

GOVERNANCE COMMITTEE

AGENDA

7.30pm	Wednesday 4 October 2006	Havering Town Hall Main Road, Romford
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Members 10: Quorum 4

COUNCILLORS:

**Conservative Group
(6)**

Frederick Thompson
(Chairman)
Kevin Gregory (Vice-
Chairman)
Steven Kelly
Eric Munday
Roger Ramsey
Michael White

**Residents' Group
(2)**

Gillian Ford
Barbara Reith

**Rainham &
Wennington
Independent
Residents' Group
(1)**

Mark Stewart

**Labour Group
(1)**

Keith Darvill

For information about the meeting please contact:

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e-mail ian.buckmaster@haverling.gov.uk



NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

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

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

2. MOBILE COMMUNICATIONS DEVICES

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

3. CONDUCT AT THE MEETING

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

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

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

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

AGENDA ITEMS**1 CHAIRMAN'S ANNOUNCEMENTS**

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

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

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

4 MINUTES

To approve as correct records the minutes of the meeting of the Committee held on 5 July and of the special meeting held on 9 August 2006, and to authorise the Chairman to sign them.

5 PUBLIC ACCESS TO THE COUNCIL CHAMBER**6 REVISION TO FINANCIAL PROCEDURE RULES****7 AMENDMENTS TO THE CONSTITUTION – Monitoring Officer's action****8 OVERVIEW & SCRUTINY PROCESS – reference from Council****9 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.

Governance Committee, 4 October 2006

Stephen Evans
Chief Executive

**MINUTES OF A MEETING OF THE
GOVERNANCE COMMITTEE
Havering Town Hall
5 July 2006 (7.30pm – 7.45pm)**

Present:

COUNCILLORS:

Conservative Group Frederick Thompson (in the Chair), +Eddie Cahill, Kevin Gregory, +Robby Misir, Roger Ramsey and +Barry Tebbutt

Residents' Group Gillian Ford and +Ray Morgon

**Rainham & Wennington -
Independent Residents'
Group**

Labour Group -

+ Substitute Members: Councillors Eddie Cahill (for Steven Kelly), Robby Misir (for Eric Munday), Ray Morgon (for Barbara Reith) and Barry Tebbutt (for Michael White)

Apologies were received for the absence of Councillors Keith Darvill, Steven Kelly, Eric Munday, Barbara Reith and Michael White

All decisions were taken with no vote against.

No Members declared an interest in any item.

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

5 MINUTES

The Minutes of the meeting of the Committee held on 7 June 2006 were approved as a correct record and signed by the Chair.

6 CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING

The Committee received the fourth six-monthly update in respect of Corporate Governance arrangements in Havering.

Governance Committee, 5 July 2006

Members noted that the Code had been amended in accordance with the wish of the Committee at its February meeting that it should better reflect the roles and responsibilities of the Community.

The Committee noted the progress made to date.

7 AMENDMENTS TO THE CONSTITUTION

The creation of Homes in Havering as an Arms' Length Management Organisation (ALMO) and the transfer to it via a management agreement of various property management and tenancy relation matters, meant that the Council's role had moved from being the direct provider of those services to overseeing and monitoring their provision. The Council retained responsibility for strategic housing issues.

It was, therefore, necessary to amend the housing responsibilities of Cabinet and the Cabinet Member for housing to reflect those changes.

RESOLVED

That the changes to the Constitution set out in the Appendix to these minutes be approved.

APPENDIX**Proposed changes to the Constitution**

Part 2 Article 6:01 (Areas of responsibility)

Delete Housing and replace with Overview of ALMO; Housing Retained Services

Housing Overview and Scrutiny Committee	8 councillors, or the number of councillors determined by Council from time to time	<ul style="list-style-type: none"> • Housing • <u>Overview of ALMO</u> • <u>Housing Retained Services</u> • Social inclusion
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Part 3 Section 1.5 (Functions delegated to Area Committees)

Add new point 12 after 11.

12 To monitor local services (but not Housing Landlord services).

Part 3 Section 2.1 (Functions exercised by Cabinet alone)

Add new bullet point at end of list

- Approve annually the Homes in Havering Delivery Plan

Part 3 Section 2.1 paragraph 25 (Cabinet functions: award of contracts)

Delete first bullet point:

- ~~works contracts in respect of the Council's housing revenue account assets, where Cabinet is to award only those contracts where the total contract value is above £1,000,000.~~

Part 3 Section 2.1 para 37 (Cabinet functions: Housing)

Delete sub paragraphs (b), (c), (f) and (j)

~~(b) managing and maintaining all land and property held for the Council's housing functions~~

~~(c) maximising opportunities for tenant participation and involvement~~

Governance Committee, 5 July 2006

- ~~(f) providing, laying out, maintaining and overseeing all Council gardens, open spaces and land held for housing purposes~~
- ~~(j) taking responsibility for all right-to-buy matters affecting land or properties held in connection with the housing function.~~

Replace with:

- (b) oversight and monitoring of the ALMO Homes in Havering
- (c) managing and maintaining all land and property held for the Council's housing functions other than that land and property the management of which has been delegated to Homes in Havering.

