5. Agree the new Code of Governance.

1. This represents the third progress report to this Committee.

2. This Committee reaffirmed a Code of Corporate Governance in July. However, Officers were requested to review it to make it easier to read. This has taken place and the revised code is attached. (Appendix A).
3. Regular self assessments take place by the Governance Group. The self assessment was formulated on the basis of an assessment against a framework issued by CIPFA/SOLACE as supplemented by the CPA key lines of enquiry. The latest one is appended as Appendix B.
4. Publicity of the Code has and continues to take place by publication of articles in Inside Havering and Living in Havering as well as by writing to all Stakeholders.
5. In order to continue to assess the effectiveness of our arrangements, the views of a variety of people were sought by the questionnaire approved in July.

This identified that the public wanted to be able to find out more easily;

- who does what at the council;
- how to get information about our finances, and;
- how to get clearer information about the decisions the council makes.

The broad results were fed back in 'Living in Havering' in October 2005, together with easy to read answers to these key findings;

- (a) "Who does what at the council? With this edition of Living we are circulating a full guide to all our services with key telephone numbers, addresses and emails. (The A-Z of Services)
- (b) "How the Council is Financed. Each year the council publishes its Annual Accounts, setting out in detail where your money has been spent.
- (c) "Highlights from the draft accounts include: In 2004/05 we said we would spend £242.8m on local services, at the end of the year we actually spent £242.5m. This underspend has been added to our general reserves, which are held to meet unforeseen circumstances, and stand at £11.2m. We spent your money, last year, on the following main services: Education & Schools £148.8m. Social Services £65.9m, Streetcare & Environment £18.8m and Leisure £8.6m.
- (d) "Social Services overspent by £2.8m which was largely due to increased demand for services.
- (e) "The draft accounts and other budget information are currently available in libraries and on the website.
- (f) "How you can find out about Council decisions. The main decisions are made by either the Full Council or by the Cabinet. There are a variety of other committees. The decisions from all these meetings are recorded in the minutes. Once they have been agreed by the next meeting as accurate, you

can either inspect them at the Town Hall or look at them on the council's website (directions were included here).

- (g) "Consultations; To see the Consultations we carry out and to find out how to get involved, have a look at our website – from the home page click on 'Consultations.' "

6. There was a concern that the questionnaire was not representative of the community and, in order to ensure this was the case, focus groups have also been used. Four focus groups were held with the idea of trying to gain an insight into residents' opinions, to underpin the measurement of opinion carried out by surveys. Two of the groups were run by MORI who recruited people from all over Havering, covering the ages 30 – 55. Two groups were also run in-house, one with younger people and one with people 55+. These were run along the same lines as the MORI groups, using their prompt sheet. A number of issues were explored; those of immediate interest are summarised here and which had general agreement in the groups. A fuller report of what the focus groups said is being produced.

#### Views of the Council and its communications generally

The Younger Peoples' Group said that the council was starting to focus more on younger people; there had been improvements – they liked the recently published A – Z of services, and the Area Committees format. They felt that young people preferred to be engaged with more directly, face to face and to have things explained to and discussed with them. They said they would like a yearly summary of the things the council said it would do with a list of what progress was made against each one. Some felt that the Council did not always act quickly enough on the decisions it made, or in taking its decisions.

The 30 – 55 groups generally liked the A – Z of services, but felt that the council was a bit too secretive, that there was a lack of transparency. The Council magazine needs to have things like planning applications, local meetings and what is going on in the council in general. Some felt that the magazine was a good vehicle for broad consultations, a way of informing people and inviting them to submit their views.

The Older People agreed with the other two groups in saying that they preferred the Council Magazine to be in an A4 booklet / magazine format. They also agreed with the other groups in saying that there needed to be more information in the magazine, and less self promotional material. Contact details, how I can get involved in something, local planning applications and so on, combined with articles on subjects closer to home, such as carers and how they can get help, these are the sort of things they would find interesting.

7. It may assist Members of Governance committee to refer to Appendix C and consider the questions contained in this recent best practice assessment.

### **Financial Implications and Risks:**

There are none arising directly. The risk of taking this forward is an increased expectation from stakeholders that is not delivered through the actions of the Council. However, this risk is unlikely as the Council is committed to openness and transparency. The risks of not taking this forward is the Council not being viewed as open and transparent and the Audit Commission assessing Corporate Governance adversely in the CPA.

### **Legal Implications and Risks:**

The risk of non compliance with the Regulations regarding the conduct of Members is complaints concerning the breach of the Members Code of Conduct to the Standards Board for England and in some instances the possibility of claims for judicial review against the Council.

### **Human Resource Implications and Risks:**

Implementation of these measures will lead to improved development and performance.

### **Equalities and Social Inclusion Implications and Risks:**

The code should ensure that the Council is shown as an inclusive Authority.

**Staff Contact:** Rita Greenwood                      **Title:** Group Director  
Finance and Commercial

**Telephone:** 01708 432218

**STEPHEN EVANS**  
Chief Executive

### **Background Papers**

Corporate Governance – Improvement and Trust in Local Public Services – Audit Commission.

Corporate Governance in Local Government – Guidance Note

## THE LOCAL CODE OF CORPORATE GOVERNANCE IN HAVERING

### INTRODUCTION

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published a framework document for Corporate Governance in Local Government.

The London Borough of Havering is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions, through the continued maintenance of a Local Code as recommended by the CIPFA/SOLACE Framework.

### What is Corporate Governance?

For the purposes of this code it is defined as the system by which organisations are directed and controlled.

The Council recognises that effective local government relies upon establishing and maintaining the confidence of the public in both the elected Members and Officers of the Council.

The Council acknowledges that the setting of high standards of self governance provides a clear and demonstrable lead to both our existing and potential partners, and therefore provides the basis of effective community governance.

### The Principles

The London Borough of Havering actively recognises the principles identified through CIPFA/SOLACE, and seeks to fulfil each area as detailed within this document.

**A**ccountability

**E**ffectiveness

**I**ntegrity

**O**penness & Inclusiveness

**U**p to date

### 1. Community Focus

The London Borough of Havering will publish on a timely basis

- an annual report
- a performance plan.

In addition to this, arrangements will be made for the independent review of the financial and operational reporting processes.

Individuals and groups from all sections of the community will be encouraged to engage with, contribute to and participate in the work of London Borough of Havering, these processes will be monitored to ensure that they operate effectively.

We are committed to

- Openness in all of our dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- Establishing clear channels of communication with all sections of the community and other stakeholders, putting in place appropriate monitoring arrangements to ensure that they operate effectively.
- Developing with the local community and stakeholders, a vision for the local communities. This will be clearly articulated and disseminated and will incorporate:
  - Their strategic plans
  - Priorities
  - Targets

## **2. Service Delivery Arrangements**

The London Borough of Havering will:

- Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies.
- Establish sound systems for providing management information for performance measurement purposes.
- Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans.
- Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community and establish processes to ensure that they operate effectively.
- Provide positive responses to the findings and recommendations of external auditors and statutory inspectors. Arrangements for the effective implementation of agreed actions will be made.



- Be committed to diversity and, in doing so, we acknowledge the diversity of the local population, this will therefore be reflected in our service delivery.

### **3. Structures and Processes**

#### Balance of Power and Authority

The London Borough of Havering will document:

- The protocols governing relationships between members and officers.
- The relative roles and responsibilities of executive and other members and senior officers, so they are clearly defined.
- Details of Committees, including Audit, Governance and Overview & Scrutiny Committees.

#### Roles and Responsibilities – Members

The London Borough of Havering will:

- Meet regularly on a formal basis to set the strategic direction and monitor the service delivery of the authority.
- Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority.
- Establish clearly documented and understood management for:
  - Policy development, implementation and review
  - Decision-making, reporting and monitoring & control
  - Formal procedural and financial regulations to govern the conduct of the authority's business.
- Recognise of the initial and continued training need of members. Members are to be trained for their roles and given access to all relevant information, advice and resources as necessary, to enable them to effectively fulfil their roles.
- Define formally in writing the role of the executive member(s) of the authority, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole.
- Define clearly in writing the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review.

#### Roles and Responsibilities – Officers

The London Borough of Havering will:

- Make a Chief Executive or equivalent responsible to the authority for all aspects of operational management.
- Make a senior officer responsible to the authority for:
  - Ensuring that appropriate advice is given on all financial matters
  - Keeping legitimate financial records and accounts
  - Maintaining an effective system of internal financial control.
- Make a senior officer responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.
- Define clearly in writing the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review.
- Adopt clear protocols and codes of conduct to ensure that the implications of supporting community political leadership for the whole council are acknowledged and resolved.

## **4. Risk Management and Internal Control**

The London Borough of Havering will:

- Develop and maintain robust systems for identifying and evaluating all significant business risks which involve the proactive participation of all those associated with planning and delivering services.
- Put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice to ensure that public funds are suitably safeguarded and used economically, efficiently and effectively, in accordance with the statutory and other authorities that govern their use.
- Ensure that services are delivered by trained and experienced people.
- Arrange for objective reviews of the effectiveness of risk management and internal control, including internal audit.
- Maintain an objective and professional relationship with their external auditors and statutory inspectors.
- Publish within the annual report, an objective, balanced, understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice.

## **5. Standards of Conduct**

The London Borough of Havering will:

- Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers and agents of the authority are required to subscribe and establish appropriate systems and processes to ensure that they are complied with.
- Make arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and establish appropriate processes to ensure that they continue to operate in practice.
- Put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice.
- Establish a whistle blowing Policy to which staff, contractors, partners, the public and other stakeholders have access to.

## **6. Update and Revision of the Local Code of Corporate Governance.**

In accordance with the requirements of the Council's Internal Control Framework, this code will be updated and revised by the 15<sup>th</sup> January 2007.

If you have any comments or questions on this Local Code please contact Rita Greenwood, Finance and Commercial Group Director at the Town Hall on 01708 432218, or e-mail [rita.greenwood@havering.gov.uk](mailto:rita.greenwood@havering.gov.uk)

**LONDON BOROUGH OF HAVERING  
CORPORATE GOVERNANCE – SELF ASSESSMENT  
JANUARY 2006**

**LOCAL CODE OF CORPORATE GOVERNANCE – GUIDANCE  
CONTENTS PAGE**

- 1 Introduction
- 2 The Local Code of Corporate Governance for the London Borough of Havering
- 3 Monitoring and maintaining the Code

**1. Introduction**

- 1.1. “Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities.” - CIPFA/SOLACE Guidance Note. The term “Corporate Governance” came into common use following the Cadbury Report in 1992. This report addressed issues raised in relation to events at BCCI and Maxwell Communications.
- 1.2. The issue of corporate governance in the public sector came about as a result of concerns raised by politicians and the media with regard to conduct of public business and perceptions of sleaze in public life. The Nolan Committee found that the vast majority of Councillors and officers observe high standards of conduct and are aware that high ethical standards are critical to maintain public confidence in local government.
- 1.3. Whilst corporate governance has been the subject of a number of reports and publications, there has not been a comprehensive framework of principles and standards for local authorities to adhere to.
- 1.4. In 2001 CIPFA and SOLACE published “Corporate Governance in Local Government: A Keystone for Community Governance”. This document provided comprehensive guidance as to how local authorities should address the issue of corporate governance. The London Borough of Havering’s Code is therefore based upon this guidance.
- 1.5. This document sets out the London Borough of Havering’s local code of corporate governance in an appendix and the process for monitoring and maintenance of the Code.
- 1.6. The Council undertakes a regular assessment of how the Council complies with the Code. It also gives details of the actions the Council intends to take in order to improve compliance. This is regularly reported.

