



# Havering

L O N D O N B O R O U G H

## GOVERNANCE COMMITTEE AGENDA

<b>7.30pm</b>	<b>Wednesday 10 March 2010</b>	<b>Havering Town Hall Main Road, Romford</b>
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Members 10: Quorum 4

### COUNCILLORS:

<b>Conservative Group (6)</b>	<b>Residents' Group (2)</b>	<b>Independent Local Residents' Group (1)</b>	<b>Labour Group (1)</b>
Frederick Thompson <b>(C)</b> Gary Adams <b>(VC)</b> Robert Benham Steven Kelly Eric Munday Michael White	Clarence Barrett Gillian Ford	Jeffrey Tucker	Keith Darvill

**For information about the meeting please contact:  
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# **GOVERNANCE COMMITTEE**

## **SUPPLEMENTARY AGENDA**

**10 March 2010**

### **Additional reports**

The following items are now attached:

**8 REVIEW OF THE COUNCIL'S CONSTITUTION**

**8A Part 3: Generic delegations to officers**

**8B Part 4: Staff Employment Procedure Rules**

**8C Part 4: Financial Procedure Rules**

**8D Part 4: Budget Framework Procedure Rules**

**8E Part 4: Policy Framework Procedure Rules**

Cheryl Coppel  
Chief Executive

**Governance Committee, 10 March 2010**

# GOVERNANCE COMMITTEE

# REPORT

10 MARCH 2010

<b>Subject Heading:</b>	AMENDMENTS TO THE CONSTITUTION – Generic delegations to officers
<b>CMT Lead:</b>	Christine Dooley, Assistant Chief Executive/Monitoring Officer
<b>Report Author and contact details:</b>	Ian Buckmaster, Committee Administration Manager 01708 432431 <a href="mailto:ian.buckmaster@havering.gov.uk">ian.buckmaster@havering.gov.uk</a>
<b>Policy context:</b>	The Council's Constitution is being reviewed prior to the introduction of new executive arrangements in May 2010
<b>Financial summary:</b>	There are no direct costs associated with this review

## The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

The delegations to members of the Corporate Management Team and Heads of Service consist of two parts – generic functions that enable them to exercise senior managerial responsibilities in a corporate context, and specific delegations to enable them to manage day-to-day operational activity across the Council's many functions.

This report deals with the generic functions; operational delegations are the subject of a separate report at this meeting.

**RECOMMENDATIONS**

- 1 That the Committee consider the various issues referred to in the report and determine what, if any, changes are to be made to the draft generic delegations to officers.
- 2 That the draft, as (if) amended, be approved as the revised generic delegations to officers.
- 3 That the Committee **RECOMMEND** to Council that the revised generic delegations to officers be adopted.

## **Part 3: 3 Functions delegated to staff**

- 3.1 General provisions and limitations
- 3.2 Powers of Chief Executive
- 3.3 Powers of members of the Corporate Management Team
- 3.4 Powers of Assistant Directors and Heads of Service

### **3.1 GENERAL PROVISIONS AND LIMITATIONS**

- 1 Staff shall exercise powers under this scheme in compliance with:
  - (i) the rules of procedure set out in Part 4 of this constitution
  - (ii) corporate policies and strategies
  - (iii) any additional conditions imposed either by the Council or by statute or any statutory code of practice.
- 2 The exercise by staff of the powers delegated under this constitution involving the incurring of any expenditure is subject to there being sufficient approved provision within the budget to cover that expenditure.
- 3 A staff member exercising a decision-making power delegated under this constitution may consult with the Leader of the Council, with the relevant individual Cabinet member or with the Chairman of the relevant committee, as appropriate, when the staff member considers such consultation necessary or appropriate in light of the decision required.
- 4 A staff member may refer any matter within a delegation or authorisation to them to the Leader of the Council, the Cabinet, the relevant individual Cabinet member or to an appropriate Council committee or sub-committee provided that the matter is within the delegated powers and duties of whom or to which it is referred.
- 5 A member of the Corporate Management Team (CMT), Assistant Directors or a Head of Service may further delegate any of the powers delegated to them under this constitution, in so far as is legally permissible. Any such delegation must be:
  - (i) recorded in writing; and
  - (ii) lodged with the Monitoring Officer who will keep a public record of all such delegations.

Any such delegation will become valid only when these conditions are complied with.

- 6 From time to time the Chief Executive may assign Assistant Directors and Heads of Service to the other members of CMT. Each CMT member shall have all the powers and duties delegated

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to the Assistant Directors and Heads of Service assigned to them, so far as legally permissible.

- 7 The Chief Executive or any other CMT member is authorised to discharge the relevant functions of the Council where:
  - (i) the matter is of minor importance whether urgent or not, and/or
  - (ii) as a matter of urgency in other cases, it is necessary that action should be taken before the date of a meeting of a body in whom the power of decision rests.
- 8 In the following delegations “the relevant Cabinet Member” means the Leader of the Council or another Cabinet Member to whom the Leader has assigned a portfolio or otherwise delegated authority to act in relation to that matter.

### **3.2 POWERS OF CHIEF EXECUTIVE**

- 1 To exercise authority over all other CMT members, Assistant Directors and Heads of Service including allocating CMT portfolios and from time to time assigning Assistant Directors and Heads of Service to particular CMT members.
- 2 To exercise the powers delegated to any member of staff so far as the law allows.
- 3 To carry out the functions of the Council for civil aid and emergency planning and to take any action, including incurring expenditure, in connection with an emergency or a disaster in the borough.
- 4 To undertake those functions assigned under:
  - (i) Part 3, section 4 of this constitution: functions not to be the responsibility of an authority’s Executive
  - (ii) Part 3, section 5 of this constitution: local choice functions.
  - (iii) Part 3, section 6, of this constitution: Proper Officer functions
- 5 To authorise activities under the Regulation of Investigatory Powers Act 2000
- 6 To exercise the following Local Authority Gold resolution approved on 19 April 2006:
  - (i) This resolution is made in accordance with section 138 Local Government Act 1972, section 101 Local Government Act 1972, section 19 Local Government Act 2000, Regulations 7 and 10 Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 and all other

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enabling powers. The resolution has regard to “Emergency Response and Recovery” the non-statutory Guidance issued pursuant to the Civil Contingencies Act 2004.

- (ii) As from the date of this resolution the Council’s functions under section 138(1) Local Government Act 1972 (Powers of principal councils with respect to emergencies or disasters) are delegated to the Council which has appointed the Head of Paid Service as defined in paragraph 3 below in the circumstances set out below.
- (iii) The Head of Paid Service is the person appointed by one of the Councils under section 4 Local Government and Housing Act 1989 who, following the convening of the Strategic Co-ordinating Group (“Gold Command”) to respond to an incident requiring a “Level 2” response (as defined in paragraph 4 below) has agreed to discharge the functions under section 138(1) Local Government Act 1972 (“the functions”) on behalf of the Councils.
- (iv) An emergency requiring a Level 2 response is a single site or wide-area disruptive challenge which requires a co-ordinated response by relevant agencies.
- (v) The functions hereby delegated shall not be exercised until resolutions delegating the functions have been made by all the Councils.
- (vi) The powers hereby delegated to the Council which has appointed the Head of Paid Service shall not include any power to incur expenditure or to make grants or loans to any person unless either:
  - a. the Head of Paid Service has received confirmation from the Minister that expenditure reasonably incurred by the Head of Paid Service in taking immediate action to safeguard life or property or to prevent suffering or severe inconvenience will be reimbursed by HM Government; or
  - b. the Head of Paid Service has received confirmation on behalf of the Council(s) in whose area(s) the incident has occurred that expenditure reasonably incurred by the Head of Paid Service in taking immediate action to safeguard life or property; to prevent suffering or severe inconvenience and to promote community cohesion and a return to normality, will be met by the Council (or the Councils in proportions to be agreed by them).
- (vii) In discharging the functions, the Head of Paid Service shall, insofar as reasonably practicable, consult with and inform any Council whose area is affected by the emergency regarding any action proposed to be taken in that Council’s area



7. To exercise the power on behalf of the Council to consent to a dispersal order under the Anti Social Behaviour Act 2003 and to be a consultee for the purpose of a closure notice under the Anti Social Behaviour Act 2003.

### **3.3 POWERS OF MEMBERS OF THE CORPORATE MANAGEMENT TEAM (other than the Chief Executive: see Part 7 of this constitution, Management Structure)**

Members of the Corporate Management Team (CMT) have delegated authority to act as follows within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1 above.

#### **3.3.1 General powers**

- 1 To take any steps necessary for proper management and administration of allocated portfolios.
- 2 To exercise all the powers delegated to them personally, those powers delegated to relevant Assistant Directors and Heads of Service and other staff members where circumstances require and so far as legally permissible. Exercise of such powers should be recorded where appropriate. Where possible, a CMT member should give notice to a relevant staff member that he or she intends to exercise a specified power that is delegated to that staff member.
- 3 To make arrangements to secure continuous improvement in the way the Council's functions are exercised having regard to a combination of economy, efficiency and effectiveness etc as required by external regulatory agencies.
- 4 To monitor the progress within their Directorates of national and other performance indicators against agreed targets.
- 5 To restructure within existing service budgets and/or if budgetary provision is already made in the budget.
- 6 To authorise activities under the Regulation of Investigatory Powers Act 2000
- 7 Each Group Director shall ensure that the rules of procedure set out in Part 4 of this constitution are observed throughout his or her service.

#### **3.3.2 Human resource powers**

To exercise overall responsibility within their Group Directorate for human resource matters.

### **3.3.3 Financial responsibilities**

- 1 To oversee the delivery of programmes agreed by Council and Cabinet.
- 2 In consultation with the relevant Cabinet Member to apply for, accept and manage external funding up to a limit of £250,000 per grant in support of any function within their Directorate provided that any financial contributions by the Council are made from within existing budgets.
- 3 To authorise the making of ex gratia payments to individuals where the Local Government Ombudsman has recommended that such payment be made in local settlement of a complaint.

### **3.3.4 Contract powers**

- 1 To approve commencement of a tendering process for all contracts above a total contract value of £156,000.
- 2 To award all contracts with a total contract value of between £156,000 and £5,000,000.
- 3 To sign contracts on behalf of the Council which do not require sealing under Part 2, Article 10, paragraph 10.5 of this constitution.

## **3.4 POWERS OF ASSISTANT DIRECTORS AND HEADS OF SERVICE**

Assistant Directors and Heads of Service all have delegated authority to act as follows within the assigned service, subject to the general provisions and limitations set out in section 3.1 above.

### **3.4.1 General powers**

- 1 To take any steps necessary for proper management and administration for their allocated portfolios.
- 2 To exercise all the powers delegated to relevant staff members where circumstances require, so far as legally permissible. Exercise of such powers should be recorded. Where possible, an Assistant Director or Head of Service should give notice to a relevant staff member that he or she intends to exercise a specified power that is delegated to that staff member.
- 3 To manage buildings and facilities under their control including letting, hiring or otherwise permitting the use of such premises and property for occasional purposes and to dispose of obsolete, worn out and surplus stores, equipment and vehicles.
- 4 To be responsible and accountable for all health and safety matters.

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- 5 To monitor the progress within their Service of national and other performance indicators against agreed targets.
- 6 To apply for statutory consent, eg, planning permission.
- 7 To undertake consultation with the Council's customers and relevant stakeholders, in accordance with the Council's consultation procedures, in order to establish:
  - (i) levels of customer satisfaction with the Council's services
  - (ii) the public and stakeholders' responses to consultation documents, strategies and surveys.

**3.4.2 Human Resource powers**

- 1 To exercise responsibility for all human resource matters within their service, providing that the following requirements are met:
  - (i) all decisions must be taken in accordance with human resource policies
  - (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 service budgetary provision
  - (iii) the creation of a new post outside of the Council's organisational change process requires the agreement in writing or by e-mail of
    - (a) the relevant Cabinet Member for a post up to PO7 or
    - (b) the relevant 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
  - (iv) suspension and dismissal of employees must be undertaken in accordance with the Council's procedures
  - (v) a notice of compulsory redundancy to individual employees where all options for redeployment have been exhausted must be issued in accordance with the Council's procedures
  - (vi) payment of allowances in accordance with the "Croydon Scheme" to staff injured in the course of their duties must be made in consultation with Head of Human Resources
  - (vii) to approve applications for leave for trade union conferences and training courses in consultation with the Head of Human Resources
  - (viii) to approve payment of claims by employees for loss or damage to property and clothes within the maximum level specified by the Head of Financial Services from time to

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time; otherwise payment must be made in consultation with the Group Director Finance & Commerce

- (ix) to grant permission for employees to undertake outside work or duties whether paid or unpaid subject to there being no conflict of interest
- (x) to approve honoraria payments in consultation with the service personnel manager

### **3.4.3 Financial responsibilities**

- 1 To implement any approved financial programme, including the authorisation of day-to-day expenditure and procurement of goods and services.
- 2 To implement approved fees, charges, rents etc and to ensure that proper arrangements exist for their collection.
- 4 In consultation with the relevant Cabinet Member , to apply for, accept and manage external funding up to a limit of £250,000 per grant in support of any function within their service provided that any financial contributions by the Council are made from within existing budgets.

### **3.4.4 Contract powers**

- 1 To approve commencement of a tendering process for, and to award, all contracts below a total contract value of £156,000.
- 2 To sign contracts on behalf of the Council which do not require sealing under Part 2, Article 10, paragraph 10.5 of this constitution.