**MINUTES OF A SPECIAL MEETING OF THE
GOVERNANCE COMMITTEE
Havering Town Hall
9 August 2006 (6.45pm – 6.50pm)**

Present:

COUNCILLORS:

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

Residents' Group Gillian Ford and Barbara Reith

Rainham & Wennington Independent Residents' Group Mark Stewart

Labour Group Keith Darvill

The decision was taken with no vote against.

Councillor Michael White declared a personal interest.

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

8 APPOINTMENT OF DIRECTOR OF CEME

The Committee noted that, following his decision to retire from the Council's Service, the Chief Executive had resigned as a director of the Centre for Engineering and Manufacturing Excellence (CEME), to which position he had been appointed as the Council's representative.

Although there had been particular reasons at the time for the appointment of an officer rather than a Member to that post, they were no longer applicable and the Committee was invited to consider appointing the Leader of the Council in succession to the Chief Executive.

RESOLVED:

That Councillor Michael White, Leader of the Council, be appointed a director of CEME as the Council's representative.



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	4 OCTOBER 2006	5

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: PUBLIC ACCESS TO THE COUNCIL CHAMBER

SUMMARY

This report invites the Committee to consider whether rules should be introduced for the admission of the public to areas of the Council Chamber.

Recent incidents have revealed a need for rules to assist staff to deal with members of the public who are not prepared willingly to move to different parts of the public areas when requested to do so.

RECOMMENDATION

That the various areas of the Council Chamber be designated for public access as follows:

- A. The Members' area: not accessible by the public, except for the rear two rows of seats when the Chamber is in use for the following meetings:
- Regulatory Services Committee
 - Romford Area Committee
 - Other Committees when meeting in the Chamber rather than a Committee Room
 - Licensing Sub-Committee hearings and Public Inquiries (the applicant and public authorities' representatives being permitted to use the front two rows)

- B. The side area: for use by officers and the press only at all times, except the Annual Meeting of the Council when it shall be available for use by civic guests.
- C. The lobby: for use by Members' guests at all Council meetings, not accessible by the public at Council or Cabinet meetings but open to the public at the meetings listed in A above.
- D. The gallery: open to the public at all meetings other than the Annual Meeting of the Council, when it shall be reserved for use by Members' guests
- E. The balcony: available to the public at all meetings.

REPORT DETAIL

1 Introduction

- 1.1 When the Council Chamber was extensively refurbished and remodelled in 1997/98, opportunity was taken to extend (to nearly double) its accommodation for the public and, at the same time, to provide additional seating at the rear of the Chamber, primarily for use by Members' guests.
- 1.2 The Chamber area is divisible into five main areas:
 - "the Members' area" – comprising the main seats, also known as the "floor of the Chamber", and the dais, with full access to the microphone system
 - "the side area" of seats by the side windows (beneath the portrait of the Queen), including two seats for the press
 - "the lobby" – the seating area at the rear of the Chamber, by its main entrance, with 14 seats for staff, Members' guests and press
 - "the gallery" – the side area, normally curtained off and also used as a corridor between the original Town Hall building and the recent extension: there are up to 19 seats for the public in this area
 - "the balcony" – the original public area, above the main parts of the Chamber: there are 25 seats for the public in this area
- 1.3 The diagram appended illustrates these various areas.
- 1.4 Steps were taken when the Chamber was refurbished also to make it reasonably accessible for disabled people using wheelchairs –
 - some seats in the Members' area are removable to enable wheelchair access to Members' desks;
 - a ramp was installed to provide easy access to the dais and some seats in the gallery are also removable to facilitate wheelchair access although the structure of the Chamber does not permit full accessibility – for example, some gaps between structural members are rather narrow and may not permit all types of wheelchair access but, without considerable building work, it is not practicable to make better provision.

2 Public access issues

- 2.1 The Council has long operated a firm policy of permitting public access to the Chamber, in excess of its statutory obligations.
- 2.2 As the law currently stands, there is a statutory right of access by members of the public to all meetings, other than those where confidential or exempt business is to be transacted. That right is, however, not absolute: the Council has no obligation to admit the public when numbers are so large that they cannot all reasonably be accommodated – for example, where the numbers are in excess of those permitted access in accordance with a fire risk assessment.
- 2.3 Partly to meet the conflict that might arise between the circumstances outlined in paragraphs 2.1 and 2.2, “overspill” facilities can be made available in Committee Rooms 3A and 3B using the IT connections between those rooms and the Chamber. This has been done on a number of occasions, especially for the Regulatory Services Committee.
- 2.4 The Chamber is used for meetings of the Council, Cabinet, the Regulatory Services Committee, the Romford Area Committee and other Committee meetings when a Committee Room is not used, for all of which public access is essential. It is also used for Licensing Sub-Committee hearings and for planning Public Inquiries, which are also open to the public but where the circumstances are slightly different.
- 2.5 The gallery and the balcony together provide a maximum of 44 seats for the public - more than sufficient to meet demand for most Council and Cabinet meetings. The lobby provides up to 14 seats for Members’ guests at Council meetings, again generally sufficient for demand.
- 2.6 At many Regulatory Services Committee meetings, there is demand for public access in excess of what can be provided even through the combined use of the lobby, gallery and balcony areas; moreover, the public rights of address at that Committee means that those speaking for or against an application need access to the microphone system in the Chamber. Similar microphone access may be required at other meetings held in the Chamber, including Cabinet meetings.
- 2.7 For other meetings, demand for public access is variable but generally containable within the facilities available if the use of the rear two rows of seating in the Members’ area is permitted.
- 2.8 At Licensing Sub-Committee hearings and Public Inquiries, applicants and public authorities’ representatives need to be able to address the hearing from a more prominent position than the general public and thus it is recommended that they be permitted to use the front two rows of seats in the Members’ area.