**2. Statement of Commitment**

- 2.1. The London Borough of Havering is committed to effective leadership which is the foundation for effective corporate governance.
- 2.2. The Council will:-

- Provide a vision for the local community and lead by example in decision making and other processes and actions
- Ensure that Members and managers will conduct themselves in accordance with the highest standards of conduct.

### **3. Three Principles**

3.1. The Council will abide by the three principles of good governance as set out in the CIPFA/SOLACE Guidance. It will also continually strive to ensure that they underpin the delivery services to the public.

3.2. The three principles are:-

#### Openness and Inclusivity

Being open through genuine consultation with stakeholders and providing access to full, accurate and clear information.

Inclusive approach which seeks to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision making process.

#### Integrity

Straightforward dealing and completeness, based upon honesty, selflessness and objectivity and high standards of propriety and probity in the stewardship of public funds and management of the Council's affairs.

#### Accountability

Members and staff are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance and submit themselves to appropriate external scrutiny.

3.3. In order to ensure that these three principles underpin service delivery, the Council will:-

- Monitor their effectiveness
- Review, on a continuing basis, to ensure they are up to date.

### **4. Five Dimensions**

4.1. The three principles need to be reflected within five dimensions of service delivery. The Council will strive to ensure that the three principles will be applied within the five dimensions listed below:-

#### Community Focus

- Work for and with the community Leadership within the community where appropriate
- Undertake an “ambassadorial” role to promote the wellbeing of the area, where appropriate, through maintaining effective arrangements
- For explicit accountability to stakeholders for the authority's performance and its effectiveness in the delivery of services and the sustainable use of resources
- Demonstrate integrity in the authority's dealings in building effective relationships and partnerships with other public agencies and private/voluntary

- sectors
- Demonstrate openness in its dealings
- Demonstrate inclusivity by communicating and engaging with all sections of the community to encourage active participation.
- Develop and articulate a clear and up to date vision and corporate strategy in response to community needs.

#### Service Delivery Arrangements

- The Council will ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which:-
  - Discharge their accountability for service delivery at local level
  - Ensure effectiveness through setting targets and measuring performance
- Demonstrate integrity in dealings with service users and developing partnerships to ensure the “right” provision of services locally.
- Demonstrate openness and inclusivity through consulting with key stakeholders, including service users
- Are flexible so that they can be kept up to date and be adapted to accommodate the change and meet users’ wishes.

#### Structures and Procedures

- The Council will maintain effective political and managerial structures
- and processes to govern decision making and the exercise of authority
- within the organisation. The Council will maintain arrangements to:-
- Define the rules and responsibilities of Members and officers to ensure accountability, clarity and ordering of the Council’s business
- Ensure that there is proper scrutiny and review of all aspects of performance and effectiveness
- Demonstrate integrity by ensuring a proper balance of power and authority
- Document clearly such structures and processes and ensure that they are communicated and understood to demonstrate openness and inclusivity
- Ensure such structures and processes are kept up to date and adapted to accommodate change.

#### Risk Management and Internal Control

- The Council will establish and maintain a systematic strategy, framework and process for managing risk. Together these arrangements should:-
- Include making public statements to stakeholders on the authority’s risk management strategy, framework and processes to demonstrate accountability
- Include mechanisms for monitoring and reviewing effectiveness against agreed standards and targets and the operation of controls in practice
- Demonstrate integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks
- Display openness and inclusivity by involving all those associated with planning and delivering services, including partners
- Include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains up to date

#### Standards of Conduct

- The openness, integrity and accountability of individuals within the Council form the cornerstone of effective corporate governance. The reputation of the authority

depends on the standards of behaviour of everyone in it, whether Members, employees or agents contracted to it.

- Therefore, Members and senior officers of the Council will need to:-
- Exercise leadership by conducting themselves as role models for others within the authority to follow
- Define the standards of personal behaviour that are expected from Members and staff and all those involved in service delivery, and
- put in place arrangements to ensure:-
  - Accountability, through establishing systems for investigating breaches and disciplinary problems and taking action where appropriate, including arrangements for redress
  - Effectiveness in practice through monitoring and compliance
  - That objectivity and impartiality are maintained in all relationships to demonstrate integrity
  - That such standards are demonstrated and clearly understood to display openness and inclusivity and are reviewed on a regular basis to ensure that they are kept up to date.

## **5. Monitoring and Maintaining the Code**

- 5.1. The London Borough of Havering is committed to good corporate governance as set out in the CIPFA/SOLACE Guidance.

Publications

SOLACE - Society of Local Authority Chief Executives

## RISK MANAGEMENT AND INTERNAL CONTROL

<p><b>“An authority needs to establish and maintain a systematic strategy, framework and processes for managing risk. Together, these arrangements should:</b></p> <ul style="list-style-type: none"> <li><b>• Include making public statements to stakeholders on the authority’s risk management strategy, framework and processes to demonstrate accountability</b></li> <li><b>• Include mechanisms for monitoring and reviewing effectiveness against agreed standards and targets and the operation of controls in practice</b></li> <li><b>• Demonstrate integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks</b></li> <li><b>• Display openness and inclusivity by involving all those associated with planning and delivering services, including partners</b></li> <li><b>• Include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains up to date”.</b></li> </ul>			
The local code should reflect the requirements to:	Source documents/processes/other means used to demonstrate compliance	Self Assessment	Gap Identified / Improvements Being Undertaken
(a) Develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services	Risk management strategy and risk registers Scrutiny committee role Performance management system Risk Management Group Budget papers Internal control statements	In place with regular report to Project Board and in monthly performance pack sent to all Members.	Promote positive and negative risk management.  Ensure disaster recovery and continuity plans are in place, including procedure notes are in place.
(b) Put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively, and in accordance with	Scheme of delegation Internal audit protocol PDPA Performance management system Financial standards and procedure rules Audit plan Audit Committee Internal control statements Fraud/corruption strategy	In place.	Continue to embed current risk management arrangements.  Review risk management arrangements within procurement and partnerships.



the statutory and other authorities that govern their use			
(c) Ensure that services are delivered by trained and experienced people	Job description/personal specifications Training plans including finance / equality IIP Leadership programme	In place.	Ensure structured programme of training and awareness for staff and Members.
(d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit	Performance management system Risk registers Internal control statements Audit Committee	In place.	Review Internal Audit to ensure full coverage of all areas required by the Audit Commission.
(e) Maintain an objective and professional relationship with their external auditors and statutory inspectors	Inspectorate reports Annual audit letter and other audit reports Audit protocol Meeting notes	In place	
(f) Publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice	Annual accounts BVPP and CDP MTFS and budget	In place	Clearly show how the Council's assurance framework maps strategic objectives to risks, controls and assurances.

## STRUCTURE AND PROCESSES

<p><b>“A local authority needs to establish effective political and managerial structures and processes to govern decision-making and the exercise of authority within the organisation. A local authority should maintain arrangements to:</b></p> <ul style="list-style-type: none"> <li>• <b>Define the roles and responsibilities of members and officers to ensure accountability, clarity and ordering of the authority’s business</b></li> <li>• <b>Ensure that there is proper scrutiny and review of all aspects of performance and effectiveness</b></li> <li>• <b>Demonstrate integrity by ensuring a proper balance of power and authority</b></li> <li>• <b>Document clearly such structures and processes and to ensure that they are communicated and understood to demonstrate openness and inclusivity</b></li> <li>• <b>Ensure such structures and processes are kept up-to-date and adapted to accommodate change”</b></li> </ul>			
<b>The local code should reflect the requirements to:</b>	<b>Source documents/processes/other means used to demonstrate compliance</b>	<b>Self Assessment</b>	<b>Gap Identified / Improvements Being Undertaken</b>
<b>Balance of Power and Authority</b>			
(a) Put in place clearly documented protocols governing relationships between members and officers	Protocols	In place.	None – Protocol only recently reviewed and adopted by Governance & Council
(b) Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined	Constitution Record of decisions and supporting materials Job Profiles	Constitution and process for delegation set out.	None – but further delegation to Members is under consideration for March Council
<b>Roles and Responsibilities – Members</b>			
(c) Ensure that members meet on a formal basis regularly to set the strategic direction of the authority and to monitor service delivery	Schedule of council meetings and cabinet meetings. Performance and management system Financial standards and regulations Commissioner Board, Star Chamber	In place.	None - both strategy Council & Cabinet and performance Management receive frequent reporting
(d) Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority	Constitution and Delegation, Calendar Brief	In place.	None – the Constitution provides for this.
(e) Put in place clearly documented and understood management	Constitution CDP/MTFS/BVPP	In place.	None – the Constitution provides for this.

processes for policy development, implementation and review and for decision making, monitoring and control, and reporting; and formal procedural and financial regulations to govern the conduct of the authority's business	Frameworks Other information on Intranet		
(f) Put in place arrangements to ensure that members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively	Members' induction scheme Regular update sessions Training plan for specific areas e.g. Finance, Regulatory Services, Licensing, Standards	Induction programme in place.  Member Briefings in place.  ODPM and Idea work commenced	Complete capacity building work
(g) Ensure that the role of the executive member(s) is/are formally defined in writing, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole	Constitution Job profiles	In place and being enhanced by job profiles	Consider evaluation of job profiles
(h) Ensure that the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review, are defined clearly in writing	Constitution Members' allowance scheme Job profiles	In place and may be enhanced by evaluation of job profiles.	Consider evaluation of job profiles
<b>Roles and Responsibilities – Officers</b>			
(i) Ensure that a chief executive or equivalent is made responsible to the authority for all aspects of operational management	Conditions of employment Scheme of delegation Statutory provisions Job description/specification Performance management system	In place.	None
(j) Ensure that a senior officer is made responsible to the authority for ensuring that appropriate advice is	Section 151 responsibilities Statutory provision Statutory reports	In place.	None

given to it on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control	Budget documentation Job description/specification		
(k) Ensure that a senior officer is made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with	Monitoring officer provisions Statutory provision Job description/specification	In place.	None
(l) Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing	Job descriptions/specifications Pay and conditions of service PDPA review/appraisal	In place.	None
(m) Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledged and resolved	Protocols governing member/officer relations Codes of conduct	In place	None

## COMMUNITY FOCUS

<p><b>“Through carrying out their general and specific duties and responsibilities and their ability to exert wider influence, local authorities should:</b></p> <ul style="list-style-type: none"> <li>• <b>Work for and with their communities</b></li> <li>• <b>Exercise leadership in their local communities, where appropriate</b></li> <li>• <b>Undertake an “ambassadorial” role to promote the well-being of their area, where appropriate, through maintaining effective arrangements</b> <ul style="list-style-type: none"> <li>- <b>For explicit accountability to stakeholders for the authority’s performance and its effectiveness in the delivery of services and the sustainable use of resources</b></li> <li>- <b>Demonstrate integrity in the authority’s dealings in building effective relationships and partnerships with other public agencies and the private/voluntary sectors</b></li> <li>- <b>Demonstrate openness in all their dealings</b></li> <li>- <b>Demonstrate inclusivity by communicating and engaging with all sections of the community to encourage active participation.</b></li> <li>- <b>Develop and articulate a clear and up-to-date vision and corporate strategy in response to community needs”</b></li> </ul> </li> </ul>			
<b>The local code should reflect the requirements to:</b>	<b>Source documents/processes/other means used to demonstrate compliance</b>	<b>Self Assessment</b>	<b>Gap Identified / Improvements Being Undertaken</b>
<p>(a) Publish on a timely basis an annual report presenting an objective, understandable account of the authority's:</p> <ul style="list-style-type: none"> <li>* activities and achievements</li> <li>* financial position and performance.</li> </ul> <p>The reports should include statements:</p> <ul style="list-style-type: none"> <li>* explaining the authority's responsibility for the financial statements</li> <li>* confirming that the authority complies with relevant standards and codes of corporate governance</li> <li>* on the effectiveness of the authority's system for risk management and internal control</li> </ul>	<p>Annual financial statements Annual plan - part of CDP Formal annual report</p>	<p>In place Planning process inc.</p> <ol style="list-style-type: none"> <li>1. Corporate Development Plan.</li> <li>2. MTFS.</li> <li>3. Performance Plan.</li> <li>4. Code of Corporate Governance</li> </ol> <p>The Council's three year financial and strategic planning process includes:</p> <ul style="list-style-type: none"> <li>• Corporate Development Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Performance Plan</li> </ul> <p>Together these provide an annual report to the people of Havering. Elements are summarised in the Council Tax Leaflet and Living in Havering. The information is also available electronically via the website.</p>	