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## GOVERNANCE COMMITTEE

## REPORT

10 MARCH 2010

<b>Subject Heading:</b>	REVIEW OF THE COUNCIL'S CONSTITUTION – Part 4: Staff Employment Procedure Rules
<b>CMT Lead:</b>	Christine Dooley, Assistant Chief Executive/Monitoring Officer
<b>Report Author and contact details:</b>	Ian Buckmaster, Committee Administration Manager 01708 432431 <a href="mailto:ian.buckmaster@havering.gov.uk">ian.buckmaster@havering.gov.uk</a>
<b>Policy context:</b>	The Council's Constitution is being reviewed prior to the introduction of new executive arrangements in May 2010
<b>Financial summary:</b>	There are no direct costs associated with this review

### The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	X
Value and enhance the life of every individual	X
High customer satisfaction and a stable council tax	X

The text of the revised Staff Employment Procedure Rules is appended.

There were no issues to which the Working Group wished to draw attention.

**RECOMMENDATIONS**

- 1 That the Committee consider the various issues referred to in the report and determine what, if any, changes are to be made to the draft Staff Employment Procedure Rules.
- 2 That the draft, as (if) amended, be approved as the revised Staff Employment Procedure Rules.
- 3 That the Committee **RECOMMEND** to Council that the revised Staff Employment Procedure Rules be adopted.

## **Staff Employment Procedure Rules**

### **1 Recruitment and appointment**

#### **(a) Seeking support for appointment**

- (i) The Council will disqualify any applicant who directly or indirectly seeks the support of any councillor for any appointment with the Council. This statement shall be included in any recruitment information.
- (ii) No councillor will seek support for any person for any appointment with the Council.

#### **(b) Declarations**

The Council shall ask any candidate for appointment as a member of staff to state in writing whether they are related to an existing councillor or member of council staff; or the partner of such persons. No candidate who declares such a relationship will be appointed without the authority of the Head of Human Resources

### **2 Recruitment**

Where the Council proposes to appoint a Head of Paid Service, a Group Director, Assistant Chief Executive, Assistant Director or a Head of Service and it is not proposed that the appointment be made exclusively from among the existing members of staff, the Council's usual recruitment procedures shall apply.

### **3 Appointment of Head of Paid Service**

- (a) The full Council will approve the appointment of the Head of Paid Service following the recommendation of such an appointment by the Appointments Committee. The Appointments Committee must include at least one Cabinet member.
- (b) The full Council may make or approve the appointment of the Head of Paid Service only where no well-founded objection has been made by any member of the Cabinet (as set out in rule 9 below).

### **4 Appointment of Group Directors, Assistant Chief Executive, Assistant Directors and Heads of Service**

- (a) The Appointments Committee will appoint Group Directors, Assistant Chief Executive, Assistant Directors and Heads of Service. The committee must include at least one Cabinet member.
- (b) An offer of employment as a Group Director, Assistant Chief Executive, Assistant Director or a Head of Service shall be made only where no well-



founded objection from any member of the Cabinet has been received (as set out in rule 9 below).

**5 Assistants to political groups**

Appointment of an assistant to a political group shall be made in accordance with the wishes of that political group, and in accordance with statutory regulations.

**6 Disciplinary action**

(a) No disciplinary action in respect of the Head of Paid Service, the Monitoring Officer or the Chief Finance Officer, except action described in paragraph (b) below, may be taken other than in accordance with a recommendation in a report made by a designated independent person under regulation 7 of the Local Authorities (Standing Orders) England) Regulations 2001 (investigation of alleged misconduct).

**(b) Suspension**

The Head of Paid Service, Monitoring Officer and Chief Finance Officer may be suspended by the Council whilst an investigation takes place into alleged misconduct. That suspension will be on full pay and should last no longer than two months. In exceptional circumstances, the decision to suspend may be made by a Group Director in conjunction with the Head of Human Resources; this decision must be notified to all councillors as soon as possible.

**(c) Independent person**

No other disciplinary action may be taken in respect of any of those officers except in accordance with a recommendation in a report made by a designated independent person.

(d) Councillors will not be involved in the disciplinary action against any officer below Head of Service level except where:

- such involvement is necessary for any investigation or inquiry into alleged misconduct
- the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to members in respect of disciplinary action.

**7 Dismissal**

Councillors will not be involved in the dismissal of any officer below Head of Service level except where:

- such involvement is necessary for any investigation or inquiry into alleged misconduct

- the Council's disciplinary, capability and related procedures as adopted from time to time may allow a right of appeal to members in respect of dismissals.

## **8 Role of the Cabinet**

Where a committee or a sub-committee of the Council is discharging, on behalf of the authority, the function of the appointment or dismissal of the Head of Paid Service, a Group Director, Assistant Chief Executive Assistant Director or a Head of Service at least one member of the Cabinet must be a member of that committee or sub-committee.

## **9 Appointment process**

- (a) In this paragraph, "appointor" means, in relation to the appointment of a person as a member of staff of the Council, the Council or, where a committee, sub-committee or member of staff is discharging the function of appointment on behalf of the Council, that committee, sub-committee or member of staff, as the case may be.
- (b) An offer of an appointment as Head of Paid Service, Group Director, Assistant Chief Executive, Assistant Director or Head of Service must not be made by the appointor until the appropriate notification has been advised to Cabinet, in accordance with regulations and objections have been received and considered. Such appointments must be in accordance with the appropriate terms and conditions of employment

## **10 Dismissal process**

- (a) In this paragraph, "dismissor" means, in relation to the dismissal of an member of staff of the Council, the Council or, where a committee, sub-committee or another member of staff is discharging the function of dismissal on behalf of the Council, that committee, sub-committee or other member of staff, as the case may be.
- (b) Notice of the dismissal of the Head of Paid Service, a Group Director, Assistant Chief Executive, Assistant Director or Head of Service must not be given by the dismissor until the appropriate notification has been advised to Cabinet, in accordance with regulations and objections have been received and considered. Such dismissals must be in accordance with the appropriate terms and conditions of employment.

**11 Capability process**

The process to be followed must be in accordance with the appropriate terms and conditions of employment for that member of staff and the appropriate Council employment policy/procedure

**12 Grievance process**

The process to be followed for a grievance must be in accordance with the appropriate terms and conditions of employment for that member of staff appropriate Council employment policy/procedure

**13 Bullying and Harassment process**

The process to be followed for a complaint must be in accordance with the appropriate terms and conditions of employment for that member of staff appropriate Council employment policy/procedure

## GOVERNANCE COMMITTEE

## REPORT

10 MARCH 2010

<b>Subject Heading:</b>	REVIEW OF THE COUNCIL'S CONSTITUTION – Part 4: Financial Procedure Rules
<b>CMT Lead:</b>	Christine Dooley, Assistant Chief Executive/Monitoring Officer
<b>Report Author and contact details:</b>	Ian Buckmaster, Committee Administration Manager 01708 432431 <a href="mailto:ian.buckmaster@havering.gov.uk">ian.buckmaster@havering.gov.uk</a>
<b>Policy context:</b>	The Council's Constitution is being reviewed prior to the introduction of new executive arrangements in May 2010
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**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

The text of the revised Financial Procedure Rules is appended.

These rules have been greatly simplified from the current version, in order to remove duplication or to assign specific matters to more appropriate places within the Constitution.

**RECOMMENDATIONS**

- 1 That the Committee consider the various issues referred to in the report and determine what, if any, changes are to be made to the draft Financial Procedure Rules.
- 2 That the draft, as (if) amended, be approved as the revised Financial Procedure Rules.
- 3 That the Committee **RECOMMEND** to Council that the revised Financial Procedure Rules be adopted.

# Financial Procedure Rules

## Introduction

### 1 Status of Financial Procedure Rules

- (a) The Financial Procedure Rules provide the framework for managing the Council's financial affairs. They provide the platform on which the implementation of the Council's Budget Framework is based.
- (b) The Financial Procedure Rules ensure that there are rules to govern how the Council's money and other assets are looked after and how its spending is controlled. This enables the Council to ensure that it makes the most effective use of the resources available to it in delivering value for money services to the local community.
- (c) The Financial Procedure Rules focus on an overview of the key financial areas and responsibilities. Details, clarifying and explaining the processes involved, are set out in greater depth in the Council's Financial Framework. The Financial Framework sets out the detailed procedures that need to be followed and provides more detailed guidance than the Rules.
- (d) The Rules identify the responsibilities for financial matters within the Council. They apply to every member and officer of the Council and anyone acting on its behalf. Compliance with both the Rules and the Financial Framework is a requirement for all Council employees.
- (e) CMT are responsible for ensuring that they and all staff in their services are aware of the existence and content of the Council's Financial Procedure Rules and other internal regulatory documents and that they comply with them.
- (f) The Group Director Finance & Commerce is responsible for issuing advice and guidance to underpin the Financial Procedure Rules that members, officers and others acting on behalf of the Council are required to follow.
- (g) The Group Director Finance & Commerce is responsible for maintaining a continuous review of these Rules and for submitting any additions or changes necessary to Council for approval. The financial limits contained within these Procedure Rules will be subject to an annual review by the Group Director Finance & Commerce.
- (h) The Group Director Finance & Commerce is also responsible for reporting, where appropriate, breaches of the Rules to the Council and/or to Cabinet.

## **2 Financial Responsibilities**

- (a) The Group Director Finance & Commerce has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:
- Section 151 of the Local Government Act 1972
  - The Local Government Finance Act 1988
  - The Local Government and Housing Act 1989
  - The Accounts and Audit Regulations 1996.
- (b) The Group Director Finance & Commerce is responsible for:
- the proper administration of the authority's financial affairs
  - setting and monitoring compliance with financial management standards
  - advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
  - providing financial information
  - preparing the budget
  - treasury management.
- (c) Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer (the Group Director Finance & Commerce) to report to the Council, Cabinet and external auditor if the authority or one of its officers:
- has made, or is about to make, a decision which involves incurring unlawful expenditure
  - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
  - is about to make an unlawful entry in the authority's accounts.
- (d) Section 114 of the 1988 Act also requires:
- the Chief Finance Officer to nominate a properly qualified member of staff (the Head of Financial Services) to deputise should he or she be unable to perform the duties under section 114 personally
  - the authority to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out their duties under section 114.

## **Financial Planning & Financial Management**

### **3 Accounting and Accounting Policies**

- (a) The Group Director Finance & Commerce is responsible for:

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- selecting accounting policies and ensuring that they are applied consistently
  - determining the accounting procedures and records for the Council and how accounting information will be compiled and maintained
  - the operation of the Council's accounting systems, the form of accounts and the supporting financial records
  - approving the use and operation of all financial systems.
- (b) Any changes made by Assistant Directors/Heads of Service to the existing financial systems or the establishment of new systems within their services must be approved by the Group Director Finance & Commerce. However, Assistant Directors/Heads of Service are responsible for the proper operation of financial processes in their own services.

## **4 Budgets**

- (a) The form and content of revenue and capital budgets will be determined by the Group Director Finance & Commerce.
- (b) The Group Director Finance & Commerce is responsible ensuring that the following are prepared:
- a revenue budget on an annual basis
  - a Medium Term Financial Strategy on a three-yearly basis (or such other basis as Cabinet determines)
  - a Capital Strategy, on a similar basis
  - a Treasury Management Strategy
- in compliance with the budget framework.
- (c) It is the responsibility of Assistant Directors/Heads of Service to ensure that budget estimates:
- reflect agreed service plans
  - reflect the Medium Term Financial Strategy and Capital Strategy
  - are prepared in line with guidance issued by the Group Director Finance & Commerce.
- (d) No expenditure can be incurred unless:
- (i) it is contained within the Council's approved budget (subject to virement rules), or
  - (ii) external funding sufficient to meet it is available and approval has been given via an executive decision.
- (e) It is the responsibility of the Group Director Finance & Commerce to advise Cabinet and/or Council on prudent levels of reserves for the Council.



## 5 **Budget Management**

- (a) The Group Director Finance & Commerce is responsible for providing appropriate financial information to enable budgets to be monitored effectively. They must monitor and control expenditure against budget allocations and report to Cabinet on the overall position on a regular basis.
- (b) Assistant Directors/Heads of Service are responsible for controlling income and expenditure within their area and to produce forecasts and monitor financial performance, taking account of financial information provided by and in accordance with guidance issued by the Group Director Finance & Commerce.
- (c) Assistant Directors/Heads of Service should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation.
- (d) The Group Director Finance & Commerce must be consulted by Assistant Directors and Heads of Service as soon as they become aware of any matters in their service areas, which could materially affect the Council's budget and which cannot be contained within existing approved budgets of the service area.

## 6 **Budget Virements**

- (a) Budget virements are required when a change to Council policy and/or service delivery requires resources to be reallocated, or when additional resources are received, or to meet any anticipated budgetary shortfalls.
- (e) Revenue virements are subject to the following authorisation process:
  - Virements in excess of £1 million will require Cabinet approval and will be a key decision requiring notification in the Forward Plan.
  - Virements between £500,000 and up to £1 million will require approval by the relevant Cabinet Members.
  - Virements between £250,000 and up to £500,000 that are key decisions will require approval by the relevant Cabinet Members.
  - Virements between £250,000 and up to £500,000 that are not key decisions will require approval by the CMT member and the Group Director Finance & Commerce.
  - All other virements will need to comply with procedures specified by the Group Director Finance & Commerce.