3 Members’ guests

- 3.1 It is customary for Members to be able to reserve seats (via Democratic Services) for their guests to attend meetings of the Council. Generally, the accommodation in

the lobby suffices for them but, on occasion – for example, the Annual Meeting of Council – many more guests are invited. Guests are regarded as members of the public present by invitation: for example, if the Council resolved to consider matters in exempt session, the guests would be obliged to leave the Chamber with the press and other public attendees.

- 3.2 When more guests are invited than can be accommodated in the lobby, seats are reserved for them in the gallery – and, very occasionally, in the balcony if numbers are large enough – which inevitably reduces the number of seats available for the public. It must be borne in mind that, notwithstanding the availability of overspill facilities, the reserving of seats for large numbers of guests could leave the Council open to accusations of failing to comply with its statutory obligations.
- 3.3 This will mean that the number of seats available for Members' guests will, in practice, have a practicable upper limit of 32 (lobby and gallery combined). Others can be accommodated but at the risk of the Council being accused of restricting access to the general public.
- 3.4 It should be noted that it is possible only to reserve seats in the gallery area for guests until shortly before the meeting begins. It would be unfair, and perhaps difficult for the Council to defend, if a reserved seat were not taken up when members of the public are being referred to the balcony or to an overspill room. Thus, a guest who arrives after 7:25pm cannot be guaranteed a seat and will have to take their chance with other members of the public.

4 Controlling public access to the Chamber

- 4.1 On occasion, staff have to ask members of the public to vacate seats reserved for others, or to refrain from sitting in areas not intended to be available to the public. On several recent occasions, individuals have been reluctant to move when requested to do so and have made clear their annoyance at being asked to move from what they consider a place rightfully theirs. The absence of clearly designated “public” and “private” areas has hampered staff in dealing with these situations.
- 4.2 Accordingly, the Committee is now invited to designate formally specific areas of the Chamber as accessible or not accessible by the public, with different areas being designated for different meetings.
- 4.3 The table on the next page indicates the suggested parameters:

Governance Committee, 4 October 2006

Area:	Members' area	Side area	Lobby	Gallery	Balcony
Meeting:					
Annual Council	Not open to public	Not open to public	Members' guests only	Members' guests only	Open to the public
Other Council meetings (including Council Tax and Extra-ordinary meetings)	Not open to public	Not open to public	Members' guests only	Open to the public	Open to the public
Cabinet	Not open to public but, where agreed in advance, seats to be available for members of the public coming forward to address the meeting	Not open to public	Not open to public	Open to the public	Open to the public
Regulatory Services Committee, Romford Area Committee, other Committees when in the Chamber	Rear two rows of Members' seats open to the public	Not open to public	Open to the public	Open to the public	Open to the public
Licensing Sub-Committee hearings and Public Inquiries	Rear two rows of Members' seats open to the public; front two rows available for use by the applicant and by public authorities' representatives	Not open to public	Open to the public	Open to the public	Open to the public

- 4.4 The side area of seats will not normally be available to the public, but they will be able to use it at the discretion of the Chairman of a meeting when numbers are such that additional seating needs to be made available.
- 4.5 These designations are recommended as, without the backing of such a formality, staff are unable to respond to members of the public who challenge being requested to move elsewhere, or who ignore clearly marked seat reservations. The existence of designation does not of itself of course mean that those who are asked to move will be any more co-operative but it will strengthen staffs' ability to deal with such situations and also facilitate the use by the Mayor or a Chairman to require the removal of individuals who disrupt meetings.

Financial Implications and Risks

There are no direct financial implications or risks arising from this report. No physical works are expected to be required as a result of the present proposals but, should any be needed, their cost would be met from existing budgets.

Equalities and Social Inclusion Implications and Risks

No implications or risks have been identified. The Chamber areas are as reasonably accessible by disabled people as practicable given the design and construction of the Town Hall.

Environmental Implications and Risks

There are no implications or risks for the environment.

Legal Implications and Risks

The Local Government Act 1972 obliges the Council to admit the public to meetings, except when confidential or exempt information is being dealt with. Case law has modified the absolute obligation to the extent that the right of access is exercisable only when those seeking access can be physically accommodated in the room.

Nothing in the proposed designation policy will affect the right of persons to have access to meetings at which they can be physically accommodated. Where necessary, the Council provides overspill accommodation at which the events of meeting can be viewed and heard by CCTV and audio links.