		<p>The CDP is in effect our annual report – identifying performance issues, priorities and future plans.</p> <p>Annual Budget Book Annual Statement of Accounts</p>	
<p>(b) Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the authority's: * current performance in service delivery * plans to maintain and improve service quality</p>	<p>Extract from BVPP Community strategy Corporate Development Plan</p>	<ul style="list-style-type: none"> <li>• BVPP</li> <li>• Community Strategy</li> </ul> <p>In place.</p> <p>Having an integrated Performance Management reporting system.</p>	
<p>(c) Put in place proper arrangements for the independent review of the financial and operational reporting processes</p>	<p>Annual audit letter and other audit reports Scrutiny Committee function Inspectorate reports Member Performance Pack Commissioner Board including Group Leaders</p>	<p>Having in place:</p> <ul style="list-style-type: none"> <li>• Overview and Scrutiny arrangements which also have topic groups</li> <li>• an audit committee</li> <li>• process for annual letter</li> </ul> <p>Services OSCs review service specific inspections and DA reports go to Audit Committee. Recommendations monitored and tracked. Electronic system for tracking delivery of action plans being considered.</p>	
<p>(d) Put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the</p>	<p>Strategic partnership framework Area committees roles and responsibilities Corporate Development Plan and Performance Plans</p>	<p>Largely in place but being refined</p> <p>Local Strategic Partnership established 2002. Has an inclusive Forum, Board and Community Management Team</p>	

<p>work of the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice</p>	<p>Living in Havering Consultation strategy Various consultative forums.</p>	<p>Consultation strategy developed by Communications</p> <p>Area Committees in place and being reviewed</p> <p>Annual priorities budget consultation process in place</p> <p>Use of Living in Havering and the council website.</p>	<p>Implement consultation strategy.</p> <p>Complete review of area committees.</p>
<p>(e) make an explicit commitment to openness in all of their dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against that commitment</p>	<p>Constitution Code of Corporate Governance</p>	<p>Constitution in place and regularly reviewed by Monitoring Officer.</p> <p>Administration stating “openness and transparency” in dealings and this is reflected by Constitution see Part 1, Part 2, Articles 1,2, &amp; 3. Call in/requisition process is used and decisions publicised.</p> <p>Member group reviewed constitution.</p>	
<p>(f) Establish clear channels of communication with all sections of their community and other stakeholders, and put in place proper monitoring arrangements to ensure that they operate effectively</p>	<p>Partnership arrangement liP accreditation Communication/consultation strategy Services user forum/questionnaire</p>	<p>Communication/consultation Strategy in place including use of focus groups and annual residents’ survey. Corporate liP accreditation achieved Customer services inspection recommendations being taken forward</p>	<p>Continue to review effectiveness of communications strategy.</p> <p>Gap: No current funding to undertake staff survey.</p>
<p>(g) Ensure that a vision for their local communities and their strategic plans, priorities and targets are</p>	<p>Community strategy Service plans BVPP</p>	<p>In place</p> <p>2<sup>nd</sup> Annual Conference held</p>	

<p>developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p>		<p>Community Strategy agreed 2002 after extensive public consultation and reviewed 2004. Updated 2005</p> <p>LPSA agreed with partners covering 12 critical areas and seen as good practice</p> <p>Service Planning/CDP developed and include consideration of consultation information</p>	
<p><b>Reference documents</b></p>	<p><b>Tools to assist local authorities for self-assessment purposes</b></p>		
<ul style="list-style-type: none"> <li>• Modern Local Government: Guidance on Enhancing Public Participation DETR (1978)</li> <li>• Code of Recommended Practice on Local Authority Publicity DoE circular 20/88</li> <li>• Human Rights Act 1998 Guidance</li> <li>• Race Relations Act 1976 and Race Relations (Amendment) Act 2000</li> <li>• Macpherson Report (1999)</li> <li>• Local Government Act 2000</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmark of the ideal Authority I&amp;DeA (1999)</li> </ul>		



## SERVICE DELIVERY ARRANGEMENTS

<p><b>“A local authority should ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which:</b></p> <ul style="list-style-type: none"> <li>• Discharge their accountability for service delivery at the local level</li> <li>• Ensure effectiveness through setting targets and measuring performance</li> <li>• Demonstrate integrity in dealings with service users and developing partnerships to ensure the “right” provision of services locally</li> <li>• Demonstrate openness and inclusivity through consulting with key stakeholders, including service users</li> <li>• Are flexible so that they can be kept up-to-date and be adapted to accommodate change and meet user wishes”</li> </ul>			
<b>The local code should reflect the requirements to:</b>	<b>Source documents/processes/other means used to demonstrate compliance</b>	<b>Self Assessment</b>	<b>Gap Identified / Improvements Being Undertaken</b>
(a) Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies	Best value performance plans Best value reviews Local PI's Service/strategic plans Learning sets	In place and service planning process delivers this across all our service areas	Service Areas carrying out their 'Level Two Impact Assessments' – results to be fed into service planning
(b) Put in place sound systems for providing management information for performance measurement purposes	Performance management and information system. Performance Indicators generally assessed as acceptable by external auditor.	In place – monthly performance packs, discussions with Cabinet, Group Leaders and SMT (Project Board?)	Looking at ways of unifying the information that is reported, to minimise duplication. Issue of 'real time' reporting to be further addressed.
(c) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans	Best value performance plans Scrutiny committee reports Service/Strategic Plans Member Performance Pack Commissioner Board	In place through performance framework	Template for service plans revised annually; again need to look at how to unify the service plans with all the other demands for the information within it.
(d) Put in place arrangements to allocate resources according to priorities	Community plan Corporate Development Plan/MTFS including annual budget Service plans	The Council's three year financial and strategic planning process includes: <ul style="list-style-type: none"> <li>• Corporate Development Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Performance Plan</li> </ul> <p>Service plans and PDPAs exist beneath this. All designed to ensure money</p>	Need to avoid 'overlay' of plans and to ensure links to HSP commitments & principles. Re-working the vision to inform the CDP and service planning to achieve these things.

		resources flow to policy objectives.	
(e) Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice.	Community strategy Havering Strategic Partnership North East London Partnership Procurement Strategy Commissioner Board Voluntary Sector Partnership Various Joint Boards Alternative Service Delivery Review LPSA	Havering strategic partnership/community management team  LPSA agreed with partners covering 12 critical areas  Best Value Review of Alternative Service Delivery sets framework for new approach together with procurement strategy  Voluntary sector COMPACT agreed  Commissioner Board reviews Alternative service delivery opportunities North East London Partnership meeting bimonthly and various joint initiatives in place	Local Area Agreements will provide a further opportunity to build on existing relationships and arrangements; need to ensure that sufficient planning is underway and / or scheduled for this.  Relationships / arrangements to be built to develop co-ordinated projects and reporting on consultation and research generally. This will provide a common base for needs for HSP policy strategy setting.
(f) Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions	Annual audit letter and other audit reports Inspectorate reports Audit Committee reports Head of Service performance packs	The CDP sets out our improvement planning process. This is monitored every month via performance reports. Cabinet receive presentations on key inspection reports.  Services OSCs look at service specific inspections and monitor progress. Audit Committee receive and monitor all other Audit Commission reports.  Our aim will be to have an electronic system for tracking delivery of action plans	Need to consider 'real time updates' in e-monitoring systems.
<b>Reference Documents</b>	<b>Tools to assist local authorities for self-assessment purposes</b>		
• Local Government Act 1999: Best			

Value DETR circular 10/99			
• Race Relations Act 1976 and Race Relations (Amended) Act 2000			

## STANDARDS OF CONDUCT

**“The openness, integrity and accountability of individuals within a local authority from the cornerstone of effective corporate governance. The reputation of the authority depends on the standards of behaviour of everyone in it, whether members, employees or agents contracted to it.**

**Therefore members and senior officers of a local authority will need to:**

- **Exercise leadership by conducting themselves as role models for others within the authority to follow**
- **Define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery, and put in place arrangements to ensure:**
  - **Accountability, through establishing systems for investigating breaches and disciplinary problems and taking actions where appropriate, including arrangements for redress**
  - **Effectiveness in practice through monitoring their compliance**
  - **That objectivity and impartiality are maintained in relationships to demonstrate integrity**
  - **That such standards are documented and clearly understood to display openness and inclusivity and are reviewed on a regular basis to ensure that they are kept up-to-date”**

The local code should reflect the requirements to:	Source documents/processes/other means used to demonstrate compliance	Self Assessment	Gap Identified / Improvements Being Undertaken
5a Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, and agents of the authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with	Members/officers code of conduct and relationships Anti fraud and corruption policy Complaints procedures Performance management system PDPA Fraud/corruption strategy	In place, other than monitoring of all complaints	Corporate monitoring of all complaints  Note – Codes of Conduct, Whistleblowing the subject of formal report to Standards Committee
5b Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	Constitution Codes of conduct Financial regulations/framework Hospitality register Register of Interest Reminders to staff and Members	In place other than Registers of Interest in all Directorates	Embed Register of Interests
5c Put in place arrangements to	Constitution and Codes of conduct	In place	None – report to Standards Committee

ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice			
5d Put in place arrangements for whistle blowing to which staff and all those contracting with the council have access	Whistle blowing policy publicising the Audit Commission hotline established under the Public Interest Disclosure Act 1998.	In place.	None
<b>Reference documents</b>	<b>Tools to assist local authorities for self assessment purposes</b>		
<ul style="list-style-type: none"> <li>Standards Committees: Strengthening Conduct in Local Government The University of Birmingham School of Public Policy (1999)</li> </ul>	<ul style="list-style-type: none"> <li>Ethical Governance Audit I&amp;DeA (2000)</li> </ul>		