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- (f) Capital virements are subject to the following authorisation process:
- Virements in excess of £1 million will require Cabinet approval and will be a key decision requiring notification in the Forward Plan.
  - Virements between £500,000 and up to £1 million will require approval by the relevant Cabinet Members.
  - Virements between £250,000 and up to £500,000 between CMT members will require approval by the relevant Cabinet Members.
  - Virements between £250,000 and up to £500,000 within a single CMT member's service area will require approval by the CMT member and the Group Director Finance & Commerce.
  - All other virements will need to comply with procedures specified by the Group Director Finance & Commerce.
- (k) The cumulative value of virements for the year should be considered when deciding whether the various thresholds have been reached. The Group Director Finance & Commerce will take the final decision as to whether a number of smaller virements need to be grouped together for threshold calculation purposes.

**7 Closedown of Accounts**

- (a) The Group Director Finance & Commerce will make arrangements to close the accounts in accordance with legislative arrangements, the overall strategy and their duties/powers as Chief Finance Officer.
- (b) The Group Director Finance & Commerce is responsible for ensuring that the annual statement of accounts is prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice*.
- (c) The Group Director Finance & Commerce is responsible for establishing procedures for carrying forward under- and overspendings on budget headings and for the creation and use of earmarked reserves.
- (d) The relevant Cabinet member will consider and agree the setting up of any specific earmarked reserves along with the arrangements for their use.

## **Risk Management and Control of Resources**

### **8 Internal control**

- (a) The Group Director Finance & Commerce is responsible for:
- establishing adequate systems to monitor and control the Council's financial transactions
  - ensuring that such systems are adequately maintained and reviewed
  - advising on effective systems of internal control and giving advice and guidance accordingly
  - ensuring compliance with all applicable statutes and regulations, and other relevant statements of best practice
  - ensuring that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- (b) It is the responsibility of Assistant Directors and Heads of Service to:
- maintain and promote sound arrangements for internal control, including appropriate authorisation arrangements
  - comply with the advice and guidance of the Group Director Finance & Commerce
  - ensure that they take due account of risk in the management of their functions
  - ensure that they allocate resources to appropriately manage that risk.

### **9 Risk management**

- (a) The Group Director Finance & Commerce is responsible for:
- reviewing and making recommendations on the Council's approach to risk management, including the risk management strategy
  - promoting the strategy throughout the Council
  - advising and instructing Assistant Directors and Heads of Service accordingly.
- (b) Assistant Directors and Heads of Services are responsible for ensuring the regular identification, review and management of risk within their services, having regard to the Council's risk management strategy and associated advice and instructions from the Group Director Finance & Commerce and other specialist officers (e.g. crime prevention, business continuity, health & safety).
- (c) They are also responsible for promoting and implementing the risk management strategy within their service areas, for ensuring that service risk registers are compiled and regularly

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reviewed, and for taking appropriate mitigating action to reduce risk levels within their area.

**10 Insurances**

- (a) The Group Director Finance & Commerce is responsible for ensuring that proper insurance exists where appropriate.
- (b) Assistant Directors and Heads of Service shall consult the Group Director Finance & Commerce and the Assistant Chief Executive Legal & Democratic Services on:
  - (i) any terms of any indemnity that the Council is requested to give
  - (ii) appropriate contract conditions for contractors to indemnify the Council and suitable minimum insurance levels for inclusion in contracts
  - (iii) appropriate indemnities and minimum insurance cover for partnership arrangements.
- (c) Assistant Directors and Heads of Service will be responsible for ensuring that they acquire additional professional indemnity insurance for any areas of work that they take on voluntarily, and for ensuring that staff in their service areas are similarly insured.

**11 Treasury management and trust funds**

- (a) The Council has adopted CIPFA's *Code of Practice for Treasury Management in Local Authorities (the CIPFA code)*.
- (b) The Group Director Finance & Commerce is responsible for:
  - implementing and monitoring the Council's treasury management policy and statement and ensuring its compliance with the CIPFA code.
  - controlling all money in the hands of the Council
  - all decisions on borrowing, investment or financing, provided these are in accordance with the CIPFA's Code
  - holding in custody all securities, other than title deeds, contracts legal agreements mortgages, and trust funds, which are the property of or in the name of the Council or its nominees
  - acting as the Council's registrar of stocks, bonds and mortgages.
- (c) Investments must be made only in the name of the Council or its approved nominees.

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- (d) All trust funds must be in the name of the Council. The Group Director Finance & Commerce must be informed of all trust funds administered by employees as part of their Council duties.
- (e) All employees acting as trustees by virtue of their official position shall deposit for safe-keeping, all securities etc. relating to any trust fund, with the Assistant Chief Executive Legal & Democratic Services unless the deed otherwise provides.

**12 Internal and external audit**

- (a) The Group Director Finance & Commerce is responsible for arranging for a continuous audit examination of accounting, financial and other operations of the Council.
- (b) The Group Director Finance & Commerce is responsible for ensuring:
  - (i) the maintenance of an adequate and effective internal audit function that is sufficient in its coverage and independent in its planning and operation
  - (ii) that the Internal Audit & Corporate Risk Manager has direct access to the Chief Executive, all levels of management and the Audit Committee and the Corporate Overview & Scrutiny Committee
  - (iii) that the internal auditors are trained to comply with professional good practice.
- (c) The Audit Commission is responsible for appointing external auditors to the Council to review and report upon:
  - (i) the financial aspects of the Council's corporate governance arrangements
  - (ii) the Council's financial statements, to be satisfied that the statement of accounts presents fairly the financial position of the Council, and its income and expenditure for the year in question and complies with the legal requirements
  - (iii) aspects of the Council's arrangements to manage its performance, including the preparation and publication of specified performance information.
- (d) The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues & Customs, who have statutory rights of access.
- (e) The Group Director Finance & Commerce or their authorised representative, including the appointed external auditor, or other external body, shall have authority to:
  - (i) enter at any time any Council premises or land, (subject to the rights of any occupier)
  - (ii) have unrestricted access to all records, documents and correspondence relating to any financial and other

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transactions of the Council where so required in connection with normal audit work

- (iii) remove and /or secure any record, document and correspondence of the Council as considered necessary
  - (iv) make site visits during the course of a contract and examine any records or information relating to the contract, and examine contract final accounts and review supporting records and documentation in order to form a view on the accuracy of such accounts
  - (v) have unrestricted access to employees and require and receive such information and explanations as are necessary concerning any matter under examination
  - (vi) require any employee of the Council to produce cash, stores or any other Council property under that employee's control.
- (f) It is the responsibility of Assistant Directors and Heads of Service to:
- (i) ensure that internal auditors, external auditors, and other authorised inspectors, are given access at all reasonable times to premises, personnel, documents and assets, and are provided with any information and explanations that they consider necessary for the purposes of their work
  - (ii) consider and respond promptly to recommendations in audit reports
  - (iii) ensure any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- (g) To ensure the independence of the Council's external auditors, CMT, Senior officers Assistant Directors and Heads of Service should not seek or receive personal financial or tax advice from them. Any other officers who may receive such advice from the Council's external auditors), or who may also act as director for another audit or advisory client of them, should advise the Group Director Finance & Commerce.

**13 Preventing fraud & corruption**

- (a) The Group Director Finance & Commerce is responsible for reviewing the anti-fraud & corruption policy and strategy and for advising the Audit Committee and CMT, Assistant Directors and Heads of Service on its implementation.
- (b) The Group Director Finance & Commerce is responsible for reviewing the anti-money laundering policy and strategy and for

advising the Audit Committee and CMT, Assistant Directors and Heads of Service on its implementation.

**14 External arrangements**

- (a) The Group Director Finance & Commerce will ensure that the accounting arrangements adopted in relation to partnerships and joint ventures are subject to financial control procedures which reflect those of the Council.
- (b) CMT have a responsibility to take appropriate professional advice when entering into partnership arrangements and to ensure that any such arrangements do not impact adversely on Council services.
- (c) CMT, Assistant Directors and Heads of Service are also responsible for ensuring that any governance arrangements comply fully with the Constitution and the Financial Framework, and that any negotiations are in accordance with the Contract Procedure Rules.
- (d) CMT are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- (e) CMT are responsible for ensuring that appropriate management arrangements are put in place to deal with the ongoing governance of any partnerships, taking into account financial and legal advice.
- (f) CMT must ensure that all financial risks have been fully appraised and appropriate mitigation is taken before contracts and other relationships are entered into, and that arrangements exist to continue to manage risks throughout the duration of the relationship.
- (g) CMT will ensure that appropriate exit strategies are in place for partnership arrangements where these are time-limited.
- (h) The Group Director Finance & Commerce is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

## **Financial Systems & Procedures**

### **15 Banking arrangements and cheques**

- (a) The Group Director Finance & Commerce is responsible for:
  - the operation of the Council's bank accounts and associated procedures
  - any arrangements that need to be made with the Council's bankers, including the withdrawal of funds or transfer from one account to another
  - making proper arrangements for the ordering, safe custody, use, and control of cheques (except those for authorised imprest and advance accounts).
- (b) The Group Director Finance & Commerce must be notified of all bank accounts operated by any of the Council's employees in connection with the business of the Council or unofficial funds held by the Council.
- (c) Cheques on the Council's main banking and National Giro accounts shall bear the pre-printed signature of the Group Director Finance & Commerce or be signed by the Group Director Finance & Commerce or other officer authorised by them to do so.
- (d) Cheques over £100,000 in amount must also bear the manuscript signature of the Group Director Finance & Commerce.
- (e) Assistant Directors/Heads of Service will ensure that all financial transactions are processed through the Council's main banking account, unless approval has been given by the Group Director Finance & Commerce for other arrangements to be in place.

### **16 Purchasing of and payments for works, goods and services**

- (a) The procurement of works, goods and services is governed by the Contract Procedure Rules, which set out the process and, dependent on the procurement process, the relevant financial limits. Any procurement must comply with the Contract Procedure Rules and any more detailed procedures laid down in the Procurement Framework.
- (b) Purchasing arrangements should comply with any advice, guidance and instructions issued by the Group Director Finance & Commerce.
- (c) Payment arrangements should comply with any advice, guidance and instructions issued by the Group Director Finance & Commerce.



- (d) Petty cash and imprest arrangements should comply with any advice, guidance and instructions issued by the Group Director Finance & Commerce.

**17 Financial administration of contracts**

- (a) For contracts with a value in excess of £156,000, CMT shall have in place and document adequate systems and procedures in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- (b) Assistant Directors/Heads of Service will ensure that all such systems and procedures, and any exceptions from them, are approved by the Group Director Finance & Commerce.
- (c) For all other contracts, Assistant Directors/Heads of Service will maintain systems and procedures as specified by the Group Director Finance & Commerce.

**18 Payments to employees and Members**

- (a) All payments to employees or former employees and Members of the Council shall be made under the direction of the Head of Human Resources in consultation with the Group Director Finance & Commerce, to include salaries, pensions, compensation and other emoluments, travelling & subsistence, expenses claims, and travel loans.
- (b) CMT, Assistant Directors and Heads of Service will notify the Group Director Finance & Commerce as soon as possible of all matters affecting such payments, in accordance with any procedures specified by the Group Director.

**19 Taxation**

- (a) The Group Director Finance & Commerce shall maintain and make available up to date guidance on the proper treatment and accounting for VAT and shall ensure that the net VAT payments are fully and promptly recovered from HM Revenue & Customs. The Group Director Finance & Commerce shall prepare and implement a timetable for the preparation and submission of VAT claims
- (b) CMT, Assistant Directors and Heads of Service shall comply with the timetable and associated procedures for VAT claims. They shall also ensure that the VAT implications of fees and charges levied by the Council, capital projects, all purchasing transactions and any consideration of alternative means of service provision are properly considered and recorded after due consultation with the Group Director Finance & Commerce.

**20 Income**

- (a) The Group Director Finance & Commerce shall approve all procedures for the collection of monies due to the Council regardless of the services within which they are collected.
- (b) Assistant Directors/Heads of Service is responsible for establishing appropriate and secure arrangements for ensuring that the income receivable, in their services, is promptly identified, billed and collected; through the corporate debtors service, or by staff in the service area. All income and VAT must be correctly accounted for.
- (c) Where the corporate system is not used, systems and processes for identifying, billing and collecting income require approval from the Group Director Finance & Commerce.
- (d) The level of fees and charges should be kept under review by CMT, Assistant Directors and Heads of Service. Charges shall be reviewed at least annually to coincide with the approval of the revenue budget.
- (e) Any changes to fees and charges within a financial year shall be made as soon as practicable.

**21 Write off of irrecoverable debts**

- (a) CMT shall ensure that every effort is made to recover debts due to the Council using the corporate debtor system/service as appropriate. No material arrangement should be made to any procedures for billing or recovery of monies due to the Council without prior consultation and agreement with the Group Director Finance & Commerce.
- (b) Write off of debts can only be approved by the Group Director Finance & Commerce in accordance with any limits set within the Constitution and where it can be demonstrated that all cost effective efforts have been made to recover the debt and the appropriate procedures for recovering debt have been followed.