Human Resources Implication and Risks

There are no implications or risks for Human Resources. The availability of clear guidelines on the use of the different areas within the Chamber will assist staff deal with awkward situations.

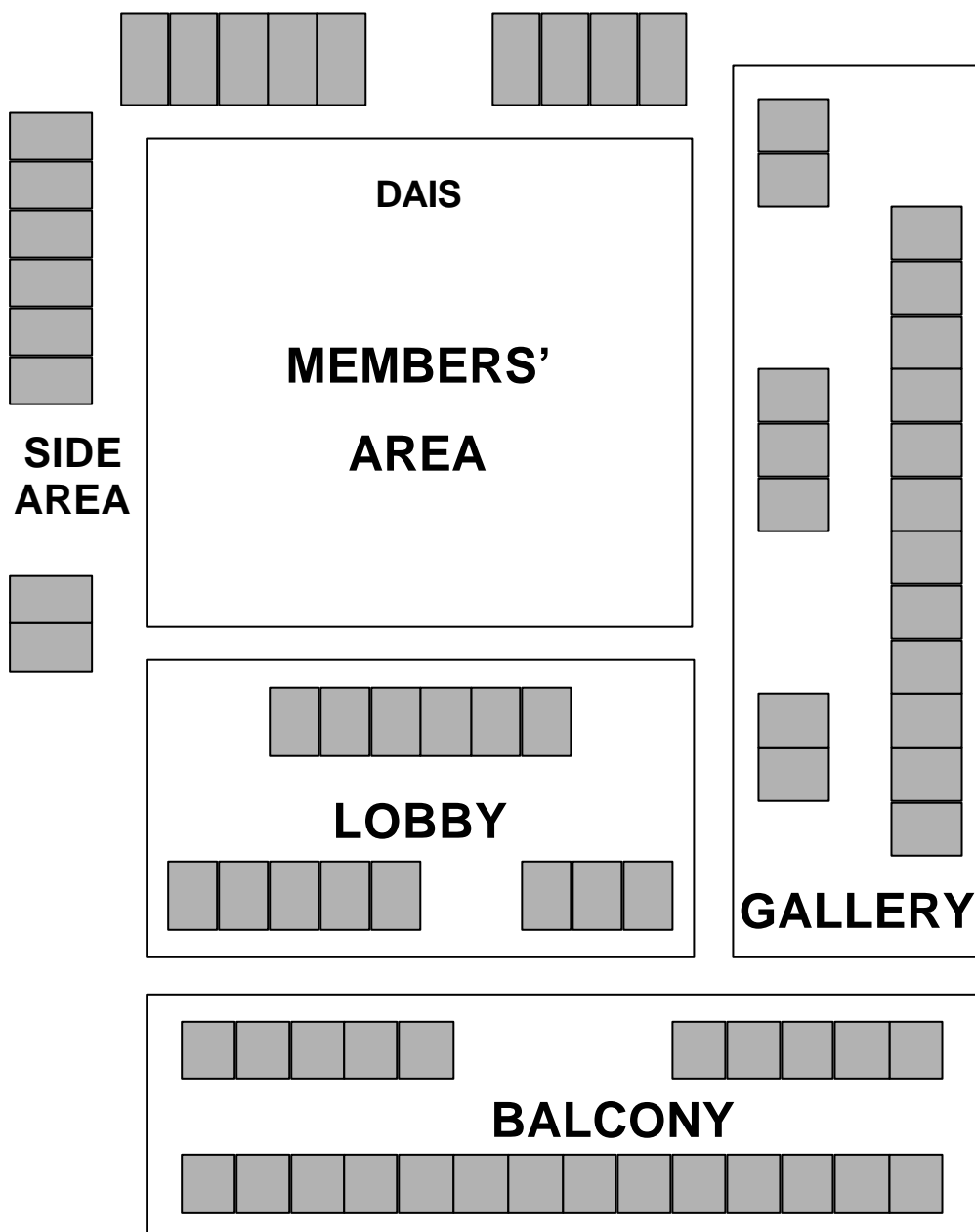
STEPHEN EVANS
Chief Executive

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

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Background papers:
There are no papers

FLOOR PLAN





MEETING	DATE	ITEM
Governance Committee	4 October 2006	6

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: REVISION TO FINANCIAL PROCEDURE RULES

WARD: ALL

SUMMARY

The Council's Financial Procedure Rules form part of the Constitution and govern the financial management of the Council. They form the basis upon which the Financial Framework has been developed, this sets out how the Rules are applied to the detailed financial business of the Council and the services it delivers.

The Financial Procedure Rules were last revised in November 2005 following the management realignment, but this was largely to reflect the change in job titles and responsibilities for the Council's Senior Management Team. A more fundamental review has now been carried out to enhance specific sections of the Rules to reflect current practice, and to tidy up some minor drafting issues with the 2005 version.

RECOMMENDATION

That Committee agrees the Financial Procedure Rules as set out in Appendix A.

REPORT DETAIL

1. The Financial Procedure Rules set out the basis upon which the Council's finances are governed and managed. The rules cover the processes for

expending money and collecting income and related issues. The rules form part of the Council's constitution.