## APPENDIX C

### ASSESSMENT QUESTIONS FOR AUTHORITIES TO ASK THEMSELVES

<p>1. GOOD GOVERNANCE MEANS FOCUSING ON THE ORGANISATION'S PURPOSE AND ON OUTCOMES FOR CITIZENS AND USERS</p>	
<ul style="list-style-type: none"> <li>How clear are we about what we are trying to achieve as an organisation? Do we always have this at the front of our minds when we are planning or taking decisions? How well are we doing in achieving our intended outcomes?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>To what extent does the information that we have about the quality of service for users help us to make rigorous decisions about improving quality? Do we receive regular and comprehensive information on users' views of quality? How could this information be improved? How effectively do we use this information when we are planning and taking decisions?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>To what extent does the information that we have on costs and performance help us to make rigorous decisions about improving value for money? How effectively do we use this information when we are planning and taking decisions? How well do we understand how the value we provide compares with that of similar organisations?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<p>2. GOOD GOVERNANCE MEANS PERFORMING EFFECTIVELY IN CLEARLY DEFINED FUNCTIONS AND ROLES.</p>	
<ul style="list-style-type: none"> <li>Do we all know what we are supposed to be doing?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>Is our approach to each of the governing body's main functions clearly set out and understood by all in the governing body and the senior executive? What does the size and complexity of our organisation mean for the ways in which we approach each of the main functions of governance?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>How clearly have we defined the respective roles and responsibilities of the non-executives and the executive, and of the chair and the chief executive? Do all members of the governing body take collective responsibility for the governing body's decisions?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>How well does the organisation understand the views of the public and service users? Do we receive comprehensive and reliable information</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

<p>about these views and do we use it in decision making?</p>	
<p>3. GOOD GOVERNANCE MEANS PROMOTING VALUES FOR THE WHOLE ORGANISATION AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH BEHAVIOUR</p>	
<ul style="list-style-type: none"> <li>• What are the values that we expect the staff to demonstrate in their behaviour and actions? How well are these values reflected in our approach to decision making? What more should we do to ensure these values guide our actions and those of staff?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• In what ways does our behaviour, collectively as a governing body and individually as governors, show that we take our responsibilities to the organisation and its stakeholders very seriously? Are there any ways in which our behaviour might weaken the organisation's aims and values?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<p>4. GOOD GOVERNANCE MEANS TAKING INFORMED, TRANSPARENT DECISIONS AND MANAGING RISK</p>	
<ul style="list-style-type: none"> <li>• How well do our meetings work? What could we do to make them more productive and do our business more effectively?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Have we formally agreed on the types of decisions that are delegated to the executive and those that are reserved for the governing body? Is this set out in a clear and up-to-date statement? How effective is this as a guide to action for the governing body and the executive? How well do we explain the reasons for our decisions to all those who might be affected by them?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Is the information we receive robust and objective? How could the information we receive be improved to help improve our decision making? Do we take professional advice to inform and support our decision making when it is sensible and appropriate to do so?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• How effective is the organisation's risk management system? How do we review whether this system is working effectively? Do we develop an action plan to correct any deficiencies in the systems? If so, do we publish this each year?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<p>5. GOOD GOVERNANCE MEANS DEVELOPING THE CAPACITY AND CAPABILITY OF THE GOVERNING BODY TO BE EFFECTIVE.</p>	
<ul style="list-style-type: none"> <li>• What skills have we decided that governors must have to do their jobs effectively? How well does our recruitment process identify people with the</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

necessary skills and reach people from a wide cross-section of society? What more could we do to make sure that becoming a governor is practical for as many people as possible?	
<ul style="list-style-type: none"> <li>How effective are we at developing our skills and updating our knowledge? How effective are our arrangements for reviewing the performance of individual governors? Do we put into practice action plans for improving our performance as a governing body?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>What is our approach to finding a balance between continuity of knowledge and renewal of thinking in the governing body? What are our reasons for this approach? Do we need to review it?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
6. GOOD GOVERNANCE MEANS ENGAGING STAKEHOLDERS AND MAKING ACCOUNTABILITY REAL	
<ul style="list-style-type: none"> <li>Who are we accountable to and for what? How well does each of these accountability relationships work? Do we need to take steps to clarify or strengthen any relationships? Do we need to negotiate a shift in the balance between different accountability relationships?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>What is our policy on how the organisation should consult the public and service users? Does it explain clearly the sorts of issues on which it will consult which groups and how it will use the information it receives? Do we need to review this policy and its implementation?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>What is our policy on consulting and involving staff and their representatives in decision making? Is this communicated clearly to staff? How well do we follow this in practice? How effective are systems within the organisation for protecting the rights of staff?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>Who are the institutional stakeholders that we need to have good relationships with? How do we organise ourselves to take the lead in developing relationships with other organisations at the most senior level?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
APPLYING THE GOOD GOVERNANCE STANDARD	
<ul style="list-style-type: none"> <li>To what extent does the <i>Good Governance Standard for Public Services</i> apply to our organisation, bearing in mind its type and size?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>Are we upholding and demonstrating the spirit and ethos of good governance that the Standard sets out to capture?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>



<ul style="list-style-type: none"><li>• Do we have a process for regularly reviewing our governance arrangements and practice against the Standard? What further improvements do we need to make?</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>
<ul style="list-style-type: none"><li>• Are we making public the results of our reviews and our plans for future improvements and are we inviting feedback from stakeholders and service users?</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>





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### **REPORT OF THE CHIEF EXECUTIVE**

#### **SUBJECT: APPOINTMENT OF SCHOOL GOVERNOR**

Candidates for appointment as LEA school governors who are also Members or employees of the Council are appointed by this Committee (all other LEA governor appointments are made by the Group Director, Children's Services under delegated powers).

The Governor Appointment Panel has now submitted for formal approval the nomination of Mrs Doreen Hitchings, a manager within the Havering Library Service, to be appointed as an LEA governor at Whybridge Junior School.

No **Financial, Human Resources and Equalities, Social Inclusion Implications and Risks or Legal Implications and Risks** arise. Appointments are made with the Council's Equalities and Social Inclusion policies in mind.

#### **RECOMMENDATION**

That Mrs Doreen Hitchings be appointed to the governing body of Whybridge Junior School.

**Contact Officer:** Ian Buckmaster, Manager of Committee and Overview & Scrutiny Support

**Telephone:** 01708 432431

**Stephen Evans  
Chief Executive**

**Background Papers:** None

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## REPORT OF THE MONITORING OFFICER

**SUBJECT: AMENDMENTS TO THE CONSTITUTION**

### **SUMMARY**

Part 2 Article 15.02(c) of the Constitution authorises the Monitoring Officer to amend the Constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure.

The constitution provides that this committee must be notified of any such amendment at the first reasonable opportunity.

### **RECOMMENDATIONS**

That this report be noted.

### **REPORT DETAIL**

The Monitoring Officer has the ability to make limited amendments to the Constitution as set out in the summary above.

Amendments to the Constitution were made by the Monitoring Officer since 1<sup>st</sup> May 2002 and this report deals with the latest amendments, No. 21 dated 25<sup>th</sup> November, No. 22 dated 9<sup>th</sup> December and No 23 dated 13<sup>th</sup> December 2005. It also includes amendment No. 18 dated 16<sup>th</sup> September 2005, by inadvertence not previously reported.

In addition to the Constitutional requirements the Monitoring Officer has determined that she will notify Group Leaders as soon as any Monitoring Officer amendments are made to the Constitution. The notification will then appear in Calendar Brief so that all members are aware of the amendments. The notification of the amendments will be numbered so there is no confusion.

The meeting of this committee is the first opportunity for the reporting of the most recent amendments made and the committee is requested accordingly to note the amendments made.

**Financial Implications**                      None

**Equalities Implications**                      None

**Environmental Implications**                      None

**CHRISTINE DOOLEY**  
**Monitoring Officer**

**Staff Contact:                      Christine Dooley**  
**Telephone:                              01708 432484**

**Background Papers**  
Email correspondence

**Notification No. 18**

**Date 16<sup>th</sup> September 2005**

**Notification of amendments to the constitution**

**Amendments made by the Monitoring Officer**

Part 2, Article 15.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution:

<b>Part and article/ section</b>	<b>Page reference</b>	<b>Substance of amendment / amended wording</b>	<b>Reason for amendment</b>
Part 2 Article 8.01	23	Amend the functions of Governance Committee as follows:  Add new bullet point after bullet point number 2 <ul style="list-style-type: none"> <li>• <u>To determine any appeal against dismissal or final stage grievance lodged by "Havering Grade" staff.</u></li> </ul>	Legal Requirement & Clarification
Part 3 Section 1.2	52	Amend the functions of the Governance Committee as follows:  <b>Staff disciplinary, capability, dismissal and grievance procedures</b>  Add a new bullet point under the above amended heading <ul style="list-style-type: none"> <li>• <u>Where necessary to establish a panel to consider and determine any appeal against dismissal or final stage grievance lodged by "Havering Grade" staff.</u></li> </ul>	Legal Requirement & Clarification
Part 3 Section 1.2	50	Under Adjudication and review delete  <b>Council Staff</b>  To consider disciplinary, capability and grievance matters relating to all staff below deputy chief officer.	Organisational Change

**Notification No. 21**

**Date 25<sup>th</sup> November 2005**

## **Notification of amendments to the constitution**

### **Amendments made by the Monitoring Officer**

Part 2, Article 15.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution:

<b>Part and article/ section</b>	<b>Page reference</b>	<b>Substance of amendment / amended wording</b>	<b>Reason for amendment</b>
Part 3 Sections 3.8.6	127	Add to delegated powers of Head of Business System 4. To develop and implement the Council's programme and project management strategy and capability.	Organisational change
Part 3 Section 7	160	Add additional sections 33, 34 & 59 and Part VIII Section 150 to the Environmental Protection Act	Organisational change
Part 3 Section 7	162	Add Town & Country Planning Act 1990 Section 215 – 219 Powers to deal with land adversely affecting amenity of the neighbourhood	Organisational change
Part 3 Section 7 Appendix F	166	Delete Head of Housing and Health and Environmental Health from the heading and first paragraph	Organisational change
Part 3 Section 3.7.2 Paragraph 8	106	Delete Part IX of the Town & Country Planning Act 1992 and insert Town and Country Planning Act 1990 (as amended by the Planning and Compulsory Purchase Act 2004)	Legislation Change



**Notification No. 22****Date****Notification of amendments to the constitution****Amendments made by the Monitoring Officer**

Part 2, Article 15.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution:

<b>Part and article/ section</b>	<b>Page reference</b>	<b>Substance of amendment / amended wording</b>	<b>Reason for amendment</b>
Part 3 Section 2 Paragraph 2.2.29	72	Delete	Correction of error
Part 3 Section 2 Paragraph 2.2.23	72	Add <u>or acquisition</u> after "disposal"	Omission

**Notification No. 23**

**Date 13<sup>th</sup> December 2005**

**Notification of amendments to the constitution**

**Amendments made by the Monitoring Officer**

Part 2, Article 15.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution:

<b>Part and article/ section</b>	<b>Page reference</b>	<b>Substance of amendment / amended wording</b>	<b>Reason for amendment</b>
Part 3, Section 7	Page 162	Insert Private Security Industry Act 2001 in enactments to be enforced	Legal Requirement
Part 3, Section 3 paragraph 3.7.5.23	Page 121	Add to the end of paragraph 23 "in consultation with the Assistant Chief Executive Legal & Democratic Services"	Omission
Part 3 Section 3 Paragraph 3.9.2.9	Page 129	Insert after "statutory notices" the words "approvals and licences"	Omission



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## **REPORT OF THE CHIEF EXECUTIVE**

**SUBJECT: Revision of Contract Procedure Rules**

### **SUMMARY**

The Council's Contract Procedure Rules (CPR) have not been substantially revised since the initial drafting of the Constitution in 2002. The opportunity has been taken to incorporate comments from users of the current CPR and substantially re-order the Rules so that they are in a more logical and accessible format as well as detailed rewording. The new Rules also incorporate provisions for new and developing forms of procurement. In addition the new Rules propose alterations in the various financial limits to balance the cost of procurement with the value of the goods or services being procured and to accord with recently revised European procurement financial limits. There are also some changes in responsibilities. For the ease of the committee altered provisions are highlighted in the appended Rules.