**22 Safeguarding and controlling assets**

- (a) Assistant Directors/Heads of Service should ensure that records and assets are properly maintained and securely held.
- (b) Assistant Directors/Heads of Service should ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

**23 Administration of Private Funds**

- (a) Private Funds are defined as financial assets held in an official capacity by Council officers on behalf of third parties such as trust funds, voluntary grant aided funds or receivership accounts. Where private funds exist in connection with Council activities, the appropriate Assistant Director/Head of Service must ensure appropriate procedures are in place to manage such a fund.
- (b) The administration of these funds must comply any guidance issued by the Group Director Finance & Commerce. Accountancy records should be maintained to a standard so as to achieve an unqualified audit, and relevant year end treatment applied.
- (c) Assistant Directors and Heads of Service shall ensure that finance and legal advice is sought to ensure that legal issues are considered and tax responsibilities defined. A comprehensive risk appraisal must be carried out prior to entering into any form of private fund arrangement and due consideration should be given to any necessary measures to safeguard both the funds and the Council's interests.



## GOVERNANCE COMMITTEE

## REPORT

10 MARCH 2010

<b>Subject Heading:</b>	REVIEW OF THE COUNCIL'S CONSTITUTION – Part 4: Budget Framework Procedure Rules
<b>CMT Lead:</b>	Christine Dooley, Assistant Chief Executive/Monitoring Officer
<b>Report Author and contact details:</b>	Ian Buckmaster, Committee Administration Manager 01708 432431 <a href="mailto:ian.buckmaster@havering.gov.uk">ian.buckmaster@havering.gov.uk</a>
<b>Policy context:</b>	The Council's Constitution is being reviewed prior to the introduction of new executive arrangements in May 2010
<b>Financial summary:</b>	There are no direct costs associated with this review

### The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

The text of the revised Budget Framework Procedure Rules is appended.

The Working Group agreed that the Budget and Policy Framework Procedure rules (originally separate but later merged into a single set of rules) should again be separated, since it had become clear that they, although ostensibly similar they were, in practice, intended to deal with different issues and combining them had inadvertently led to possible confusion.

The Policy Framework Procedure Rules are the subject of a separate report at this meeting.

**RECOMMENDATIONS**

- 1 That the Committee consider the various issues referred to in the report and determine what, if any, changes are to be made to the draft Budget Framework Procedure Rules.
- 2 That the draft, as (if) amended, be approved as the revised Budget Framework Procedure Rules.
- 3 That the Committee **RECOMMEND** to Council that the revised Budget Framework Procedure Rules be adopted.

# Budget Framework Procedure Rules

## 1 Framework for executive decisions

- (a) The Council will be responsible for the adoption of its budget framework.
- (b) Once the framework is in place it will be the responsibility of the Leader of the Council to implement it but the Leader may delegate specific responsibilities to the Cabinet, to individual Cabinet Members, to officers, to Area Committees or to joint arrangements discharging executive functions (hereafter referred to collectively as the "Executive").
- (c) The budget framework provides the financial basis for the implementation of the Council's policy framework and for the development of the Council's budget.
- (d) The budget framework covers:
  - Medium Term Financial Strategy
  - Capital Strategy
  - Treasury Management Strategy.
- (e) The Chief Finance Officer will be primarily responsible for providing advice and guidance on the budget framework and its application, but will consult with the Monitoring Officer where appropriate.

## 2 Process for developing and approving the budget framework

The process for developing and approving the budget framework is:

- (a) The Executive will provide an initial report on its Medium Term Financial Strategy and Capital Strategy for consideration by Council. This report will be published by October or such other date agreed by Cabinet.
- (b) The report will be available to the Overview and Scrutiny Committees, Havering Strategic Partnership and other local stakeholders who wish to express a view.
- (c) The Executive will issue detailed proposals for consultation having given due consideration to:
  - comments from Overview and Scrutiny Committees, Havering Strategic Partnership and other local stakeholders
  - feedback from the consultation process
  - the Government's financial announcements

## Governance Committee, 10 March 2010

- information from precepting and levying bodies
  - the advice of senior officers.
- (e) There will be one joint briefing of the Overview and Scrutiny Committees. Key local stakeholders, including members of the Havering Strategic Partnership, will also be consulted on the budget proposals. Area Committees will also be consulted.
- (f) Having considered responses to the consultation on its initial detailed budget proposals, and any further information on Government funding and precepts/levies, the Executive may amend its proposals before submitting them to Council.
- (g) The Executive will also publish a Treasury Management Strategy which will be submitted to Council alongside its final budget proposals.
- (h) At any time when a report is submitted to Council on the budget the Council will consider the proposals of the Executive and may adopt them, refer them back to the Executive or substitute its own proposals in their place.
- (i) All Councillors and parties are actively encouraged to contribute issues and ideas into the budget process via the Overview and Scrutiny Committees.

### **3 Decisions outside the approved budget framework**

- (a) The Executive may only make decisions which are in line with the approved budget framework. A decision that is not relevant to or covered by the budget framework but which is in line with a plan or strategy approved by the Executive is not contrary to the budget framework.
- (b) Subject to 4 below, if the Executive wish to make a decision which is contrary to the budget framework, then that decision can only be made by the Council.
- (c) If the Executive want to make a decision which potentially is contrary to or not wholly in accordance with the budget framework, they must take advice from the Chief Finance Officer. If the advice is that the decision is contrary to or not wholly in accordance with the budget framework then the decision must be referred to Council for decision, unless the decision is a matter of urgency, in which case paragraph 4 shall apply (urgent decisions outside the budget framework).

### **4 Urgent decisions outside the budget framework**

- (a) Having consulted with the Chief Finance Officer, the Executive may take a decision which is contrary to or not wholly in accordance with the budget framework, or where the

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expenditure falls outside the approved budget, if the decision is a matter of urgency.

However, the decision may only be taken if:

- (i) it is not practical to convene a quorate meeting of the Council, and
  - (ii) the Chairman (or in his or her absence the Deputy Chairman) of a relevant overview and scrutiny committee accepts that the decision is a matter of urgency.
- (b) The reasons why it is not practical to convene a quorate meeting of the Council and the consent of the relevant Chairman of overview and scrutiny committee must be noted on the record of the decision and reported to the next available Council meeting along with a full report explaining:
- the decision
  - the reasons for the decision
  - why the decision was treated as a matter of urgency.

## **5 Call-in decisions outside the Budget framework**

- (a) Where an overview and scrutiny committee is of the opinion that an executive decision is, or if made would be, contrary to or not wholly in accordance with the Council's Budget framework, then it shall seek advice from the Chief Finance Officer who in appropriate cases will consult with the Head of Paid Service.
- (b) Where that opinion relates to a decision that has already been taken and implemented, and the Chief Finance Officer considers that the decision is contrary to or not wholly in accordance with the Budget framework, the Chief Finance Officer shall report on the matter to the Cabinet, sending a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the report and report on the matter to the Council.
- (c) Where that opinion relates to a decision yet to be made, or that has been made but not yet implemented, and the advice from the Chief Finance Officer is that the decision is contrary to or not wholly in accordance with the Budget framework, the overview and scrutiny committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter.
- (d) At the meeting, the Council will receive a report about the decision or proposals and the advice of the Chief Finance Officer. The Council may:



- (i) endorse a decision or proposal of the Executive as falling within the existing Budget framework; or
- (ii) amend the Budget framework to encompass the decision or proposal and agree to the decision or proposal with immediate effect; or
- (iii) if it accepts that the decision or proposal is contrary to or not wholly in accordance with the Budget framework and does not amend the existing Budget framework to accommodate it, require the Executive to reconsider the matter in accordance with the advice of the Chief Finance Officer.

The decision of Council shall be recorded in its minutes.

## **6 Virements**

- (a) Virement is the ability to meet increased expenditure or reduced income under one service's budget head from savings in another. Virements may be used for both revenue and capital budgets.
- (b) Any decisions taken by the Executive shall not exceed those budgets allocated to each relevant budget head. Members do not have authority to create budgets.
- (c) Approval of virements must comply with the limits laid down in the Financial Procedure Rules.

## **7 In year changes to budget**

- (a) Decisions by the Executive can discharge only those executive functions that are within the approved budget.
- (b) No changes to the approved budget, except within the budget or virement rules set out in the Financial Procedure Rules, can be made unless approved by the Council.

## **8 Use of contingency funds**

- (a) The Group Director Finance & Commerce may set up a central revenue contingency fund. There will only be one such fund for the entire Council.
- (b) The Group Director Finance & Commerce is authorised to release sums from the contingency if:
  - the amounts are not greater than £25,000, and
  - the item is deemed by them as unforeseen and a relevant use of the contingency, or

## **Governance Committee, 10 March 2010**

- if the item is urgent (e.g. an emergency or threat to life) and there is insufficient time to consult with the relevant Cabinet member.
- (c) The relevant Cabinet member can release all other sums from the contingency if:
- the item is deemed by the Group Director Finance & Commerce as unforeseen and a relevant use of the contingency, or
  - the item is urgent (e.g. an emergency or threat to life) after consultation with the Group Director Finance & Commerce.
- (d) The Chief Executive has power to incur expenditure from the Contingency Fund without any further approval in exercise of their powers under paragraph 3.2 of part 3 of the Constitution to incur expenditure in connection with an emergency or disaster within the borough.
- (e) The Group Director Finance & Commerce will also provide for a level of contingency for capital projects that is appropriate in their view, taking into account the level of risk associated with the capital programme. Sums will be released in accordance with the capital virement rules set out in the Financial Procedure Rules.

## **10 Future year's commitments to budget**

- (a) The Executive has authority to make individual future years' commitments not provided for within the budget up to a total of £500,000 per financial year subject to:
- information being included within the first available budget monitoring report following the decision, which will show a cumulative review of decisions on future spending commitments made by the Executive and Council respectively.
  - a report to Council each year as part of the budget process setting out the individual sums.
- (b) Once the limit specified in (i) above is reached, each and every item relating to commitments for future years needs the approval of Council
- (c) Any additional individual commitments that have been approved by the Council do not count towards the £500,000 limit for future year commitments but will be included in the yearly report referred to in (a) above.

## **11 Advice to Group Leaders in Budget preparation**

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- (a) During preparation of the budget or alternative budgets prepared by Group Leaders leading to the Council Tax Setting meeting, the Council's Group Director Finance & Commerce and/or relevant finance staff designated by them will give Group Leaders and/or their nominated Members such advice and assistance as the Group Director Finance & Commerce deems appropriate in connection with the preparation of the budget or alternative budget.
- (b) This information will be given in strictest confidence and staff will not copy other Members into the information. Members shall not share the paperwork or information provided outside the political group or outside the organisation.
- (c) The advice will specifically cover whether the proposals would allow the Group Director Finance & Commerce (the Chief Finance Officer) to consider the budget to be balanced and the impact any proposals would have on Council balances in subsequent years.
- (d) The information will be treated as provided in the preparation of alternative budgets if provided with effect from 1<sup>st</sup> February up to and including the date of the Council Tax Setting Meeting, in any given year.

**12 Fees & Charges**

- (a) A schedule of fees & charges will be produced by each service and submitted to the Executive for approval as part of the annual budget-setting process. The relevant Cabinet members should be consulted on the fees & charges within their portfolio.
- (b) All fees & charges must be set in accordance with the corporate charging policy and with the relevant service charging policy.
- (c) Any changes to fees & charges during the financial year require the approval of the relevant Cabinet member.



**GOVERNANCE  
COMMITTEE**

**REPORT**

**10 MARCH 2010**

<b>Subject Heading:</b>	REVIEW OF THE COUNCIL'S CONSTITUTION – Part 4: Policy Framework Procedure Rules
<b>CMT Lead:</b>	Christine Dooley, Assistant Chief Executive/Monitoring Officer
<b>Report Author and contact details:</b>	Ian Buckmaster, Committee Administration Manager 01708 432431 <a href="mailto:ian.buckmaster@havering.gov.uk">ian.buckmaster@havering.gov.uk</a>
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The text of the revised Policy Framework Procedure Rules is appended.

The Working Group agreed that the Budget and Policy Framework Procedure rules (originally separate but later merged into a single set of rules) should again be separated, since it had become clear that they, although ostensibly similar they were, in practice, intended to deal with different issues and combining them had inadvertently led to possible confusion.

The Budget Framework Procedure Rules are the subject of a separate report at this meeting.

**RECOMMENDATIONS**

- 1 That the Committee consider the various issues referred to in the report and determine what, if any, changes are to be made to the draft Policy Framework Procedure Rules.
- 2 That the draft, as (if) amended, be approved as the revised Policy Framework Procedure Rules.
- 3 That the Committee **RECOMMEND** to Council that the revised Policy Framework Procedure Rules be adopted.

# Policy Framework Procedure Rules

## 1 Framework for executive decisions

The Council will be responsible for the adoption of its policy framework.

Once the framework is in place it will be the responsibility of the Leader of the Council to implement it but the Leader may delegate specific responsibilities to the Cabinet, to individual Cabinet Members, to officers, to Area Committees or to joint arrangements discharging executive functions (hereafter referred to collectively as the "Executive").

## 2 Process for developing policy framework

The Executive will make proposals following consultation with stakeholders as determined by statute and any additional stakeholders that they might see fit. The Council will consider the proposals of the Executive and may adopt them or refer them back to the Executive.