2. To implement the Financial Procedure Rules on a practical basis, the Council has developed the Financial Framework. This provides a practical explanation of how the rules are applied to the specific transactions carried out by officers, and contain a range of pro-formas that need to be completed as well as an explanation of the way in which these are used.
3. The Financial Procedure Rules were last subject to review following the management realignment in 2005. With the ongoing development of the processes followed by the Council and the changing financial environment, the Rules now need to be updated. In addition there is a small number of minor corrections required to the 2005 version.
4. A review has been carried out and a number of areas have been identified that require amendment or addition. These are as follows:

Section 3 internal control	Reflects the requirement to produce an annual statement on internal control
Section 6 risk management	A separate section is required to reflect the importance of risk management to the Council in conducting its business
Section 7 insurances	This has been expanded to properly reflect the current approach to indemnities and liabilities
Section 8 internal audit	This section has been reviewed and expanded to reflect the clear independence of the internal audit function and to better clarify the roles and responsibilities of external and internal audit
Section 9 preventing fraud & corruption	The importance of this area is now reflected by making this into a separate section and emphasising that this applies to elected members as well as officers
Section 10 declarations of interest, gifts & hospitality	Minor amendments have been made to reflect the current procedures

5. As the table above shows, the majority of the major changes relate to the control, risk and probity areas of financial procedures. There have only been cosmetic changes to the budget and expenditure areas as the controls and procedures have not altered significantly to require any changes to the Rules, although there have been a range of changes to the detailed processes and thus the Financial Framework.
6. Officers have commenced a refresh of the Financial Framework to reflect these detailed changes. Further amendments to the Framework will follow upon approval of the new Financial Procedure Rules.

Financial Implications and risks:

There are no direct financial implications or risks resulting from the proposed amendments to the Financial Procedure Rules. A regular review of the Rules is required to ensure that they remain fit for purpose and reflect current legislation and best practice. The Rules also need to be amended to ensure that they remain in line with the Council's Constitution. The Financial Framework will need to be revised to reflect the new Rules once approved.

Legal Implications and risks:

There are no direct legal implications or risks arising from this report.

Human Resources Implications and risks:

All staff will be briefed on the changes to and their responsibilities within the Financial Framework, through Team Briefing, to ensure understanding and compliance. This will include a reminder on the Whistleblowing/Confidential Reporting Policy.

Equalities and Social Inclusion Implications and risks:

There are no implications or risks arising from this report.

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STEPHEN EVANS
Chief Executive

Background Papers List

Constitution of the London Borough of Havering – Part 4: Rules of procedure – as at June 2006

Governance Committee, 4 October 2006

Financial Procedure Rules

Introduction

The Council needs the Financial Procedure Rules to ensure that there are rules to govern how its money and other assets are looked after and how its spending is controlled. The regulations that follow in this document are the Council's formal requirements for its employees to follow and have been approved by members. All employees must adhere to them and should be mindful that failure to do so could result in disciplinary action being considered.

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 rules for dealing with contractual matters are set out in the Contracts Procedure Rules, in Part 4 of this constitution. There are also financial matters covered in the Council's Powers and Duties, a document that sets out the scheme of delegation of responsibilities applicable to members and senior employees.

The Financial Procedure Rules are co-ordinated and produced by the Finance & Commercial Group, whose Director is responsible for the proper administration of the Council's financial affairs under section 151 of the Local Government Act 1972. The Group Director Finance & Commercial (Chief Finance Officer) may delegate responsibilities to others. These delegations are set out in the Council's Financial Framework and the Group Director Finance & Commercial's scheme of delegation.

Section 114 of the Local Government Finance Act 1988 gives the Chief Finance Officer specific personal statutory duties to make reports if spending is or could be unlawful and/or the council has or is about to spend in excess of resources. The Accounts and Audit Regulations 2003 require the "responsible financial employee" to establish adequate systems to monitor and control the council's financial transactions and to ensure that such systems are adequately maintained.

These Procedure Rules form part of the Council's Constitution and can be found on the Intranet. In the event of staff needing clarification they should contact the Head of Financial Services or the appropriate contact point for each section; a list of these can be found on the intranet in the introduction to the Financial Framework.

The principles of risk management are covered in section 6 of these rules but are enshrined in all aspects of the rules, the financial framework that underpins them, and the detailed procedures that are in place to implement the framework.

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	Safeguarding and controlling assets

Section	General financial matters
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General financial matters

1 Accounting

- (a) All financial systems and records of the Council must be in a form approved by the Group Director Finance & Commercial, who will also determine how accounting records and information will be compiled and maintained. This includes the preparation of the annual statement of accounts and the information that must be included within it.
- (b) The duties of checking, calculating and providing information on sums due to, or from, the Council must be performed by a different employee from the one responsible for their collection or payment.
- (c) Cost centre managers have the responsibility to ensure that their total controllable expenditure or income budgets are not exceeded by virtue of additional expenditure and/or reduced income levels, and have arrangements in place in order to undertake regular projections and report this to finance staff and their line managers in accordance with local arrangements and the corporate guidelines and timetable as set out annually.