### **RECOMMENDATIONS**

That this Committee recommend to Council that:

1. the revised Contract Procedure Rules be adopted
2. Part 3, section 2.2, paragraph 10 of the Constitution be amended to :  
"To approve staff commencing a tendering process for all contracts between £144,000 and £5,000,000"
3. Part 3, Section 2.2, paragraph 12 of the Constitution be amended by deleting "£154,000" in line 3 and substituting it with "£144,000"

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4. Part 3, Section 3.3.4, paragraph 1 of the Constitution be amended by deleting “£154,000” in line 1 and substituting it with “£144,000”
5. Part 3, Section 3.3.4, paragraph 2 of the Constitution be amended by deleting “£154,000” in line 1 and substituting it with “£144,000”
6. Part 3, Section 3.3.4, paragraph 3 of the Constitution be amended by deleting “£50,000” in sub-paragraph (ii) and substituting it with “£100,000”
7. Part 3, Section 3.4.4, paragraph 1 of the Constitution be amended by deleting “£154,000” in line 1 and substituting it with “£144,000”
8. Part 3, Section 3.4.4, paragraph 2 of the Constitution be amended by deleting “£154,000” in line 1 and substituting it with “£144,000”
9. Part 3, Section 3.4.4, paragraph 3 of the Constitution be amended by deleting “£50,000” in sub-paragraph (ii) and substituting it with “£100,000”

#### **REPORT DETAIL**

1. The existing CPR have remained largely unchanged since the original adoption of the Constitution. Staff have found them awkward to use as information on any particular value or type of contract is spread throughout the Rules and is not always set out in a logical progression. This has led to many requests for interpretation on the Rules and makes it unnecessarily difficult for staff to follow.
2. While the Rules are intended to strike a proper balance between ensuring probity and due process and enabling contracts to be let, experience has shown that some of the provisions create unnecessary delay for little or no benefit, e.g. requiring most contracts over £154,000 to obtain authorization from full Cabinet before going out to tender.
3. The new CPR differs substantially from the current version by setting out in Schedules, arranged either by value or type of contract, the main steps that are to be undertaken on the letting of a contract rather than setting the stages out at different Rules. This approach has the following advantages.
  - a. There is a clearly laid out procedure in a single place for the type of contract so a member of staff usually just has to refer to the relevant schedule
  - b. There is necessary cross referencing to other Rules that might be relevant
  - c. It removes the excuse that the member of staff didn't “spot” a particular requirement in the main body of the Rules.
  - d. It enables amendments to existing procedures to be easily made and additional procurement procedures to be added on in future without redrawing the whole set of Rules.

Whilst this format is radically different the actual procedure that will be followed is little or no different to that required by the existing CPR.

4. In a few instances changes are proposed to procedures in light of past experience. The aim is still be ensure adequate checks and balances while enabling the speeding up of this process. The main ones are:
  - a. Reduction on the £154,000 limit on full tender process and need for Cabinet Member approval to £144,000 – this change is proposed because the recent revaluation of the European procurement values has resulted in a reduction of the sterling value from £153,376 to £144,459 at which the European procurement requirements take effect. For reasons of simplicity it is recommended that the £154,000 limit is amended accordingly.
  - a. Pre-authorisations – raise the limit which has to be authorised by Cabinet from £154,000 to £5,000,000 with individual Cabinet Members making the decision instead. This is coupled with a revised Rule detailing what issues must be covered in the pre-tender authorisation report.
  - b. Signing contracts – as well as increasing the level at which a contract has to be sealed to £100,00 a further exemption is proposed on consultants contracts so that they are signed regardless of value.
5. There is the need to ensure that the cost of contract procurement is not excessive compared with the value of the contract itself. Requirements for advertising and the preparation of full scale tender documentation rapidly increases costs, both directly and in the time taken for the procurement generally. Also an over-complex progress for a comparatively low value contract will encourage staff to take short cuts. Research with other London Councils shows that the normal point for the tender process to be applied is £25,000 (Havering's current level) so no change is proposed to this limit. However it is recommended that advertising of contracts becomes optional below £144,000 (currently £75,000)

Currently the requirements for written quotations and specified current criteria commence at £1,500. It is recommended that this is raised to £5,000 but with the requirement for 2 oral quotations for general purchases above £1,000.

6. The rule on variation of contacts in the current CPR has been found wanting and the new rule has been expanded to clearly set out the requirements which must be met in the process. New rules on early authorization approval to regularise contracts commencing before completion of documentation, and framework contracts have been introduced. It is also necessary to amend a number of other provisions in the Constitution which directly relate to various provisions in the CPR. These are set out in full in the recommendations.

## **Financial Implications and risk**

There is a need for a regular review of all Council processes to ensure that they are concurrent with legislation as well as being compatible with the way the Council operates. This review of the Council's Contract Procedure Rules (CPR) is required as there has been no fundamental overhaul since 2002, and a number of changes have

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occurred since that time. Given the need to maintain the CPR, it is proposed that an annual review should be instigated. This would be carried out by officers from legal and procurement in consultation with the Council's Strategic Procurement Steering Group.

The main elements of the proposed changes are set out in the body of the report. Officers within Financial Services have been consulted on the changes throughout their development and their comments are reflected in them. The new rules are designed to facilitate the way the Council does business and to reflect the changing procurement environment, with an increasing involvement in collaborative purchasing and the use of electronic media.

There are no direct financial implications resulting from the changes, as any expenditure incurred on contracts let in accordance with the Rules will require appropriate budgetary provision as at present. The proposed changes will need to be properly communicated to the relevant staff. This will ensure that the risks arising from the implementation of the new Rules are minimised.

### **Legal Implications and risk**

The CPR set the framework for controlling the procurement process. Compliance with them should enable the Council to successfully procure goods and services whilst ensuring probity and compliance with relevant competition legislation.

### **Human Resource Implications and risk**

There are no direct implications.

**STEPHEN EVANS**  
**Chief Executive**

**Contact: Ian Burns**  
**Telephone: 01708 432465**

### **Background Papers**

Comments from other Council departments on draft revisions

# Contracts Procedure Rules

## 1 Introduction

### (a) Purpose

The purpose of these rules is to ensure that all Council contracts are awarded:

- in compliance with all relevant United Kingdom and European legislation including best value and EC procurement legislation
- to ensure probity
- to ensure value for money is obtained
- to maximise competition wherever possible
- in accordance with best practice
- to ensure a fair and transparent process
- in a way which demonstrates an audit trail with evidence that there was a fair process and value for money was obtained.

### (b) Requirements

(i) All contracts shall be awarded in accordance with these rules and the Financial Procedure Rules which are compulsory and with the relevant provisions of the Council's Procurement Framework. A contract is any order or purchase of goods, services or works.

(ii) All contracts shall be awarded in accordance with all relevant United Kingdom and European legislation including best value and European procurement legislation.

(iii) No contract may be awarded unless there is sufficient budget available for the services or works being procured and appropriate delegated authority to award the contract.

(iv) The person awarding the contract shall have a duty to ensure and demonstrate that the best value is obtained, having regard to the appropriate balance between quality and price.

(v) Group Directors and Heads of Service are responsible for ensuring that:

- contracts are awarded in accordance with these Rules
- all persons responsible for awarding contracts are familiar with the Council's Procurement Framework, familiarise themselves with its contents and attend relevant Council training as appropriate.
- all contracts over £25,000 are recorded on the Contracts Register
- all contracts over £50,000 shall have a nominated Contract Monitoring Officer

## 2 Contract Procedure

All contracts shall be let in accordance with the relevant procedure as set out in Schedules A to J based on the value of the contract

**3 . Calculating the value of a contract**

In calculating the value of the contract for the purposes of the competition requirement:

- (i) values are total lifetime contract values not annual values
- (ii) values exclude VAT
- (iii) values are to be aggregated – for example, if there is a recurring need on an annual basis for supplies
- (iv) An estimate shall be made of the total purchasing requirement/whole life costing/financial implications – for example, including ongoing maintenance and support costs. **If there are variables which result in the estimate being a range of figures rather than a single figure, then the highest figure in the range will be the value of the contract for the purposes of these Rules.**
- (v) The valuation shall include the value of possible contract extensions and possible additional options.
- (vi) **Where a contract is of indeterminate length the value of the contract shall be assessed on the basis of the maximum anticipated length of the contract.**
- (vi) **It is a breach of these Rules to deliberately divide up contracts to evade the need to follow a more complex/lengthy procurement procedure or evade the requirements of European or UK legislative requirements.**

**4 European procurement requirements**

**(a) Thresholds**

European procurement legislation **shall** be complied with for all contracts above the following thresholds:

Type of contract	Threshold
Services	£144,459
Supplies	£136,844
Works	£3,611,474

These thresholds will be revised every two years. The next revision will be January 2008.

**(b) Procurement procedures**

The relevant procedures set out in the **Schedules to these Rules** and in the Procurement Framework shall be followed for all contracts subject to European procurement rules.

**5 Legal and procurement support**



(a) **Consulting Procurement and Partnership Development Unit**

The Procurement and Partnership Development Unit shall be advised at the outset on all contracts for a value of more than £25,000 and the advice of the Unit must be sought to confirm that there are not existing contracts for similar goods or services in order to ensure that the European thresholds are not inadvertently breached.

(b) **Notifying Assistant Chief Executive Legal & Democratic Services**

The Assistant Chief Executive Legal & Democratic Services shall be notified at the outset of all proposed contracts with a value of more than £144,000 in order to advise on applicability of EU rules, TUPE, best value and any other legislative requirements and to nominate a legal representative to the project team.

**6 Requirements in relation to TUPE**

Where a contract award for services may result in Council or contractor staff being affected – for example, by possible redundancy, relocation or transfer to the successful tenderer – the advice of the Head of Exchequer Services (re pensions), Assistant Chief Executive Human Resources and the Assistant Chief Executive Legal & Democratic Services **must** be obtained before commencement of the tender process. Details must be included in the pre-tender report to members referred to in rule 7.

**7 Pre-tender report**

(a) All contracts with a value of more than £144,000 must be reported to (a) the appropriate individual Cabinet member for approval at the pre-tender stage for those contracts over £144,000 and up to £5,000,000 (b) to Cabinet for those contracts of £5,000,000 and over. In addition to using the Council's standard report templates, the report must set out:

- the likely total cost and budget provision
- the appropriate European procurement route
- the proposed tendering strategy and timetable
- the project team
- a summary of best value issues and any service improvement requirements
- application of TUPE.
- project risk assessment

(b) Contracts within the terms of reference of the Investment Committee may be dealt with by that committee.

**8 Tender process**

(a) **Invitation to tender**

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(i) All tender processes shall be conducted in accordance with the requirements of these Rules, the Financial Procedure Rules, European procurement rules (if applicable), the Procurement Framework.

(ii) The Invitation to Tender for all contracts over £25,000 shall include the following information:

- a description of the services, supplies or works sought
- the procurement timetable
- rules for submitting tenders
- pricing mechanism
- the Council's terms and conditions of contract
- the evaluation criteria including weightings
- the Council's view on the applicability of TUPE
- Any other information necessary to prepare tenders

(iii) Where the list of potential tenderers exceeds 8 the relevant Head of Service may reduce the number to whom tender documentation is sent to 8 provided that fair, appropriate and consistent evaluation criteria are used to assess which potential tenderers should be excluded and that the process is fully documented

### **(b) Evaluation criteria**

The award of all contracts shall be based on fair and appropriate evaluation criteria in accordance with the Procurement Framework and the European procurement rules (if applicable). Full and complete written records of the evaluation process must be maintained.