## 3 Decisions outside the approved policy framework

- (a) The Executive may only make decisions which are in line with the approved policy framework. A decision that is not relevant to or covered by the policy framework but which is in line with an Executive-approved plan or strategy is not contrary to the policy framework.
- (b) Subject to 4 below, if the Executive wish to make a decision which is contrary to the policy framework, then that decision can only be made by the Council.
- (c) If the Executive want to make a decision which is potentially contrary to, or not wholly in accordance, with the policy framework, they must take advice from the Monitoring Officer. If the advice is that the decision is contrary to, or not wholly in accordance with, the policy framework then the decision must be referred to Council for decision, unless the decision is a matter of urgency, in which case paragraph 4 below shall apply

## 4 Urgent decisions outside the policy framework

- (a) Having consulted with the Monitoring Officer, the Executive may take a decision which is contrary to or not wholly in accordance with the policy framework if the decision is a matter of urgency.

However, the decision may only be taken if:

- (i) it is not practical to convene a quorate meeting of the Council, and

- (ii) the Chairman (or in his or her absence the Vice Chairman) of a relevant overview and scrutiny committee accepts that the decision is a matter of urgency.
- (b) The reasons why it is not practical to convene a quorate meeting of the Council and the consent of the relevant Chairman (or Vice Chairman) of overview and scrutiny committee must be noted in the record of the decision and reported to the next available Council meeting along with a full report explaining:
  - the decision
  - the reasons for the decision
  - why the decision was treated as a matter of urgency.

**5 Call-in decisions outside the policy framework**

- (a) Where an overview and scrutiny committee is of the opinion that an executive decision is, or if made would be, contrary to or not wholly in accordance with the Council's policy framework, then it shall seek advice from the Monitoring Officer who in appropriate cases will consult with the Head of Paid Service.
- (b) Where that opinion relates to a decision that has already been taken and implemented, and the Monitoring Officer considers that the decision is contrary to or not wholly in accordance with the policy framework, the Monitoring Officer shall report on the matter to the Cabinet, sending a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the report and report on the matter to the Council.
- (c) Where that opinion relates to a decision yet to be made, or that has been made but not yet implemented, and the advice from the Monitoring Officer is that the decision is contrary to or not wholly in accordance with the policy framework, the overview and scrutiny committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter.
- (d) At the meeting, the Council will receive a report about the decision or proposals and the advice of the Monitoring Officer. The Council may:
  - (i) endorse a decision or proposal of the Executive as falling within the existing policy framework; or
  - (ii) amend the policy framework to encompass the decision or proposal and agree to the decision or proposal with immediate effect; or

**Governance Committee, 10 March 2010**

- (iii) if it accepts that the decision or proposal is contrary to or not wholly in accordance with the policy framework and does not amend the existing policy framework to accommodate it, require the Executive to reconsider the matter in accordance with the advice of the Monitoring Officer.

The decision of Council shall be recorded in its minutes.



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**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 19 January and the special meeting held on 17 February 2010, and to authorise the Chairman to sign them.

**5 CORPORATE GOVERNANCE UPDATE**

**6 PROPOSED CHANGES TO THE ELECTORAL PROCESS FOLLOWING THE POLITICAL PARTIES AND ELECTION ACT 2009 AND UPDATE ON CURRENT ELECTORAL ISSUES**

**7 AMENDMENTS TO THE CONSTITUTION – Delegation of operational activity to officers**

**8 REVIEW OF THE COUNCIL'S CONSTITUTION**

Each of the following reports relates to aspects of the continuing review of the Council's Constitution. To avoid unnecessary repetition, an abbreviated report format has been used. As the risks and implications are the same for each of them, the following comments apply to all:

**Financial implications and risks:**

There are no significant financial implications or risks arising from this exercise. The cost of reproducing the new Constitution will be met from existing budget provision.

**Legal implications and risks:**

The Council has a legal obligation to adopt a Constitution and to keep it under review. The new executive arrangements effective from May 2010 require extensive review to be undertaken.

**Human Resources implications and risks:**

There are none.

**Equalities implications and risks:**

The purpose of the Constitution is to assist the community to understand how the Council works and to make its processes and procedures accessible.

**Background papers**

There are none.

- 8A Part 3: Generic delegations to officers**
- 8B Part 4: Staff Employment Procedure Rules**
- 8C Part 4: Policy Framework Procedure Rules**
- 8D Part 4: Budget Framework Procedure Rules**
- 8E Part 4: Financial Procedure Rules**

**All of these reports will follow when available**

**9 AMENDMENTS TO THE CONSTITUTION – final report**

**10 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.

**Cheryl Coppel  
Chief Executive**

**MINUTES OF A MEETING OF THE  
GOVERNANCE COMMITTEE  
Havering Town Hall  
19 January 2010 (7.30pm – 9pm)**

**Present:**

**COUNCILLORS:**

<b>Conservative Group</b>	Frederick Thompson (in the Chair), Steven Kelly, Eric Munday, +Barry Tebbutt and Michael White
<b>Residents' Group</b>	Clarence Barrett and +Linda Hawthorn
<b>Independent Local Residents' Group</b>	Jeffrey Tucker
<b>Labour Group</b>	Keith Darvill

+ Substitute Members: Councillors Barry Tebbutt (for Robert Benham) and Linda Hawthorn (for Gillian Ford)

Apologies were received for the absence of Councillors Robert Benham and Gillian Ford

All decisions were taken unanimously with no votes against unless shown otherwise.

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

Members declared interests as noted in minutes 24, 26 and 28.

**23 MINUTES**

The Minutes of the meeting of the Committee held on 25 November 2009 were agreed as a correct record and were signed by the Chairman.

**24 APPOINTMENT OF MEMBERS TO COMMUNITY ASSOCIATIONS**

*Councillors Linda Hawthorn, Jeffrey Tucker and Michael White each declared a personal interest as an appointee to a Community Association and Councillor Keith Darvill declared a personal interest as honorary legal adviser to a number of Community Associations.*

At its meeting in December 2009, the Cabinet had considered a report reviewing the Council's provision of Community Halls. In the course of that review, the report referred to the appointment by this Committee of Members to serve on a number of community associations' governing boards. The report

concluded that the practice should cease and Cabinet had recommended accordingly.

The Committee concurred with that recommendation but considered that, if individual Members wished to retain, or to develop, a relationship with Community Associations based in their respective wards, they should be encouraged to be do so. It was agreed that existing appointments should continue until their expiry in May.

**RESOLVED:**

- (1) That the Council cease to appoint Members to serve on the management Committees of Community Associations and that, accordingly, those Community Associations to which the Council makes appointments be advised that the Council will not be making further appointments once those existing expire.
- (2) That individual Members who wish to do so be encouraged to remain, or to become, involved in any Community Association serving the ward from which they are elected.

**25 APPOINTMENT OF GOVERNORS OF COMMUNITY SCHOOLS**

Arising from the review of the Council's Constitution, the working group had identified a procedure that was now superfluous and had accordingly suggested that it be discontinued.

The Council, as local authority for education, made appointments to the governing bodies of community schools. The individuals nominated for such appointment were identified by a process culminating in consideration by the Governor Panel, on which served three Members (currently, Councillors Wendy Brice-Thompson, Gillian Ford and Geoff Starns). The majority of those approved for appointment were then formally appointed by the Group Director, Social Care & Learning; but a few – Members and employees of the Council – were appointed by the Committee.

Over the course of a year, a dozen or so appointments were referred in this way to the Committee: none had ever been refused. It was suggested that no useful purpose was served by continuing the Committee's involvement in making such appointments.

**RESOLVED to RECOMMEND to the Council:**

- (1) That the involvement of this Committee in appointing certain governors of community schools cease forthwith and that such appointments be made in future by the Group Director, Social Care & Learning.
- (2) That the Assistant Chief Executive Legal & Democratic Services be authorised to make all necessary consequential amendments to the Council's Constitution.

26 **APPOINTMENT OF LOCAL AUTHORITY GOVERNOR OF THE DRAPERS' ACADEMY**

*Councillor Steven Kelly declared a personal interest as a possible appointee.*

As part of the funding agreement with the Secretary of State, the sponsors of The Drapers' Academy at Harold Hill, the Drapers' Company, were obliged to seek the appointment of a local authority governor and had invited the Council to make a nomination accordingly. The Committee noted that the Company had not placed a restriction on the term of office.

It was noted that this appointment would be treated as an "outside body" appointment rather than a school governing body appointment.

Nominations for the appointment had been received as follows:

From Councillors Michael White and Frederick Thompson – Councillor Steven Kelly

From Councillor Clarence Barrett – Councillor Gillian Ford

From Councillor Keith Darvill – former Councillor Jeff Stafford.

Following a vote, the nomination of Councillor Kelly was agreed by 6 votes to 4 (see note below).

**RESOLVED:**

That Councillor Steven Kelly be nominated to serve as a governor of The Draper's Academy, for an initial period until the first meeting of this Committee after the Annual Meeting of the Council in May 2010.

[Note – the voting was:

For Councillor Kelly - Councillors Eric Munday, Barry Tebbutt, Frederick Thompson, Jeffrey Tucker and Michael White;

Against - Councillors Clarence Barrett, Keith Darvill and Linda Hawthorn]

27 **LOCAL DEMOCRACY, ECONOMIC DEVELOPMENT AND CONSTRUCTION ACT 2009 – petitions**

The Local Democracy, Economic Development and Construction Act 2009 contained provisions to govern the way in which local authorities handled petitions, including an obligation to provide an "e-petition" facility to enable local residents and people who were employed or studying within the district to petition using the internet.

The report now submitted discussed a government consultation paper which

sought comments on some of the practicalities, including the contents of a 'petitions scheme', and on issues around the electronic submission of petitions. A series of suggested responses to the consultation was appended to the report.

Members expressed the view that the legislation was unnecessary but, if it were to be implemented, it should be introduced on a phased basis in order to ensure that the creation of an artificially high demand for e-petition software was avoided.

**RESOLVED:**

- 1 That the comments set out in Appendix 2 to the report form the Council's response to the Department for Communities and Local Government (DCLG) in response to its Consultation Paper.
- 2 That it be noted that, in due course, the Council will be required to approve a Petitions Scheme and to facilitate the submission to the Council of petitions electronically once an operative date for the e-petitions aspects of the Act is known.

**28 APPOINTMENT OF MEMBERS TO OTHER ORGANISATIONS – further report**

*Councillor Eric Munday declared a personal interest as husband of one of the nominees for appointment.*

The Committee was reminded that the Council appointed the six Trustees of the Hornchurch Housing Trust, each of whom would serve for a (renewable) four year term, with pairs of trustees retiring in successive years. Trustees did not need to be Members of the Council.

The terms of office of Mr Ivor Cameron and Mrs Peggy Munday had recently expired. It was understood that both were willing to be re-appointed for a further four year term.

**RESOLVED:**

That Mr Ivor Cameron and Mrs Peggy Munday be re-appointed to the Hornchurch Housing Trust for the term expiring in February 2014.

**29 REVIEW OF THE COUNCIL'S CONSTITUTION – Part 4: Rules of Procedure for Committee Meetings**

The Committee was presented with another report arising from the work of the Working Group, dealing with the Rules of Procedure for Committee meetings in Part 4.

The Committee considered four issues arising from the review of these Rules:



**Governance Committee, 19 January 2010**

- 1 Whether the Chairman of a Committee should be obliged to consult its Members before agreeing to a change of date etc for a meeting (Rule 1(b));
- 2 Whether there should cease to be a requirement to record votes at meetings of the Appointments Committee (Rule 7(b));
- 3 The introduction of an expectation that Members who requisition an Executive Decision will attend the Overview & Scrutiny Committee meeting at which that requisition is considered; and
- 4 The introduction of an expectation that Members who are appointed to certain Committees will undertake relevant training within six months of, if not before, being appointed.

The Committee agreed proposals 2, 3 and 4 without division. On proposal 1, following discussion, it was agreed by 5 votes to 3 that Chairmen should not be required to consult on changes of date etc (see note below).

It was noted that, so far as possible and practicable when making alternative arrangements for meetings, Committee staff would continue to offer Members opportunity to express a preference but the Chairman's decision would be final.

**RESOLVED to RECOMMEND to the Council:**

That the revised Committee Procedure Rules (as a now amended) be adopted.

**30 REVIEW OF THE COUNCIL'S CONSTITUTION – Part 4: Rules of Procedure for Council Meetings**

A further report arising from the work of the Working Group on the Constitution, proposing revised Rules of Procedure for Council meetings in Part 4.

The Committee considered two issues arising from the review of these Rules:

- 1 Whether specific times should be set aside at meetings for particular business; and
- 2 The use of a tabular form of timetable for the submission of business for inclusion in the agenda for a meeting, rather than the present narrative format.

Following discussion, the Committee concluded, without division, that no useful purpose would be served by pursuing the first proposal but agreed to the second one.

**RESOLVED to RECOMMEND to the Council:**

That the revised Council Procedure Rules (as a now amended) be adopted.

**31 REVIEW OF THE COUNCIL'S CONSTITUTION – Part 5: Member/Officer relations protocol**

The Working Group on the Constitution had, following its consideration by the Standards Committee, considered a revised draft of the Protocol on Member/Officer relations in Part 5.

There were no issues arising that required consideration by the Committee.

**RESOLVED to RECOMMEND to the Council:**

That the revised Protocol on Member/Officer relations be adopted.

**32 REVIEW OF THE COUNCIL'S CONSTITUTION – Part 5: Gifts and Hospitality protocol**

Following its consideration by the Standards Committee, the Committee was presented with another report arising from the work of the Working Group, dealing with a revised draft of the Protocol on Gifts and Hospitality in Part 5.