Powers and duties and the financial framework make provisions for the rules in respect of emergency/unforeseen situations.

Virements between individual sub-code levels within each cost centre are permitted without further authorisation from the Group Director Finance & Commercial or members.

Should it appear that a cost centre manager projects that there will be a variance against the approved budget, then the Group Director/Head of Service/Assistant Chief Executive for that section must be notified immediately via their line manager if appropriate.

- (d) Group Directors and Heads of Service/Assistant Chief Executives in consultation with the Group Director Finance & Commercial have approval within Council policy to make virements between service cost centres to meet any anticipated shortfalls, but the total net controllable expenditure or income budget for the service must not be exceeded by virtue of additional expenditure. Members will be kept informed of such actions via the revenue monitoring reports. Cost centre managers should refer to the Budget Procedure Rules and the Financial Framework for further details on virements

2 Budgets

- (a) The Group Director Finance & Commercial must be consulted by Group Directors and Heads of Service/Assistant Chief Executives 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. Examples of materiality are set out in the financial framework.
- (b) Similarly, the financial implications of issues arising from paragraph 2(a) above must be cleared through the Group Director Finance & Commercial before reports are finalised and passed to members.
- (c) In an emergency situation, where a report or prior consultation is not possible and expenditure has been incurred which cannot be met from existing budgets or is a policy change, the Group Director Finance & Commercial and members must be advised as soon as possible thereafter.
- (d) The form and content of revenue and capital budgets will be determined by the Group Director Finance & Commercial.
- (e) Estimates of income and expenditure on revenue account and of receipts and payments on capital account shall be prepared by the Group Director Finance & Commercial in consultation with the appropriate Group Director and his or her Heads of Service/Assistant Chief Executives. A report, collating all of the Council's financial estimates will be prepared by the Group Director Finance & Commercial, for members' consideration and approval. This will be an annual report, which will recommend the council tax for the next financial year.
- (f) No expenditure can be incurred unless it is contained within the Council's approved budget (subject to virement rules) or approval has been agreed via the proper process for dealing with such matters.
- (g) Capital budgets, when formally approved at budget setting and/or other Council meeting, should include an estimate of costs including any necessary land, staffing and acquisition costs, and the revenue implications. Any revenue implications must be met from approved budgets. Where this detail has not been met, the Group Director will prepare a report for members' approval as soon as possible thereafter.

- (h) Reports to members, which contain spending, or income generation proposals, must show details of the financial implications and risks and the anticipated source of funding including the use of virement. These must be approved by the Group Director Finance & Commercial. Guidance on the content of financial implications and risk section of reports is contained in the Financial Framework.

3 Internal control

- (a) It is the responsibility of Group Directors/Assistant Chief Executives to maintain and promote sound arrangements for internal control. These arrangements will be established by management to help ensure that the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources, and that the Council's assets and interests are safeguarded.
- (b) These arrangements will have regard to the advice and instructions of the Group Director Finance & Commercial. The Group Director, through the Head of Financial Services and the Client Manager Internal Audit, is responsible for reviewing systems of internal control and advising and instructing Group Directors/Assistant Chief Executives accordingly.
- (c) The Audit Committee is responsible for approving the annual Statement on Internal Control in accordance with the applicable Accounts and Audit Regulations and in the light of reviews of the effectiveness of risk management and the control environment.

4 Investments and borrowings

- (a) Investments must be made only in the name of the Council or its approved nominees. Bearer securities are the single exception to this requirement, but the purchase of such securities must be reported to members and where possible be approved in advance.
- (b) 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, shall be held in the custody of the Group Director Finance & Commercial.
- (c) All borrowings must be made in the name of the Council.

- (d) The Group Director Finance & Commercial shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.
- (e) Only the Group Director Finance & Commercial can authorise any leasing arrangements.

5 Trust funds

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

6 Risk management

- (a) It is the responsibility of Group Directors/Heads of Services/Assistant Chief Executives to ensure the regular identification, review and management of risk within their departments, having regard to the Council's risk management strategy and associated advice and instructions from the Group Director Finance & Commercial and other specialist officers (eg crime prevention, business continuity, health & safety).
- (b) The Group Director Finance & Commercial is responsible for reviewing the risk management strategy and advising and instructing Group Directors/Assistant Chief Executives accordingly, and for procuring insurance cover where appropriate.

7 Insurances

- (a) The Group Director Finance & Commercial within the scheme of delegation shall effect all insurance cover required on behalf of the Council and negotiate all claims in consultation with other employees where necessary.
- (b) Group Directors and Heads of Services shall give prompt notification to the Group Director Finance & Commercial of all new risks, properties, vehicles or other assets which require to be insured and of any alterations affecting existing insurances, or which cease to require insurance, or any claims arising under such insurance policies indicating the amount of cover required.