### **(c) Number of Tenders/Quotes**

The minimum number of three tenders or quotes to be sought shall be as set out in the relevant Schedule unless these Rules or the Assistant Chief Executive Legal & Democratic Services approves otherwise.

### **(d) Award**

(i) The tender or quotation accepted shall be the one which represents the best value for money for the Council overall, taking account of price, quality of service, risk to the Council and other benefits, as set out in the evaluation criteria chosen for the tender and as described in the Procurement Framework

(ii) For all contracts to which EU procurement rules apply all tenderers must be notified of:

- The evaluation criteria
- Their score using the criteria
- The winning score
- The identity of the winner of the contract

(iii) For all other contracts with a value in excess of £5,000 all tenderers must be notified of:

- Their score in the evaluation
- The winning score

## **9 Procedure for submission and opening of tenders**

### **(a) Submitting tenders**

Every invitation to tender (or negotiate) document shall state that no tender will be considered unless it is returned in plain, sealed packaging which bears the word "tender" followed by the contract name, reference number, if applicable, and closing

## **Governance Committee, 1 February 2006**

date and time. The instructions shall clearly indicate that there must be no name or mark indicating the tenderer's identity.

### **(b) Returning tenders**

(i) All tenders with a likely value of more than £25,000 must be returned to the Procurement & Partnership Development Unit, Mercury House. Other tenders should be returned to the responsible **Head of Service**.

(ii) Tenders shall be delivered to the place and by the time stated. Late tenders shall not be considered **without the written approval of the Assistant Chief Executive Legal & Democratic Services which must set out the justification for the decision.**

### **(c) Opening tenders**

(i) Tenders shall be kept secure and unopened until formal opening.

(ii) **All tenders for a particular contract** shall be opened together at one time, in the presence of at least two members of staff **not previously involved in the tender process**. Where tenders are likely to have a value of more than £25,000, the two members of staff must consist of one representative of the Procurement & Partnership Development Unit and one representative of the **relevant Service**. Where tenders are likely to have a value of less than £25,000, the two members of staff must consist of one representative of the relevant **Group** Director and one representative of the relevant Service.

(iii) The details of the tenders and the tenderers shall be recorded by the staff opening the tenders on the pro forma in the Procurement Framework at Appendix A. Copies shall be sent to (or retained by)

- the relevant department
- the Assistant Chief Executive Legal & Democratic Services
- the Procurement & Partnership Development Unit.
- **Internal Audit**
- **Surveying Services (construction contracts only)**

## **10 Conduct of negotiations**

(a) All negotiations shall be conducted in accordance with European procurement rules, if applicable.

(b) The Assistant Chief Executive Legal & Democratic Services and the **Group Director Finance & Commercial** shall be **advised of** all contracts in excess of **£144,000 that require negotiation** before negotiations commence.

(c) Negotiations shall be conducted by **at least** two senior members of staff, at least one of whom shall be either a Head of Service or an **Group** Director. The relevant **Group** Director is responsible for the negotiations. **If the value of the contract exceeds £1,000,000 then a senior member of the Assistant Chief Executive Legal & Democratic Services' staff should also be present at the negotiations.**

(d) Negotiations **must** be conducted, and **full and** proper records shall be kept, in accordance with the relevant section of the Procurement Framework

## **11 Award of contracts in-house**

(i) Where there is an in-house team capable of performing services may be invited to bid if such a bid is in accordance with the Procurement Strategy.

(ii) An award may be made to an in-house team after competition, provided that:

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- the in-house team has been evaluated as the most economically advantageous tender in accordance with the requirements set out in the Procurement Framework
- the person awarding the contract can demonstrate that the in-house team represents the best value tender in terms of quality and price.

**12 Post Tender Reports**

**(a) Pre-award report**

(i) All contracts with a value of more than £144,000 and up to £500,000 except for contracts falling within the category set out in (ii) below, must be reported to an individual Cabinet Member for approval pre-award after the final evaluation of tenders by the evaluation team for award purposes.

Contracts with a value of more than £500,000 except for contracts falling within the category set out in (ii) below, must be reported to Cabinet for approval pre-award.

The report shall set out the details of all stages of the evaluation process and criteria, risk assessment and risk allocation, the results, and a recommendation as to the proposed award of the contract.

(ii) The category of contract referred to in (i) above is:

- works contracts in respect of the Council's housing revenue account assets, where the contract must be reported to Cabinet for approval pre-award only where the total contract value is above £1,000,000
- works contracts in respect of all other Council buildings and assets, where the contract must be reported to Cabinet for approval pre-award only where the total contract value is above £750,000

**(b) Post-award report**

Where the following categories of contracts are awarded by Group Directors or Heads of Service (as provided for in the constitution Part 3, Sections 3.3 and 3.4), they shall be reported to members via the Head of Service pack:

- works contracts in respect of the Council's housing revenue account assets where the total contract value is between £50,000 and £1,000,000
- works contracts in respect of all other Council buildings and assets where the total contract value is between £50,000 and £750,000.
- All other contracts where the total contract value is between £50,000 and £154,000

**(c) Investment Committee**

Contracts within the terms of reference of the Investment Committee may be dealt with by that Committee.

13 **Council standard terms of contract**

(a) **General**

(i) Unless the Assistant Chief Executive Legal & Democratic Services approves otherwise, all Council contracts with a value in excess of £2,500 shall be on the Council approved standard terms and conditions for that type of contract.

(ii) All Council contracts where the Council approved standard terms and conditions are not appropriate **must** be awarded on the basis of a written specification of the Council's requirements on contract terms and conditions approved by the Assistant Chief Executive Legal & Democratic Services in advance.

(b) **Written requirements**

contracts above £25,000 shall include details of:

- (i) what is to be provided, (description, quality and quantity where relevant) and when
- (ii) payment provisions (amount and timing)
- (iii) the Council's standard conditions in relation to the following matters:
  - the time scale within which the contract is to be performed
  - no sub-contracting or assignment without prior consent
  - sub-contractors to be appointed in accordance with these rules
  - sub-contractors to be paid within 30 days
  - the Council's insurance requirements
  - the Council's health and safety requirements
  - the Council's data protection and Freedom of Information requirements
  - the Council's equalities requirements
  - a right of access to relevant documentation, data and records of the contractor for monitoring and audit purposes
  - a right of termination for the Council
  - a requirement for security for performance – for example, a bond, guarantee or retention sum
  - quality assurance requirements and consequences
  - implementation
  - Performance monitoring requirements.
  - Best value requirements
  - the Council's standard prevention of corruption clause
  - TUPE requirements.

(c) **Contracts for construction works**

All Council contracts for construction works with a total value of more than £10,000 shall be awarded on the basis of a written specification of the Council's requirements and the current conditions of either:

- (i) the relevant standard form of JCT, or
- (ii) the standard form of ICE , or
- (iii) the standard form of PPC 2000

whichever is appropriate.

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### **14 British or other applicable European standards**

All contract specifications shall include reference to appropriate British or European standards where such standards are current and appropriate.

### **15 Early Authorisation Approval**

In the event that there is a need for a contract to commence prior to the completion of the formal contract documentation then a Group Director after consultation with the Assistant Chief Executive Legal & Democratic may authorise the issuing of an Early Authorisation Approval to the contractor. The Early Authorisation Approval shall include the following information:

- Work to be undertaken
- Terms & conditions (this can be by reference to other documents)
- Subject to completion of formal contract

### **16 Execution of contracts**

#### **(a) Contracts over £100,000 to be sealed**

Contracts with a total value of more than £100,000 shall be executed under seal in accordance with Council Procedure Rule 27 unless the Assistant Chief Executive Legal & Democratic Services approves otherwise. The Legal Document Execution Form must be duly completed by or on behalf of the relevant Head of Service prior to the contract being submitted for sealing.

#### **(b) Contracts under £100,000**

(i) Unless the Assistant Chief Executive Legal & Democratic Services approves otherwise, contracts with a total value of less than £100,000 shall be executed by the signature of the duly authorised Head of Service, Group Director or Chief Executive, as appropriate, in accordance with the functions delegated to staff under section 3 of Part 3 of this constitution.

(ii) Contracts with a total value of less than £100,000 may be executed under seal where the Head of Service or Group Director and the Assistant Chief Executive Legal & Democratic Services deems this appropriate: for example, where the Council may wish to enforce the contract for more than six years after its end.

#### **(c) Exceptions**

(i) Contracts for the provision of personal social services to an individual (eg residential care) and educational placements may be signed by the relevant approved officer as formally designated by the Group Director or Head of Service and lodged with the Assistant Chief Executive Legal & Democratic Services) provided that the annual value of the contract does not exceed £100,000. If it will exceed £100,000 then the contract must be signed by the Assistant Chief Executive Legal & Democratic Services

(ii) Contracts for consultancy services and specialist advice (other than those that form part of a larger contract or project) may be signed by the relevant Group Director or Head of Service provided that the total value of the contract does not exceed £200,000. If it will exceed £200,000 then the contract must be signed by the Assistant Chief Executive Legal & Democratic Services

### **17 Records to be kept**

#### **(a) Retaining relevant documents**

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(i) The **Group** Director shall be responsible for ensuring that there is a secure system of filing and storing all tender process documentation.

(ii) All written records in relation to the award of contracts and the tender process, including supporting documentation, shall be maintained securely and safely by **the Group Director** in a properly identifiable filing system to be available for inspection by the Council's internal and external auditors, or other authorised member of staff, immediately upon request.

(iii) All written records shall be maintained as follows:

- **for contracts with a value between £5,000 and £50,000: three years after end of the contract**
- for contracts with a value between **£50,000 and £100,000**: six years after the **end** of the contract.
- **For all sealed contracts and contracts with a value over £100,000: twelve years after the end of the contract**

(iv) The sealed original contract documents shall be retained by the Assistant Chief Executive Legal & Democratic Services in the Council's deeds' room for twelve years after **end** of the contract.

### **(b) Retaining copies of contracts**

Once executed the Council shall retain one original of the complete contract documents, and one copy of the complete contract document shall be provided to the contractor. Where the contract is under seal, one original copy of the contract documents shall be retained in the Council's deeds room and one copy shall be retained by the person awarding the contract, as well as one copy being provided to the contractor.

### **(c) Documents to be retained**

(i) The complete original set of the contract documents shall be retained including:

- the contract conditions
  - specification
  - **evaluation criteria**
  - **invitation to tender**
  - pricing schedule
  - contractor's tender submission
  - **any pre-tender correspondence which affects the specification, pricing schedule or contract conditions**
  - any post tender correspondence
  - the award letter, and
  - **all documentation of all variations and extensions of the contract**

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(ii) Where an exception to the competition financial thresholds applies, the following documents shall also be retained:

- the Competition Financial Thresholds Exceptions Approval Form signed by the **Group Director Finance & Commercial** and the **Group** Director
- the contract and correspondence with the contractor
- any evidence of how value for money was obtained – for example, alternative written or oral quotes.

(iii) A complete check list of documents to be retained is included in the Procurement Framework at section E20. It is mandatory to retain all the documents listed if they formed part of the process.

### **18 Contracts database**

#### **(a) Responsibility to maintain central register**

The Procurement and Partnership Development Unit shall maintain a central register of all Council contracts with a value of more than £25,000.

#### **(b) Responsibility to notify contract to central register**

The person awarding the contract shall notify the Procurement and Partnership Development Unit of the details of the contract by completing and e-mailing the pro forma set out in the Procurement Framework.