There were no issues arising that required consideration by the Committee.

**RESOLVED to RECOMMEND to the Council:**

That the revised Protocol on Gifts and Hospitality be adopted.

**33 DISPLAYS BY MEMBERS OF THE PUBLIC ATTENDING MEETINGS**

*The Chairman agreed pursuant to section 100B(4) of the Local Government Act 1972 that the Committee should consider the following as a matter of urgency by reason of special circumstances, namely the need to clarify the powers of the Mayor and Chairmen to deal with disturbances by members of the public at certain meetings of the Council, Cabinet and Committees.*

A Member drew attention to the fact that, at meetings held in the Council Chamber that were being webcast, there was the possibility that members of the public in the side gallery would be able to display placards, banners or the like that would be in view during the webcast when certain Members were speaking. There was thus a considerable risk that unauthorised written material would be visible, to the Council's potential embarrassment.

Although the matter had been raised in the specific context of webcast

**Governance Committee, 19 January 2010**

meetings, the Committee agreed that to permit such material to be displayed at any meeting would be inappropriate and agreed that those displaying such material should be treated as disrupting the meeting at which they were present. Appropriate notices would be placed advising that the displaying of placards, banners etc was not permitted.

**RESOLVED:**

That the Mayor and Chairmen be advised that the display of placards, banners etc by members of the public at any meeting is inappropriate and that they should feel free to consider such displays to amount to disruption of the meeting, enabling them to invoke their powers to deal with disruption under the Council, Executive and Committee Procedure Rules.

**34 ADDITIONAL MEETING OF COMMITTEE**

The Committee agreed that, in view of the volume of reports to be considered arising from the review of the Constitution, an additional meeting be held on Wednesday 17 February 2010.

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Chairman  
10 March 2010

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**MINUTES OF A SPECIAL MEETING OF THE  
GOVERNANCE COMMITTEE  
Havering Town Hall  
17 February 2010 (7.30pm – 8.10pm)**

**Present:**

**COUNCILLORS:**

<b>Conservative Group</b>	Frederick Thompson (in the Chair), +Wendy Brice-Thompson, Steven Kelly, +Robbie Misir, Eric Munday, and Michael White
<b>Residents' Group</b>	+Barbara Matthews and +Pat Mylod
<b>Independent Local Residents' Group</b>	-
<b>Labour Group</b>	Keith Darvill

+ Substitute Members: Councillors Wendy Brice-Thompson (for Gary Adams), Barbara Matthews (for Clarence Barrett), Robbie Misir (for Robert Benham) and Pat Mylod (for Gillian Ford)

Apologies were received for the absence of Councillors Robert Benham and Gillian Ford

All decisions were taken unanimously with no votes against unless shown otherwise.

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

No Member declared an interest in any matter before the Committee

**35 APPOINTMENT OF DIRECTOR OF CEME**

In 2006, the Leader of the Council was appointed as a director of CEME, as a result of the Council's financial interest in CEME, which is legally a limited company.

In preparation for the transfer of LSC funding to the Council with effect from 1 April 2010, it was now suggested that the Leader be replaced as a director of CEME by the Council's Group Director, Finance and Commerce in order to prevent any potential conflicts of interest under the Members' Code of Conduct.

**RESOLVED:**

That the Group Director, Finance and Commerce be appointed a director of CEME in succession to the Leader of the Council.

**36 LOCAL DEMOCRACY, ECONOMIC DEVELOPMENT AND CONSTRUCTION ACT 2009 – designation of statutory Scrutiny Officer**

The Local Democracy, Economic Development and Construction Act 2009 required the designation of a new, statutory Scrutiny Officer, with effect from 1 April 2010.

It was suggested that, having regard to the statutory requirements and his current responsibilities, the Democratic Services Manager be so designated.

While considering the matter the Committee indicated that a report on promotion of the overview & scrutiny role within the Council should be brought forward in the summer.

**RESOLVED:****To RECOMMEND to the Council:**

1. That the post of Democratic Services Manager be designated as statutory Scrutiny Officer with effect from 1 April 2010 and that the current holder of the post, Philip Heady, be appointed accordingly.
2. That the Monitoring Officer be authorised to make the amendments to the Council's current Constitution necessary to give effect to this designation/appointment.

**37 MONITORING OFFICER NO 37 AMENDMENTS TO THE CONSTITUTION**

The latest amendments to the Constitution made by the Monitoring Officer (as set out in the Appendix to these minutes) were submitted.

**38 REVIEW OF THE COUNCIL'S CONSTITUTION: LOCAL CHOICE FUNCTIONS**

The Working Group on the Constitution had considered a revised draft of the local choice functions in Part 3 of the Constitution.

There were no issues arising that required consideration by the Committee.

**RESOLVED to RECOMMEND to the Council:**

That the revised statement of Local Choice functions be adopted.

39 **REVIEW OF THE COUNCIL'S CONSTITUTION: RESPONSIBILITY FOR EXECUTIVE FUNCTIONS**

The Working Group on the Constitution had considered a revised draft of the statement of responsibility for Executive Functions in Part 3 of the Constitution.

There were no issues arising that required consideration by the Committee.

**RESOLVED to RECOMMEND to the Council:**

That the revised statement of responsibility for Executive Functions in Part 3 be adopted.

40 **REVIEW OF THE COUNCIL'S CONSTITUTION: PROPER OFFICER FUNCTIONS**

The Working Group on the Constitution had considered a revised draft of the Proper Officer Functions in Part 3 of the Constitution.

It was noted that opportunity had been taken to make a number of changes in order to allocate specific proper office rules more appropriately within the current management structure.

The Committee also noted that, in addition to being set out in the statement of functions, a formal "Proper Officer Resolution" of the Council was desirable to give effect to the various delegations set out.

**RESOLVED to RECOMMEND to the Council:**

1. That the revised Proper Officer Functions in Part 3 be adopted.
2. That it resolve that the various officers designated in the statement of functions be appointed Proper Officers for the functions specified.

41 **REVIEW OF THE COUNCIL'S CONSTITUTION: EXECUTIVE PROCEDURE RULES**

The Working Group on the Constitution had considered a revised draft of the Executive Procedure Rules.

There were no issues arising that required consideration by the Committee.

**RESOLVED to RECOMMEND to the Council:**

That the revised Executive Procedure Rules be adopted.

42 **REVIEW OF THE COUNCIL'S CONSTITUTION: OVERVIEW & SCRUTINY**

## **PROCEDURE RULES**

The Working Group on the Constitution had considered a revised draft of the Overview & Scrutiny Procedure Rules.

Members asked that the voting rights of certain co-opted Members of the Children's Services Overview & Scrutiny Committee and the Crime & Disorder Committee be made clearer in the Rules.

### **RESOLVED to RECOMMEND to the Council:**

That the revised Overview & Scrutiny Procedure Rules (as amended to clarify certain co-opted Members' voting rights) be adopted.

## **43 REVIEW OF THE COUNCIL'S CONSTITUTION: ACCESS TO INFORMATION RULES**

The Working Group on the Constitution had considered a revised draft of the Access to Information Rules.

There were no issues arising that required consideration by the Committee.

### **RESOLVED to RECOMMEND to the Council:**

That the revised Access to Information Rules be adopted.

## **44 REVIEW OF THE COUNCIL'S CONSTITUTION: CONTRACT PROCEDURE RULES**

The Working Group on the Constitution had considered a revised draft of the Contract Procedure Rules.

There were no issues arising that required consideration by the Committee.

### **RESOLVED to RECOMMEND to the Council:**

That the revised Contract Procedure Rules be adopted.



**AMENDMENTS TO CONSTITUTION****Notification No. 37****Date 2<sup>nd</sup> February 2010****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 effective from the respective dates shown in the attached document headed Transitional Arrangements.

<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 6	163	<b>Public Health Act 1936</b>			
		<b>Section</b>	<b>Description</b>		<b>Proper Officer</b>
		84	Officer authorised to issue a certificate requiring an article to be cleansed purified, disinfected or destroyed.		The Council hereby appoints any person for the time being employed by the North East London Health Protection Unit as Consultant in Communicable diseases (CCDC) or by the North East London Primary Care Trusts (PCTs) as Consultant in Public Health Medicine (CPHM) for the authority's area as proper officer. Public Protection Manager.
		<b>Section</b>	<b>Description</b>		<b>Proper Officer</b>
		85	Officer authorised to issue report to take measures to cleanse verminous clothing.	The Council hereby appoints any person for the time being employed by the North East London Health Protection Unit as Consultant in Communicable diseases (CCDC) or by the North East London Primary Care Trusts (PCTs) as Consultant in Public Health Medicine (CPHM) for the authority's area as proper officer. Public Protection Manager.	

**Governance Committee, 17 February 2010**

Part and article/ section	Page reference	Substance of amendment / amended wording		Reason for amendment						
Part 3 Section 6	163	<b>Public Health Act 1961</b>								
		<table border="1"> <thead> <tr> <th data-bbox="616 360 735 387">Section</th> <th data-bbox="735 360 1018 387">Description</th> <th data-bbox="1018 360 1270 387">Proper Officer</th> </tr> </thead> <tbody> <tr> <td data-bbox="616 387 735 808">37</td> <td data-bbox="735 387 1018 808">Officer authorised who may cause verminous articles to be disinfected or destroyed.</td> <td data-bbox="1018 387 1270 808">The Council hereby appoints any person for the time being employed by the North East London Health Protection Unit as Consultant in Communicable diseases (CCDC) or by the North East London Primary Care Trusts (PCTs) as Consultant in Public Health Medicine (CPHM) for the authority's area as proper officer. Public Protection Manager.</td> </tr> </tbody> </table>	Section	Description	Proper Officer	37	Officer authorised who may cause verminous articles to be disinfected or destroyed.	The Council hereby appoints any person for the time being employed by the North East London Health Protection Unit as Consultant in Communicable diseases (CCDC) or by the North East London Primary Care Trusts (PCTs) as Consultant in Public Health Medicine (CPHM) for the authority's area as proper officer. Public Protection Manager.		
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Chairman  
10 March 2010



# GOVERNANCE COMMITTEE

# REPORT

10 03 2010

**Subject Heading:**

Corporate Governance Update

**Report Author and contact details:**

Vanessa Bateman  
Internal Audit & Corporate Risk Manager  
Tel: 01708 - 433733.  
E-mail : [vanessa.batemen@havering.gov.uk](mailto:vanessa.batemen@havering.gov.uk)

**Policy context:**

To update the Committee on the  
Corporate Governance arrangements.

**Financial summary:**

N/a

## SUMMARY

In order to assist the Committee in its responsibility to monitor Corporate Governance arrangements, this report updates Members regarding current arrangements; the progress to address the issues identified in the 2008/09 Annual Governance Statement; and the work of the officer Governance Group to date in 2009/10.

## RECOMMENDATIONS

1. To consider the contents of the report.
2. To note the progress made in addressing issues identified within the 2008/09 Annual Governance Statement.

**REPORT DETAIL**

Members of Governance Committee are responsible for the approval of the Annual Governance Statement (AGS) and for monitoring all aspects of the Council's Corporate Governance arrangements.

2009/10 will be the third year since the suggested best practice and statutory requirements placed on Council's, with regards Corporate Governance, was significantly changed. Although robust arrangements were already in place, the introduction of the AGS did mean that these arrangements were reviewed and tailored accordingly.

The new approach was embedded during 2008/09 and as no recommendations were made, by the External Auditor, following the review of the processes and the resulting 2008/09 AGS, no changes have been required for 2009/10.

During 2009/10 the officer Governance Group, chaired by the Group Director Finance and Commerce, has continued to meet quarterly. The group has reviewed the self assessment scores and action plan against the CIPFA/Solace framework and noted actions and improvements across all areas. Planned future actions continue to be identified and monitored in areas where top scores are yet to be achieved.

During the year the actions taken to address the issues identified in the 2008/09 AGS have been captured and reported to Governance Group. Appendix 1 details the action plan as at end of December 2009 and good progress is noted in all five areas. The action plan will be updated again at the end of March 2010 at which time a decision will be taken as to whether the issue has been sufficiently addressed to be removed.

The process to draft the 2009/10 AGS is underway; there are no significant issues to report to members at this time. Once all sources of assurance have been reviewed, at the end of the financial year, a draft version of the AGS will be presented to the Committee in May for approval, prior to it being noted by the Audit Committee and included in the Council's Statement of Accounts.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

There are none arising directly from this report. The risks of our arrangements not complying with best practice may lead to the Council not being viewed as open and transparent by stakeholders or adverse assessment by the External

Auditor within Use of Resources assessment. Failure to produce a robust AGS could result in the Council's Accounts being qualified.

**Legal implications and risks:**

None arising directly from this report

**Human Resources implications and risks:**

None arising directly from this report

**Equalities implications and risks:**

None arising directly from this report. Equality and social inclusion are key factors to consider in the Council's Governance arrangements and any changes to the Code of Governance or other related policies and procedures are assessed in order to ensure the impact is appropriately identified.

**BACKGROUND PAPERS**

Annual Governance Statement 2008/09.  
CIPFA/Solace – 'Delivering Good Governance in Local Government' framework.