- (c) Group Directors or Heads of Service/Assistant Chief Executives should also notify the Group Director Finance & Commercial of any other risk which he or she feels should be considered for insurance cover.
- (d) Group Directors/Heads of Service/Assistant Chief Executives shall notify the Group Director Finance & Commercial in writing of any loss, liability or damage or any event likely to lead to a claim, together with any information or explanation required by the Group Director Finance & Commercial or the Council's insurers, and inform the police in appropriate cases, unless otherwise decided following consultation with the Chief Executive, the Group Director Finance & Commercial and where appropriate the Assistant Chief Executive Legal & Democratic Services
- (e) Group Directors/Heads of Service/Assistant Chief Executives shall consult the Group Director Finance & Commercial and the Assistant Chief Executive Legal & Democratic Services on any terms of any indemnity that the Council is requested to give, on appropriate contract conditions for contractors to indemnify the Council, and on suitable minimum insurance levels for inclusion in contracts
- (f) Group Directors/Heads of Service/Assistant Chief Executives shall ensure that employees, councillors, school governors, or anyone else acting on behalf of the Council, is instructed not to make any admission of liability or offer of compensation that might prejudice the assessment of a potential liability of the Council or its insurers
- (g) The Group Director Finance & Commercial shall arrange a suitable fidelity guarantee insurance for all employees handling cash on behalf of the Council.

8 Internal audit

- (a) Under the statutory responsibilities the Group Director Finance & Commercial is the staff member nominated to arrange for a continuous audit examination of accounting, financial and other operations of the Council.
- (b) The Group Director Finance & Commercial is responsible for ensuring:
 - (i) the maintenance of an internal audit function that is sufficient in its coverage and independent in its planning and operation
 - (ii) that the Client Manager Internal Audit 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 each local authority 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 and compliance in respect of the preparation and publication of the Best Value Performance Plan.
- (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 & Commercial or his or her authorised representative 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 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) have unrestricted access to personnel and require and receive such information and explanations as are necessary concerning any matter under examination
 - (v) 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** Group Directors/Heads of Service/Assistant Chief Executives 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) The Council will maintain an Audit Committee, responsible for reviewing external auditors' reports and annual audit letter and the annual internal audit report. This Committee can consult directly with internal and external auditors.

9 Preventing fraud & corruption

- (a) All Council Members and employees are personally responsible for ensuring integrity in the conduct of the Council's business, in particular by ensuring that they (and any subordinates) are aware of the Council's anti-fraud and corruption policy and procedures and by alerting the relevant Group Director/Head of Service/Assistant Chief Executive or the Client Manager Internal Audit to any suspected breach.
- (b) If a matter involves, or potentially involves, an irregularity concerning anything belonging to the Council, including cash, misappropriation or misadministration and other financial matters, the matter must be reported immediately, by any Member or employee, to the Group Director Finance & Commercial or Client Manager Internal Auditor, who shall inform the police in appropriate cases, unless otherwise decided following appropriate consultation with the Chief Executive and where appropriate the Assistant Chief Executive Legal & Democratic Services. Group Directors/Heads of Services/Assistant Chief Executives shall provide any information or explanation required by the Group Director Finance & Commercial or the Council's Chief Executive. The Group Director Finance & Commercial or Client Manager Internal Auditor will arrange for the matter to be investigated as he or she considers necessary and, if an irregularity is discovered, the matter will be reported promptly to the appropriate officers and the police if required.

This also applies to the misuse of computer passwords and the disclosure to unauthorised individuals of information obtained by their use.

- (c) Every employee of the Council is responsible for reporting any matter that they believe to involve financial irregularity or misadministration in the Council's business, to their Head of Service/Assistant Chief Executives or Group Director, or directly to the Client Manager Internal Audit.
- (d) The Group Director Finance & Commercial is responsible for advising the Audit Committee, Executive and Group Directors/Heads of Service/Assistant Chief Executives on the maintenance and implementation of an anti-fraud & corruption policy.
- (e) The Group Director Finance & Commercial must be notified of any unofficial funds that exist within the Council and he or she will decide how accountability and audit arrangements for those funds will be dealt with.

10 **Declarations of interest, gifts and hospitality**

- (a) All employees must follow the Council's guidelines regarding gifts and hospitality and must ensure that every offer that they receive regarding gifts or hospitality, is entered in the appropriate service register whether it is accepted or not.
- (b) Any employee having an interest in a matter that involves the Council's business, must not allow that interest to conflict with their work on behalf of the Council, whether pecuniary interest is involved or not. Any such conflict of interest must be declared in accordance with the corporate policy and guidelines available from Human Resources. Staff are required to complete an annual declaration of interest which is retained by their Group Director/Assistant Chief Executive.
- (c) Group Directors/Assistant Chief Executives are responsible for ensuring local guidelines and systems are set in accordance with the overall Council guidelines and the Group Director Finance & Commercial is responsible for reminding group Directors/Assistant Chief Executives to review their arrangements and entries.
- (d) The Assistant Chief Executive Legal & Democratic Services is responsible for ensuring adequate arrangements are in place for Members to declare interests, gifts and hospitality and all Members must follow these and ensure all entries are entered in accordance with these.

11 **Conduct, bribery and corruption**

- (a) It is essential that all Members and employees conduct themselves to the highest standards and the public and Council rightly expect this. The codes of conduct must be followed at all times
- (b) It is a criminal offence for any person to use their position with the Council to accept or ask for any gift, reward or other advantage from work done in an official capacity.