### **19 Prevention of corruption**

#### **(a) General standards of conduct**

All persons involved in the award of contracts shall comply with Council guidance on conduct of staff [and with the Staff Code of Conduct when issued by the Secretary of State] and shall not invite or accept any gift or reward or inducement which could influence them in any way in relation to the award or monitoring of any Council contract.

High standards of ethical conduct are mandatory. **Staff shall take steps to ensure that their behaviour could not lead to accusations of corruption.** Corrupt behaviour is a criminal offence and will lead to criminal investigation **and if** proven, dismissal and a criminal record.

#### **(b) Declaring an interest**

Any person who has a pecuniary or other interest in any actual or potential Council contract must declare it in writing to the relevant **Group** Director. All hospitality, gifts or other inducements received shall be recorded in the hospitality register held by the relevant **Group** Director.

### **20 Best value requirements**

All persons awarding contracts for services shall ensure that they can demonstrate that they have complied with the legislative requirements **for best value**. In addition to the requirements for the report to members set out in rules 7 & 12, the contract award report shall set out:

- how the legal duty to challenge, consult, compare and compete has been met



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- how the contract award will meet the Council's statutory duty of economy, efficiency and effectiveness (i.e. best value)
- how continuous improvements in service provision will be maintained and monitored.

### 21 **Council corporate contracts, and select lists**

#### (a) **Setting up corporate contracts**

Group Directors with the agreement of the Group Director, Finance & Commerce may set up corporate contracts for goods services, supplies or works. These shall be advertised and competitively tendered in accordance with the Council's competition and selection procedures set out in these rules and the Procurement Framework.

#### (b) **Setting up select lists**

Group Directors may set up select lists of suitably qualified and cost effective providers for services, supplies or works. The method of creating the select list shall be agreed with the Assistant Chief Executive Legal & Democratic Services and approved by the Cabinet Member, Finance. Individual contracts for such services, supplies or works may then be tendered to just the providers on the relevant select list provided that the value of the contract is less than the relevant threshold set out in Rule 4(a) above

#### (c) **Using corporate contracts and select lists**

Where an appropriate corporate contract or select list is in place this shall be used wherever appropriate. The Group Director responsible for the corporate contract or select list shall issue guidance as to its use, after consultation with the Assistant Chief Executive Legal & Democratic Services and the Procurement and Partnership Development Unit.

#### (d) **Reviewing corporate contracts and select lists**

Any corporate contract or select list shall be reviewed regularly and shall be re-advertised and (for corporate contracts) re-tendered at least once every five years. If this Rule is not complied with the relevant select list shall cease to be valid

#### (d) **Setting up approved lists**

Group Directors may maintain approved lists of potential providers of services, supplies and works for contracts in Schedules A, B & C. These providers will not have been competitively tendered and use of providers on these lists is subject to the normal Council competitive tendering requirements set out in these Rules and the Procurement Framework.

#### (e) **Constructionline**

Instead of maintaining separate approved lists of suitable contractors the Head of Technical Services may use lists provided by Constructionline for the formation of a shortlist of potential tenderers for all construction contracts for buildings and roads maintained by the Council.

### 22 **Contract extensions and variations**

#### (a) **Variations (non-construction work)**

Contract variations (ie alteration to the terms of the contract which do not alter the length of it) are permissible provided that the following points and complied with:

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- The variation must be in writing and the document will be completed (ie signed or sealed) in the same manner as the original contract unless otherwise provided for within the original contract.
- It must clearly set out which provisions in the original contract are being varied, the replacement provision and the date that the variation takes effect.
- Variations which are to be met from existing budget provisions may be agreed by Group Directors or Heads of Service.
- Variations which do increase expenditure must have funding secured + compliance with the procedures set out in paragraph 18(d) of the Financial Procedure Rules. Such variations will need to be agreed by a Form A Executive Decision.

**(b) Variations (construction work)**

Contract variations to construction contracts which alter the detailed design, method of construction, materials used, extent of the works or the timing of the works are permissible provided that:

- The variation is in writing and authorised in accordance with the variation provisions set out in the contract
- It can either be met from existing budget provisions or, if additional funding is required, that authority for the increased budget is obtained first

**(c) Extensions**

(i) Extensions to the duration of existing contracts are generally not permitted except where all of the conditions set out in column A below are met AND at least one of the conditions set out in column B is met:

<b>Column A</b> <b>ALL of these conditions must be met</b>	<b>Column B</b> <b>AT LEAST one of these conditions must be met</b>
Value for money can be demonstrated	Rule 18(d) of the Financial Procedure Rules set out in Part 4 of this constitution is complied with
The extension is for a lesser value and period than the original contract	The possibility of an extension was included in the invitation to tender documents
For an extension with a value in excess of £500,000, there is a report to Cabinet  For an extension with a value in excess of £154,000 and under - £500,000 approval of an individual Cabinet member is required	Where applicable, the Assistant Chief Executive Legal & Democratic Services confirms in writing that one of the permissible grounds for extension under European procurement rules applies
	One of the exceptions set out in rule 4 above applies

- (ii) The extension document will be completed (ie signed or sealed) in the same manner as the original contract except in the case of construction contracts where the extension will be authorised in accordance with the relevant provisions set out in the contract

**23 Non-commercial considerations**

**(a) Considerations to be excluded**

Subject to rule 23(b), no part of the tender process, evaluation, contract award or contract or specification documents shall be based on:

- (i) the terms and conditions and composition of the contractor's workforce
- (ii) whether subcontractors are self-employed
- (iii) the contractor's involvement in irrelevant areas of government policy
- (iv) the contractor or contractor's employees' involvement in industrial disputes
- (v) the contractor's business locations – for example, to buy local or buy British
- (vi) any political, industrial or sectarian links or interest of the contractors, its directors or owners, or employees
- (vii) the contractor's financial support (or lack of it) to any organisation which the Council does or does not support.

**(b) Considerations which may be included for contracts for services subject to best value legislation**

Contracts for services which are subject to best value legislation may base any part of the tender process, evaluation, contract award or contract or specification documents on:

- the terms and conditions and composition of the contractor's workforce, and/or
- the conduct of contractors or their workers in industrial disputes between them provided that such matters are included either because:
  - (i) TUPE applies, or
  - (ii) it is reasonably necessary or expedient to permit or facilitate compliance with the best value requirements of the Local Government Act 1999

**24 Appointment of consultants**

- (a) The appointment of consultants is a contract for services and is therefore covered by these Rules as well as subject to the Financial Procedure Rules and the Procurement Framework.
- (b) Consultants may be appointed only if the appropriate **Group** Director is satisfied that the tasks required cannot be carried out adequately in-house – for example, due to lack of internal resources or expertise, **specialist knowledge, independence and urgency**.
- (c) **The Consultant's contract must include provisions identifying who (normally it should be the Council) owns the intellectual property rights to any documentation, report, design or other work produced by the consultant and, if the Council is not to be the owner of those rights, the licensing terms for the use of the rights.**

- (d) A consultant who provides advice or expertise to the Council on the nature, scope, extent or terms of a project /another contract shall not be permitted to bid, either alone or with others, for that project/other contract and the consultant's contract shall include provisions to ensure compliance with this Rule.

**25 Framework Contracts**

(a) A Framework Contract is one where there is an main contract for the supply of goods or services which sets out the overall period of the contract and the terms and conditions on which the goods or services will be purchased, but does not commit the Council to purchase any goods or services from that supplier. Any subsequent purchase contracts for those goods or services from that supplier will be made under that main Framework Contract.

(b) The main Framework Contract shall be let in accordance with the requirements of these Rules using the procedure set out in Schedules E, F, G or H as appropriate

(c) Once the Framework Contract is operative all subsequent purchases under the Framework shall either not require further competition or, if there are 2 or more suppliers for those goods or services on Framework Contracts, the competition shall be by simple written quotations by those suppliers on the price payable for the goods or services

(d) Government Framework Contracts (eg G-CAT and S-CAT contracts)

Where the proposed contract is one for which the Office of Government Commerce (OGC) on behalf of the public sector has undertaken a competitive tendering exercise which fulfils EU Procurement Requirements and set out the terms and conditions on which such a contract is to be let **and** where the Council is seeking tenders only from those suppliers accredited to that OGC tender and is to use the agreed OGC terms and conditions then the tender process shall be as set out in Schedule I

**26 Exceptions**

(a) **General Exceptions to Rules**

No exception to these Rules shall be permitted except upon approval by an individual Cabinet member using an executive decision Form A **or by some other provision in this Rule**. The report shall set out the background, **the rule being waived**, the reasons the waiver is required, how value for money will be demonstrated, any legal or financial risks or implications and shall be approved by the Assistant Chief Executive Legal & Democratic Services and the **Group** Director Finance & **Commercial**

(b) **Exceptions to competitive requirements**

Exceptions to the competition requirements **set out in Schedules A to J apply** may be made only if **all** relevant law is complied with e.g. European procurement and best value legislation and:

(i) *Either:*

the contract falls within one of the exceptions listed in this Rule, and

the Competition Financial Thresholds Exceptions Form (set out in the Procurement Framework at section C2), is fully and properly completed and signed by the relevant **Group** Director, and

the person awarding the contract can demonstrate that the contract represents the best value that can be obtained in the circumstances.

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Or:

- (ii) an individual Cabinet member has approved the waiving of the application of these rules, as permitted by Rule (a) above.
- (iii) the contract is solely for the employment of agency staff or interim managers (but not consultants)
- (iv) joint purchasing with or through another public body provided that the public body awarding the contract can demonstrate that the arrangements comply with European procurement, best value and other applicable legislation.
- (v) The instructing of counsel by the Assistant Chief Executive, Legal & Democratic Services
- (vi) they are allowed by some other specific provision in these Rules

The exceptions are:

- (i) **Genuine emergency**  
Unforeseen events likely to cause immediate danger to people or property such as bombing or flooding.
- (ii) **Specialist services/supplies**  
Available only from one supplier – for example, specialist niche consultants or supplies.
- (iii) **For reasons of compatibility**  
With existing services/products – for example, equipment that needs parts from its own manufacturer.
- (iv) **Urgency NOT of the Council's own making**  
The urgency must be unforeseen – for example, a current supplier ceases to operate, or a contract is terminated for poor performance. Urgency caused by previous delay by the Council or a requirement to implement a strategy or project urgently **will not** justify an exception to the financial thresholds.
- (v) **Exceptions permitted under European procurement rules**  
Where the contract is subject to the full application of the European procurement rules and there are specific exceptions which shall be complied with.

### (c) **Emergency Action**

The Chief Executive or a Group Director personally may authorise a waiver of any of these Rules if they consider that the circumstances are such that such a waiver is necessary and desirable to further the aims of the Council or for the benefit of the residents of the borough. Such a waiver and the reasons for it shall be fully documented and, if reasonably possible, before giving the authorisation the Chief Executive or the Group Director shall consult with the Group Director, Finance & Commerce and the Assistant Chief Executive, Legal & Democratic Services and may consult with the relevant Cabinet Member.