<b>Significant Issue</b> and action already taken	<b>Planned actions</b>	<b>CMT Lead</b>	<b>Progress to date</b> as at end December 2009
<p>1. Complaints Handling.</p> <ul style="list-style-type: none"> <li>➤ New procedure went live September 2008;</li> <li>➤ First complete set of management information reviewed November 2008, presented to members January 2009.</li> <li>➤ Review currently underway, anticipated completion by August 2009</li> </ul>	<p>Full review and evaluation commenced January 2009.</p> <p>Six month review planned to identify and feed in improvements.</p> <p>Report to Adjudication and Review in April.</p> <p>Internal Audit planned 2009/10.</p>	<p>Group Director Culture &amp; Community</p>	<p>Six month review delayed due to resource restrictions. Report on review is due out April 2010.</p> <p>Internal Audit report out 18 November 2009</p> <p>Customer Services Manager now in post and recommendations implemented.</p>
<p>2. Partnership working including changes to funding arrangements.</p> <ul style="list-style-type: none"> <li>➤ Planned development of partnership toolkit reported to Corporate Management Team; and</li> <li>➤ Internal Audit completed.</li> </ul>	<p>Further development of Partnership Toolkit.</p> <p>Review of Partnerships working.</p> <p>Extend Governance from Strategic Partnership to operational levels.</p> <p>Implement audit and locally</p>	<p>Group Director Culture &amp; Community</p>	<p>Dedicated resource allocated to reviewing partnership arrangements.</p> <p>Full review completed and reported to CMT January 2010.</p> <p>Audit and locally identified action plans will be implemented by October.</p>

	identified action plans.		
<p>3. Homes in Havering.</p> <ul style="list-style-type: none"> <li>➤ A number of meetings are held, on a monthly basis, between key Homes in Havering and Council officers;</li> <li>➤ Monthly Performance Board to discuss PIs and Delivery Plan; and</li> <li>➤ Some consultancy advice regarding the management agreement.</li> </ul>	<p>New programme of meetings and communication links to continue into new financial year.</p> <p>Agreement of revised management agreement.</p>	<p>Group Director Culture &amp; Community</p>	<p>Regular meetings are diarised and robust arrangements in place.</p> <p>Permanent post holders are being appointed to key Senior Management roles.</p> <p>Positive inspection results.</p>
<p>4. Data Quality – including Partner organisations.</p> <ul style="list-style-type: none"> <li>➤ Development of a data quality strategy; and</li> <li>➤ Implementation of an electronic performance management system that will enable timelier reporting by partners.</li> </ul>	<p>Data quality training, policies and guidance rolled out with Havering Performs – the performance management system;</p> <p>Refresh the strategy – annual review due July; and</p>	<p>Group Director Finance &amp; Commerce</p>	<p>Positive results from the Internal and External Audits conducted.</p> <p>Havering Performs roll out is on-going.</p> <p>Refresh of relevant strategies and policies well underway.</p> <p>Improved awareness gained via Performance Management Group.</p>

	Internal and External Audits planned 2008/09.		
<p>5. Information Governance</p> <ul style="list-style-type: none"> <li>➤ Policies &amp; Procedures are in place;</li> <li>➤ Reviews by ICT officers to identify weaknesses in current systems; and</li> <li>➤ Independent viewpoint provided by Internal Audit.</li> </ul>	<p>Make more explicit the Council's Corporate requirements regarding information Governance;</p> <p>Invest in new technologies to reduce risk;</p> <p>Raise awareness within teams and services and encourage identification of specific local risks and then action to address;</p> <p>Further audit work planned for 2009/10.</p>	<p>Group Director Finance &amp; Commerce.</p>	<p>Arrangements are currently being reviewed by Business Systems.</p> <p>This has been included as a risk on the corporate risk register for monitoring.</p> <p>Internal Audit has commenced, work is focused on consultancy and support to management rather than a standard systems audit approach. Periodic meetings of relevant officers planned.</p> <p>On-line information security training has been circulated via Heads of Service.</p> <p>Issues added to Governance Group agenda to ensure appropriate structures are in place.</p>





# GOVERNANCE COMMITTEE

# REPORT

10 March 2010

**Subject Heading:**

Proposed changes to the electoral process following the Political Parties and Election Act 2009 and update on current electoral issues

**CMT Lead**

Christine Dooley, Assistant Chief Executive/ Monitoring Officer

**Report Author and contact details:**

Sandra Cottle, Election Services Manager  
01708 432446

**Policy context:**

sandra.cottle@havering.gov.uk  
The introduction of Individual Registration and Performance Standards and an update on postal voting requirements.

**Financial summary:**

Not known at the present time

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

**SUMMARY**

1. The Political Parties and Election Act 2009 received Royal Assent on the 21 July 2009 and put in place a number of reforms to the framework for the administration of elections and the regulation of political finance and expenditure. The Act sets a statutory timetable for the introduction of individual registration, and also requires that those sending in registration

forms during the canvass period be included in the Register used at an election if one is called during the canvass period

2. New Performance Standards for Electoral Registration Officers and Returning Officers have been introduced.
3. To bring Members up to date with the current position on postal voting.

**RECOMMENDATIONS**

To note the contents of this report.

**REPORT DETAIL**

Political Parties and Election Act 2009 – Individual Registration.

1. The Act introduces Individual Registration on a voluntary basis commencing in July 2011 and the Electoral Commission will report to Parliament annually on progress, with the intention that it be made compulsory in 2015. The Act requires each elector to register individually and persons will be required to give their signature, date of birth and national insurance number in addition to their full names and nationality which is currently collected. Each of these personal identifiers will have to be checked against other data sets to check they are correct.
2. The reason for this phased implementation is that when individual registration was introduced in Northern Ireland following the 'The Electoral Fraud (N.I.) Act 2002' the number of persons registering to vote dropped from 1,192,136 the previous year to 1,072,346. In effect those registering to vote dropped over 10% in one year. Obviously here in Havering there will be a number of persons reluctant to give this personal information and so would rather disenfranchise themselves. If the number of such people was reflected on the same scale as Northern Ireland some 18,000 electors could be disenfranchised (the equivalent of nearly two Wards).
3. Further Regulations have yet to be passed as to how Individual Registration will be introduced in practice.

Political Parties and Election Act 2009 – Elections in the canvass period.

4. This measure will allow those who have submitted an annual canvass form containing new names or amended names to be included in the polling station register if an election is called during the canvass period. However names will not be deleted, in practice this may result in a large number of people being

duplicated on the Register, and therefore it is possible they may vote more than once.

5. It also means that the Election Services Office must keep up-to-date with making such changes to the Register during the canvass period and processing any postal vote application requests made on the canvass form (approximately 10,000 postal vote application forms are sent out each canvass period). It will also mean that completed postal vote applications will also have to be processed during the very busy canvass period because an election could be called at any time.
6. This applies to any election - Parliamentary or Local, including by-elections.

#### Performance Standards

7. Electoral Registration Officers New Performance Standards were introduced in December 2008, which are assessed by the Electoral Commission. There are ten performance standards and Havering were assessed as above on 5 of the standards and meeting the other 5 performance standards.
8. Returning Officers Performance Standards have been similarly introduced and our first submission was after the European Parliamentary Election in June. We have assessed ourselves as meeting all the Performance Standards for Returning Officers.

#### Current position on postal voting

9. We currently have some 22,500 postal voters and this number is likely to increase as the Local Elections and the Parliamentary Election get nearer.
10. Members will be aware that several anti-fraud measures were introduced with the Electoral Administration Act 2006, especially around postal voting. Personal Identifiers of signatures and dates of birth have to be collected from every person wishing to vote by post, this has to be held on record and compared with that accompanying any postal ballot paper received at an election.
11. This process is undertaken by forensic signature recognition software such as that used by banks, with any doubtful identifiers having to be adjudicated on manually by senior election staff. These staff have all undertaken forensic signature recognition training.
12. Postal Vote opening sessions are usually now held every day after postal votes are sent out to be able to cope with the increased workload.
13. Any postal ballot paper can be handed in at any polling station in the electoral area on polling day. These are collected by polling station inspectors during polling day. Any delivered to polling stations after that are delivered to the Count by the Presiding Officer along with the ballot box. Opening these late

postal votes took two to three hours after the GLA and European Parliamentary Polls, but as the Counts were not held until Friday it did not cause any delay to the Count. However if the Parliamentary Election is combined with the Local Elections on the 6<sup>th</sup> May 2010, it will delay the Parliamentary Count, which will be done first, which is the reason why some Returning Officers have announced that they will not undertake the Parliamentary Election Count until the following day, Friday.

## IMPLICATIONS AND RISKS

*There is a **corporate** requirement to set out the implications and risks of the decision sought, in the following areas*

### **Financial implications and risks:**

There will be additional resource implications from the new measures in the Political Parties and Election Act 2009 however the Election Services Manager is unable to quantify these until the Regulations have been passed as to how the changes are to be implemented in practice. There may be some additional funding for this new measure from Central Government, although this is not confirmed

A further report will be brought to this committee setting out the detailed financial implications as appropriate, when more information is available.

### **Legal implications and risks:**

There may be legal implications and risks if the register is not regularly updated during the canvass period and an election is called during that time as a large number of persons could be disenfranchised.

### **Human Resources Implications and risks:**

The Election Services Manager is unable to quantify whether there are additional staffing implications from the new measures in the Political Parties and Election Act 2009 until the Regulations as to how these changes are to be implemented in practice, have been formulated. Any changes to the staffing needs will be dealt with in accordance with the Council's HR policies and procedures

### **Equalities implications and risks:**

There may be a large number of residents refusing to give the additional information required to register to vote and therefore effectively disenfranchising themselves. This will lead to a lesser number of persons voting and therefore could further erode the political legitimacy of those elected.

## BACKGROUND PAPERS

There are none



# GOVERNANCE COMMITTEE

# REPORT

10 MARCH 2010

**Subject Heading:**

**CMT Lead:**

**Report Author and contact details:**

**Policy context:**

**Financial summary:**

AMENDMENTS TO THE  
CONSTITUTION – Delegation of  
operational activity to officers  
Christine Dooley, Assistant Chief  
Executive, Legal & Democratic Services  
Ian Buckmaster, Committee  
Administration Manager  
01708 432431  
[ian.buckmaster@havering.gov.uk](mailto:ian.buckmaster@havering.gov.uk)  
The Constitution includes the detailed  
delegations to officers of decision-making  
on day-to-day operational matters  
There are no direct costs associated with  
this review

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input checked="" type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

**SUMMARY**

With other reports on the agenda for this meeting, the Committee's review of the Council's Constitution is complete.

This report proposes that the Committee recommends to Council that the settlement of the detail of delegations of decisions on day-to-day operational matters be delegated to the Monitoring Officer.

**RECOMMENDATIONS**

That the Committee **RECOMMEND** to Council that the Monitoring Officer be authorised to finalise, with other Members of the Corporate Management Team as necessary, the detailed delegations to officers of day-to-day operational matters that do not require decision at Member-level.

**REPORT DETAIL**

- 1 The Constitution includes the detail of delegations to officers of decision-making relating to the day-to-day operation of the Council's many functions. Some of these are generic, exercisable by all members of the Corporate Management Team (CMT) and/or Heads of Service as part of the overall management roles, while others are specific to senior managers below that level, s part of the specific duties of their particular post. In many cases, the need for a specific delegation to be spelt out arises from legislation: both to ensure that a particular individual (or set of individuals) is responsible for a particular function, or in order to ensure that, for example, a specific individual has the authority to do something that might otherwise be successfully challenged in court.
- 2 These delegations are necessarily subject to continuous review, as legislation, statutory guidance or professional best practice evolves, or as management structures within the Council's services changes.
- 3 Despite work having begun on the review of the Constitution many months ago, it has still not been possible to finalise the specific review of the individual delegations. Most has been done but some significant areas remain to be settled and it has proved not to be possible to produce a final version before it was necessary to produce the last reports for this meeting of the Committee.
- 4 The new Constitution must be in place for 9 May, immediately following the election. Although there may be subsequent further review, it is essential that a workable version of the new Constitution be available then, in order to avoid any doubt about the Council's ability to continue its business in an efficient and effective manner.
- 5 Accordingly, the Committee is now invited to recommend to the Council that the Monitoring Officer be authorised, in consultation as necessary with the other members of the Corporate Management Team, to finalise the delegations to officers of day-to-day operational matters. The Working Group conducting the review was content with this approach.

The delegations covered by this report refer to the following staff, and their subordinates:

**3.5 Group Directorate Social Care and Learning**

- 3.5.1 Group Director Social Care and Learning
- 3.5.2 Assistant Director Commissioning
- 3.5.3 All Heads of Service, Social Care & Learning
- 3.5.4 Head of Learning and Achievement
- 3.5.5 Head of Schools for the Future
- 3.5.6 Head of Children and Young People's Services
- 3.5.7 Head of Adult Social Care

**3.6 Group Directorate Culture and Community**

- 3.6.1 Group Director Culture and Community
- 3.6.2 Assistant Director Customer and Community Engagement
- 3.6.3 Head of StreetCare
- 3.6.4 Head of Culture and Leisure
- 3.6.5 Head of Regeneration & Strategic Planning
- 3.6.6 Head of Housing & Public Protection
- 3.6.7 Head of Communications

**3.7 Group Directorate Finance & Commerce**

- 3.7.1 Group Director Finance & Commerce
- 3.7.2 Assistant Director Business Efficiency
- 3.7.3 Head of Financial Services
- 3.7.4 Head of Exchequer Services
- 3.7.5 Head of Asset Management
- 3.7.6 Property Strategy Manager
- 3.7.7 Head of Business Systems
- 3.7.8 Head of Development and Building Control
- 3.7.9 Head of Human Resources

**3.8 Chief Executive's Directorate**

- 3.8.1 Assistant Chief Executive Legal & Democratic Services

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

There are no significant financial implications or risks arising from this exercise. The cost of reproducing the new Constitution will be met from existing budget provision.

**Legal implications and risks:**

There are no significant legal implications or risks arising from this change.

**Human Resources implications and risks:**

There are none.

**Equalities implications and risks:**

There are none.

**BACKGROUND PAPERS**

There are none.





# GOVERNANCE COMMITTEE

# REPORT

10 MARCH 2010

**Subject Heading:**

AMENDMENTS TO THE  
CONSTITUTION – final report

**CMT Lead:**

Christine Dooley, Assistant Chief  
Executive/Monitoring Officer

**Report Author and contact details:**

Ian Buckmaster, Committee  
Administration Manager  
01708 432431

[ian.buckmaster@havering.gov.uk](mailto:ian.buckmaster@havering.gov.uk)

**Policy context:**

Arising from the on-going review of the  
Council's Constitution, this report invites  
the Committee to agree that the  
Monitoring Officer be authorised to make  
minor and consequential amendments to  
already-agreed text in order to ensure  
consistency and to avoid duplication

**Financial summary:**

There are no direct costs associated with  
this review

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input checked="" type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

**SUMMARY**

With other reports on the agenda for this meeting, the Committee's review of the Council's Constitution is complete.

This report (a) identifies a number of minor changes in the text of elements of the Constitution that have already been review that are needed in consequence of subsequent changes to other elements and (b) seeks authority for the Monitoring Officer to make any further changes that are identified as necessary as the process of bringing the various elements together proceeds.

## RECOMMENDATIONS

That the Committee **RECOMMEND** to Council that:

- 1 The various minor changes set out in the Schedule be agreed.
- 2 The Monitoring Officer be authorised to make any further changes in the approved revised texts of the various parts of the Constitution that become necessary in consequence of their merger into a single document.

## REPORT DETAIL

- 1 The Committee's work on the review of the Constitution ends with its consideration at this meeting of the remaining reports on elements of the text. The Committee has already reported upon a number of changes to the Council, all of which have been accepted. Further review will follow after the election, once the new arrangements have had time to bed down.
- 2 Aside from agreeing the various individual parts of the Constitution, it is necessary to bring them together as a whole, with some elements that have not required review, into a single, consolidated document. That exercise is already in hand, and in consequence the need for some minor adjustments has become apparent. These adjustments are set out in the Appendix to this report. The Committee is asked to agree them and to recommend to the Council that they be approved.
- 3 The task of consolidation will continue for a little time yet: the aim is that the final document will be available for issue to the successful candidates immediately following the local election on 6 May, although if at all possible it will be published on the Council's website and available for public inspection before then.
- 4 The new Constitution will take effect on 9 May 2010, and the Annual Meeting of Council will be convened in accordance with it.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

There are no significant financial implications or risks arising from this exercise. The cost of reproducing the new Constitution will be met from existing budget provision.

**Legal implications and risks:**

There are no significant legal implications or risks arising from this change.

**Human Resources implications and risks:**

There are none.

**Equalities implications and risks:**

There are none.

**BACKGROUND PAPERS**

There are none.

## Schedule of Changes

### Part 1 Summary

Under “How the Council operates”, 3<sup>rd</sup> paragraph -

Line 4 Delete “ten”, insert “nine”

After “together”, add “with the Leader of the Council”

Line 6 After “set by”, add “legislation and agreed by”

Under “How decisions are made, 2<sup>nd</sup> paragraph –

Line 2 Add “some” Before “important decision”

### Part 2 Articles

#### Para

- 1.03 (b) Item 6, delete “admin”, insert “administrative”.
- 1.03 (e) Delete “& Policy” and insert after “Rules”, “and the Policy Framework Procedure Rules”.
- 2.02 (c) After “and be a” insert “champion –”.
- 2.03 Delete “Staff”, insert “Officers”.
- 5.03 Delete “ten”, insert “nine”  
and  
8.03
- 9.02 Add “(g) in accordance with the Policy Framework”
- 9.08 Delete “he or she”, insert “they”
- 10.04 Delete “£50,000” (twice) and insert “£100,000”.  
“Rule 26” to read “Rule 16”
- 11.02 (c) Delete “District Audit”

[Appendix]  
Regulatory Services Committee  
Revise to read

10 Councillors, of whom only one may be an Executive Member, or two if one is acting as a substitute.

[Annex]

4.1 Move the words “as required by law” to appear after “Chairman”

### **Part 3 Responsibility for Functions.**

\*(highlighted as needing change when draft was submitted to, and approved by, Council)

First paragraph add “(as amended)” after Local Government Act 2000. In second bullet point add “the Leader”, after “meaning”

\*Revise List of appendices to read, from B onwards

“B Enactments enforceable by the Head of Housing and Public Protection.

C Code of Practice: disposal of surplus property.”

\*Para 1.1 Change “4.02” to read “4.01”

Para 1.2 [Appointments Committee]  
Add after “To appoint and dismiss Group Directors”, the words “Assistant Chief Executive, Assistant Directors”.

\*Para 1.2 [Governance Committee]  
Change “Article 15” to read “Article 11”

Para 1.2 [Standards Committee]  
In 6<sup>th</sup> bullet point change “Article 13.09” to read “Article 9.08”

Para 1.3 [Children’s Trust]  
Amend “champ” to read “champion”

### **Part 4: Council Procedure Rules**

#### **New Rule No**

1 Annual Meeting  
Add  
“(iii) Receive declaration of interest”

[Renumber balance of Rule 1]

2 (vi) Rule 24 to read Rule 23

2 (viii) Reads

“Receive reports for the previous year from the Chairman of the Overview and Scrutiny Committee, the Audit Committee, the Standards Committee and the Pensions Committee:”

To be amended to read –

“Receive reports for the previous year from the Chairman of the Overview and Scrutiny Committee, the Audit Committee and the Pensions Committee and from the Member Champion for Standards in respect of the Standards Committee.”

3 Council Tax Setting Meeting  
Add  
“(ii) Receive Declarations of Interest”  
[Renumber balance of Rule 3]

9.1 (ii) Line 2 – Delete close bracket, insert comma.

10.3 Add “guidelines” after “protocol” in 3<sup>rd</sup> line  
(to be consistent with wording in Rule 11.3 (iii))

10 Delete “10.5”, “10.6” and “10.7” and renumber 10.8 as 10.5 and so on. Renumber the paragraphs (i), (ii) etc.

10.6 Renumbered as 10.4 (il)). After “dealt with by rounds”, insert, “with the first question in each round being from the largest Opposition Group”.

10.8 [Will be renumbered 10.5]  
Delete “(1)”

10.9 [Will be renumbered 10.6]  
Delete “A summary of the supplementary and answer shall be included in the minutes” [duplication]

**Governance Committee, 10 March 2010**

- 10.11 [Renumbered 10.8] [Questions]  
After “behalf” add “or allocate it to another member of the Group for asking”
- 11.3 [Scope of motions]  
Add (line2) “scurrilous” before “frivolous”  
“provision of any” before “code”  
“of the Council” before “conventions”  
[Consistency with similar questions Rule 10.3]
- 11.6 Delete “11.7”, “11.8” and “11.9” and renumber paragraphs as (i), (ii) etc. Renumber balance of paragraph as 11.7.
- 11.9 Add heading, “Amendments at Council Tax Meeting” as the heading for the new paragraph  
11.7; Renumber 11.9 (iii) as 11.7 (i) and following paragraph as 11.7 (ii); substitute “they” for “he” in (ii) (b) and (iii) (c); Renumber 11.10 as 11.8; and renumber 11.11 as 11.9
- 12 Insert heading “12.1 Procedural Motions” at beginning. In (x) Delete “Rule 21” and insert “Rule 20”
- 12 Insert heading “12.2 Special Procedural Motions” at beginning of Rule 12.2. In (iii) delete “Rule 13.12” and insert “Rule 13.6”.
- 13.4 [Content and Length of Speeches]  
Substitute “agenda item” for “question”
- 13.6 After ‘another member’, insert ‘of their Group’
- 13.7 Insert heading “Point of Order”. Delete “he” insert “they”.
- 13.8 Line 4. Delete “his” insert “their”
- 13.10 After “point of information” in line 5 insert “and the time allowed for any point of information”  
[To be consistent with 13.8 and 13.9]
- 18.2 [A member shall confine a speech to the matter under discussion or to an explanation, clarification, to a point of order or upon a point of information]  
Delete as repeats 13.4
- 18.3 and  
18.5 Delete “Rule 19.4”, insert “Rule 18.4”

- 20 Delete “20.1”, “20.2” and “20.3”, renumber paragraphs (i), (ii) etc. In renumbered paragraph (ii) delete “19” and insert “19.1 and 19.3”. Renumber 20.3 as 20.2.
- 23.2 Delete “s” from “petitions”
- 25 (i) (b) and (c) Delete “his” and insert “their”.

## **Part 4: Committee Procedure Rules**

In Appendix (Rules and Conventions for Area Committees)

Paragraph

- 2and3 Delete “Article 10 of Part 2 of the Constitution (as revised)”, insert “paragraph 1.5 of Part 3 of the Constitution”

## **Part 5 Protocol on Member/Officer Relations**

“s/he”, “his/her” to be changed, respectively, “they” and “their” wherever it appears.

- Para 7 Delete “District” (from “District” Auditor).
- Para 23 (b) Delete “and Policy Framework” and insert “Framework Procedure Rules and Policy Framework Procedure Rules”.

## **Part 4: Council Procedure Rules**

### **New Rule No**

- 1 Annual Meeting  
Add  
“(iii) Receive Declarations of Interest”  
[Renumber balance of Rule 1]
- 2 (vi) ‘Rule 2’4 to read ‘Rule 23’
- 2 (viii) Reads  
  
“Receive reports for the previous year from the Chairman of the Overview and Scrutiny Committee, the Audit Committee, the



Standards Committee and the Pensions Committee:”

To be amended to read –

“Receive reports for the previous year from the Chairman of the Overview and Scrutiny Committee, the Audit Committee and the Pensions Committee and from the Member Champion for Standards in respect of the Standards Committee.”

- 3 Council Tax Setting Meeting  
Add  
“(ii) Receive Declarations of Interest”  
[Renumber balance of Rule 3]
- 9.1 (ii) Line 2 – Delete close bracket, insert comma.
- 10.3 Add “, guidelines” after “protocol” in 3<sup>rd</sup> line  
(to be consistent with wording in Rule 11.3 (iii))
- 10 Delete “10.5”, “10.6” and “10.7” and renumber 10.8 as 10.5 and so on. Renumber those paragraphs (I), (ii) etc.
- 10.6 Renumbered as 10.4 (ii). After “dealt with by rounds”, insert, “with the first question in each round being from the largest Opposition Group”.
- 10.8 [Will be renumbered 10.5]  
Delete “(1)”
- 10.9 [Will be renumbered 10.6]  
Delete “A summary of the supplementary and answer shall be included in the minutes” [duplication]
- 10.11 [Renumbered 10.8] [Questions]  
After “behalf” add “or allocate it to another member of the Group for asking”
- 11.3 [Scope of motions]  
Add (line2) “scurrilous” before “frivolous”  
“provision of any” before “code”  
“of the Council” before “conventions”  
[Consistency with similar questions Rule 10.3]

## Governance Committee, 10 March 2010

- 11.6 Delete “11.7”, “11.8” and “11.9” and renumber paragraphs as (i), (ii) etc. Renumber balance of paragraph 9.
- 11.9 Add heading, “Amendments at Council Tax Meeting” as 11.7; Renumber 11.9 (iii) as 11.7 (i) and following paragraph as 11.7 (ii); and Substitute “they” for “he” in (ii) (b) and (iii) (c);
- 12 Insert heading “12.1 Procedural Motions” at beginning. In (x) Delete “Rule 21” and insert “Rule 20”
- 12 Insert heading “12.2 Special Procedural Motions” at beginning of Rule 12.2. In (iii) delete “Rule 13.12” and insert “Rule 13.6”
- 13.4 [Content and Length of Speeches]  
Substitute “agenda item” for “question”
- 13.7 Insert heading “Point of Order”. Delete “he” insert “they”.
- 13.8 Line 4. Delete “his” insert “their”
- 13.10 After “point of information” in line 5 insert “and the time allowed for any point of information”  
[To be consistent with 13.8 and 13.9]
- 18.2 [A member shall confine a speech to the matter under discussion or to an explanation, clarification, to a point of order or upon a point of information]  
Delete as repeats 13.4
- 18.3 and  
18.5 Delete “Rule 19.4”, insert “Rule 18.4”
- 20 Delete “20.1”, “20.2” and “20.3”, renumber paragraphs (i), (ii) etc. In renumbered paragraph (ii) delete “19” and insert “19.1 and 19.3”. Renumber 20.3 as 20.2.
- 23.2 Delete “s” from “petitions”  
25 (i) (b) and (c) Delete “his” and insert “their”.

## **Part 4: Committee Procedure Rules**

All in Appendix (Rules and Conventions for Area Committees)

Paragraph

- 2and3 Delete “Article 10 of Part 2 of the Constitution (as revised)”, insert “paragraph 1.5 of Part 3 of the Constitution”