**SCHEDULES**

**Schedule A - Contracts under £5000**

a) Advertising – none required

b) Quotes & contract award

<u>Value</u>	<u>Number of quotes</u>	<u>Contract awarded by</u>
Less than £1000	One quote	Council staff member authorised by Head of Service
£1000 to £4999	Two quotes – oral or written	Council staff member authorised by Head of Service

c) Award criteria – normally solely price once quality threshold achieved

d) Documentation – wherever possible through the Council's purchasing card system or using the Council's Purchase Order Form incorporating the Council's short form Standard Terms of Purchase on the reverse.

e) Retain documents – all documentation to be retained for 3 years or the life of the contract whichever is the longer

f) Also check compliance with Rules 19, 20 & 23

**Schedule B - Contracts between £5000 and £49,999**

a) Advertising – none required

b) Quotes & contract award – 3 written quotes sought, contract awarded by 3rd or 4th tier manager or staff member authorised by Head of Service

c) Award criteria – compliance with specification and price

d) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall be placed using the Council's Purchase Order Form incorporating the Council's short form Standard Terms of Purchase on the reverse

e) Retain documents – all documentation to be retained for 3 years after the end of the contract

f) Also check compliance with Rules 19, 20 & 23

**Schedule C - Contracts between £50,000 and £99,999**

b) Advertising – none required

b) Process & contract award – Mini tender – one stage

- competitive tender against written specification of requirements
- minimum of three written tenders sought

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- contract awarded by 3rd or 4th tier manager or staff member authorised by Head of Service and financial representative of Executive Director Finance & Planning

c) Award criteria – compliance with the specification and price

d) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall have a written specification of the Council's requirements and the standard terms and conditions listed below:

(i) For supplies: the short form Standard Terms of Purchase as set on the reverse of the Council Purchase Order Form

(ii) For services: the Council's Standard Terms and Conditions for Services

Contract to be signed by the duly authorised Head of Service, Executive Director or Chief Executive, as appropriate or staff member authorised by the Head of Service

e) Retain documents – all documentation to be retained for 6 years after the end of the contract

f) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

**Schedule D - Contract between £100,000 and £143,999**

a) Advertising –it shall only be advertised if it is considered that it is necessary to obtain sufficient tenderers the contract. A minimum of 10 working days shall be allowed for interested providers to express interest in tendering for the contract

b) Process & contract award – Full tender – two stages

- competitive tender against written specification of requirements
- a minimum of 10 working days shall be allowed for tenders
- minimum of three written tenders sought
- contract awarded by Executive Director on report from 3rd or 4th tier manager or staff member authorised by Head of Service and financial representative of Executive Director Finance & Planning

b) Award criteria – compliance with the specification and price

d) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall have a written specification of the Council's requirements and the standard terms and conditions listed below:

(i) For supplies: the Council's Standard Terms and Conditions for Supplies

(ii) For services: the Council's Standard Terms and Conditions for Services

Contract to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.

e) Retain documents – all documentation to be retained in accordance with Rule 17

f) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23



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**Schedule E - Contract between £144,000 and £500,000** which is **not** subject to European procurement legislation advertising requirements (i.e. Part B services or works less than £3,860,000)

- a) Pre tender Report – report to the appropriate individual Cabinet member for approval unless an exception applies – see Rule 26
- b) Advertising –it shall be advertised in either the local press, specialist trade press, or national press as appropriate to the contract. A minimum of 10 working days shall be allowed for interested providers to express interest in tendering for the contract
- c) Process– Full tender –2 stages
  - Selection of potential tenderers from those who express interest as a result of the initial advert
  - competitive tender against written specification of requirements
  - a minimum of 10 working days shall be allowed for tenders
  - minimum of three written tenders sought
  - contract assessed by a project team reporting to Head of Service and including appropriate specialists e.g. legal, finance, procurement, health and safety
- d) Pre – award Report – there must be a report to an individual Cabinet Member for approval pre-award after the final evaluation of tenders by the evaluation team unless an exception applies – see Rule 26
- e) Contract award - contract awarded by Group Director following Cabinet Member approval as appropriate (See Part 3 Section 2) Group Director has authority to award above £144,000 without prior Cabinet member approval in certain circumstances (See *Part 3, Section 2 paragraph 19 i.e. works contracts to £500,00 and £1,000,000 in cases of Housing Revenue*)
- f) Award criteria – compliance with the evaluation criteria (primarily specification & price) agreed prior to the dispatch of tender documentation
- g) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall have a written specification of the Council's requirements and the standard terms and conditions listed below:
  - (i) For supplies: the Council's Standard Terms and Conditions for Supplies
  - (ii) For services: the Council's Standard Terms and Conditions for ServicesContract to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.
- h) Retain documents – all documentation to be retained in accordance with Rule 17
  - i) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

**Schedule F - Contract between £144,000 and £500,000** which **is** subject to European procurement legislation advertising requirements (i.e. contracts for supplies, EU Part A services)

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- a) Pre tender Report – report to the appropriate individual Cabinet member for approval unless an exception applies – see Rule 26
- b) Advertising – it shall be advertised in the Official Journal of the European Community. A minimum of 37 days shall be provided for expressions of interest in accordance with EU procurement legislation, except where the legislative requirements permit a shorter time scale. In addition there shall be at least 1 advertisement in either the specialist trade, local or national press, if appropriate to the contract.
- c) Process– Full EU advertised competitive tender process
- competitive tender against written specification of requirements
  - a minimum of 40 calendar days shall be allowed for tenders
  - minimum of three written tenders sought
  - contract assessed by a project team reporting to Head of Service and including appropriate specialists e.g. legal, finance, procurement, health and safety
- d) Pre – award Report – there must be a report to an individual Cabinet Member for approval pre-award after the final evaluation of tenders by the evaluation team unless an exception applies – see Rule 26.
- e) Contract award - contract awarded by Group Director following Cabinet Member approval as appropriate (See Part 3 Section 2)
- f) Award criteria – compliance with the evaluation criteria (primarily specification & price) agreed prior to the dispatch of tender documentation
- g) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall have a written specification of the Council's requirements and the standard terms and conditions listed below:
- (i) For supplies: the Council's Standard Terms and Conditions for Supplies
  - (ii) For services: the Council's Standard Terms and Conditions for Services
- Contract to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.
- h) Retain documents – all documentation to be retained in accordance with Rule 17
- i) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

**Schedule G - Contract above £500,000** which is **not** subject to European procurement legislation advertising requirements (i.e. Part B services or works less than £3,860,000)

- a) Pre tender Report – report to Cabinet member (if less than £5,000,000) or Cabinet (if over £5,000,000) for approval unless an exception applies
- b) Advertising – it shall be advertised in either the local press, specialist trade press, or national press as appropriate to the contract. A minimum of 10 working days shall be allowed for interested providers to express interest in tendering for the contract
- c) Process– Full tender – 2 stages
- competitive tender against written specification of requirements

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- a minimum of 10 working days shall be allowed for tenders
  - three tenders sought
  - contract assessed by a project team reporting to Head of Service and including appropriate specialists e.g. legal, finance, procurement, health and safety
- d) Pre – award Report – there must be a report to Cabinet for approval pre-award after the final evaluation of tenders by the evaluation team unless an exception applies.
- e) Contract award - contract awarded by Cabinet. (Executive Director has authority to award above £154,000 in certain circumstances (See Part 3, Section 2 paragraph 19 i.e. works contracts to £500,00 and £1,000,000 in cases of Housing Revenue))
- f) Award criteria – compliance with the evaluation criteria (primarily specification & price) agreed prior to the dispatch of tender documentation
- g) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall have a written specification of the Council's requirements and the standard terms and conditions listed below:
- (i) For supplies: the Council's Standard Terms and Conditions for Supplies
  - (ii) For services: the Council's Standard Terms and Conditions for Services
- Contract to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.
- h) Retain documents – all documentation to be retained in accordance with Rule 17
- i) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

### **Schedule H - Contract above £500,000** which is subject to European procurement legislation advertising requirements (i.e. contracts for supplies, EU Part A services)

- a) Pre tender Report – report to Cabinet member (if less than £5,000,000) or Cabinet (if over £5,000,000) for approval unless an exception applies
- b) Advertising – it shall be advertised in the Official Journal of the European Community. A minimum of 37 days shall be provided for expressions of interest in accordance with EU procurement legislation, except where the legislative requirements permit a shorter time scale. In addition there shall be at least 1 advertisement in either the specialist trade, local or national press, if appropriate to the contract.
- c) Process– Full EU advertised competitive tender process
- competitive tender against written specification of requirements
  - a minimum of 40 calendar days shall be allowed for tenders
  - three tenders sought
  - contract assessed by a project team reporting to Head of Service and including appropriate specialists e.g. legal, finance, procurement, health and safety
- d) Pre – award Report – there must be a report to Cabinet for approval pre-award after the final evaluation of tenders by the evaluation team unless an exception applies.

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- e) Contract award - contract awarded by Cabinet
  - f) Award criteria – compliance with the evaluation criteria (primarily specification & price) agreed prior to the dispatch of tender documentation
  - g) Documentation - all such contracts (except construction works contracts and those covered by specific exceptions) shall have a written specification of the Council's requirements and the standard terms and conditions listed below:
    - (i) For supplies: the Council's Standard Terms and Conditions for Supplies
    - (ii) For services: the Council's Standard Terms and Conditions for Services
- Contract to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.
- h) Retain documents – all documentation to be retained in accordance with Rule 17
    - i) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

### **Schedule I - Government Framework Contracts**

- a) Pre tender Report (if over £144,000) – report to the appropriate individual Cabinet member (if less than £5,000,000) or Cabinet (if over £5,000,000) for approval unless an exception applies .
  - b) Advertising –it shall be notified to those suppliers accredited by the OGC as having been accepted as part of he OGC tender process. A minimum of 10 working days shall be allowed for interested providers to express interest in tendering for the contract
  - c) Process & contract award – Full tender – two stages
    - competitive tender against written specification of requirements
    - a minimum of 10 working days shall be allowed for tenders
    - three tenders sought
    - if below £144,000 contract awarded by Group Director on report from 3rd or 4th tier manager or staff member authorised by Head of Service and financial representative of Group Director Finance & Commercial
      - if between £144,000 and £500,000 contract awarded by Group Director following Cabinet Member approval as appropriate (See Part 3 Section 2)
      - if above £500,000 contract awarded by Cabinet via a Pre-award Report
  - d) Award criteria – compliance with the evaluation criteria (primarily specification & price) agreed prior to the dispatch of tender documentation
  - e) Documentation - all such contracts shall have a written specification of the Council's requirements and the standard terms and conditions approved by the OGC for that particular contract
- Contracts over £100,000 to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.
- f) Retain documents – all documentation to be retained for in accordance with Rule 17
  - g) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

**Schedule J - Consortia Arrangements (where LBH is not a member)**

- a) Pre-tender Report – report to Cabinet Member or Cabinet (if contract over £5,000,000) for approval to use a consortium. Report to include details of the procurement process used by the consortium and confirmation that Havering's involvement will be within the terms of the consortium and will not breach European procurement requirements in addition to the standard requirements for such reports.
  - b) A minimum of three consortia must be invited to provide quotations for the goods or services
  - c) Award criteria - compliance with the evaluation criteria (primarily specification & price) agreed prior to the dispatch of tender documentation
  - d) Pre – award Report – there must be a report to an individual Cabinet Member (if below £500,000) or to Cabinet for approval pre-award after the final evaluation of tenders by the evaluation team unless an exception applies – see Rule 26.
    - e) Documentation - all such contracts shall have a written specification of the Council's requirements and the standard terms and conditions of the Consortium for that particular contract
- Contracts over £100,000 to be executed under seal in accordance with Council Procedure Rule 27, set out in Part 4 of this constitution. The Legal Document Execution Form must be duly completed.
- f) Retain documents – all documentation to be retained for in accordance with Rule 17
    - g) Also check compliance with Rules 3, 5, 8, 9, 10, 14, 18, 19, 20 & 23

**Governance Committee, 1 February 2006**