12 **Best value**

Staff should comply with any corporate requirements in their dealings with best value, including the Best Value Performance Plan and Performance Indicators.

13 **Partnership arrangements**

Partnership arrangements should conform to the Financial Procedure Rules and the Financial Framework. Where any arrangements are proposed which do not comply, then these must be approved by Cabinet.

Expenditure

14 **Procurement**

- (a) Any procurement 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 follow Contract Procedure Rules; a summary is included in the Financial Framework.
- (b) Where a contract is designated as a corporate procurement contract, it must be used when the goods or services covered by it are purchased by any service.

15 **Authorisation levels**

- (a) The names of employees authorised to sign such records together with FIS codes and financial limits shall be sent to the Group Director Finance & Commercial by each Group Director and Head of Service/Assistant Chief Executive, together with specimen signatures, financial limits to their authority and the cost centres that they can authorise expenditure for (revenue and capital).
- (b) Changes in post holders or duties which affect the authorisations previously agreed, must be notified to the Group Director Finance & Commercial as soon as possible.

- (c) Staff authorising orders and/or committing the authority to expenditure must ensure that sufficient budgetary provision exists before giving authority and that any necessary legal and Council approval is in place.

16 **Banking arrangements and cheques**

- (a) The Group Director Finance & Commercial is the employee nominated by the Council to operate its bank accounts in the way that he or she considers appropriate and he or she must approve any arrangements that need to be made with the Council's bankers, including the withdrawal of funds or transfer from one account to another. The Group Director Finance & Commercial 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.
- (b) The Group Director Finance & Commercial will be the employee responsible for making proper arrangements for the ordering, safe custody, use, and control of cheques (except those for authorised imprest and advance accounts).
- (c) Cheques on the Council's main banking and National Giro accounts shall bear the pre-printed signature of the Group Director Finance & Commercial or be signed by the Group Director Finance & Commercial or other officer authorised by him/her to do so. Cheques over £100,000 in amount must also bear the manuscript signature of the Group Director Finance & Commercial or such other employee of the department as he or she may authorise in writing.

17 **Orders and payments by corporate purchasing card**

- (a) Wherever possible, employees should purchase and pay for goods using the corporate purchasing card. Such transactions must only be made on behalf of the Council; the cards must not be used for personal purchases. The card cannot be used for internet purchases unless express permission is given by the Group Director Finance & Commercial.
- (b) All purchases made with the card must comply with procedural rules in this constitution and must be made using suppliers from Havering's corporate contract list wherever the item involved is covered by such a list.
- (c) An employee authorised to use such a card should keep it safely and comply with the purchase card procedure manual. If it is lost,

this should be reported immediately to the card issuer and the Council's purchasing card co-ordinator. On termination of employment, an employee must immediately surrender their card to the Council.

18 **Orders for work, goods and services**

- (a) Official orders shall be in a form approved by the Group Director Finance & Commercial in consultation with the Assistant Chief Executive Legal & Democratic Services and are to be signed in manuscript by employees authorised to do so by the appropriate Group Director or Head of Service/Assistant Chief Executive. The names of employees authorised to sign such records together with the FIS codes and financial limits, shall be sent to the Group Director Finance & Commercial by each Group Director or Head of Service/Assistant Chief Executives, together with specimen signatures. A revised form will be required whenever there are changes in staff or duties that affect this area of work.
- (b) Subject to the provisions of any contract, official orders shall be issued for all work, goods or services to be supplied to the Council except for corporate purchasing card transactions, public utility supplies, for periodical payments such as rent or business rates, for petty cash purchases or such other exceptions as the Group Director Finance & Commercial may approve.
- (c) Each order shall conform to the directions of the Council with respect to corporate purchasing and the standardisation of supplies and materials. Each employee responsible for purchasing shall comply with guidance given by the Council's Business Development Manager.
- (d) The Procurement and Partnership Development Unit has responsibility for the Council's purchasing and is empowered to require services and individuals when notified in writing to adhere to any arrangements made, including those relating to standardisation and the procurement framework.
- (e) A copy of each order must be retained in accordance with the guidelines on retention of documents by the unit concerned and must be available for inspection by the Group Director Finance & Commercial, or his or her nominated representative (normally internal audit), if required.

19 **Payment of accounts**

- (a) The Council's preferred method of payment is via the corporate purchasing card. Where this is not possible, money due from the Council for the payment of accounts will normally be paid by BACS or a cheque drawn on the Council's bank account. All such payments must be via FIS. Payments cannot be made in advance without the express written permission of the Group Director Finance & Commercial.
- (b) Authorised employees are responsible for examining and verifying that the payment is in order before certifying that the invoice should be paid. All expenditure must be coded to the correct cost centre and subjective coding.

All payments must be supported by an invoice or properly completed and authorised payment request. There should be two people involved in authorising the payment and this must be evidenced from the certification slip.

- (c) When ordered goods have been received they should be checked to the delivery note. The person carrying out the check should sign and date the delivery note to confirm the check has been carried out. Where the goods delivered differ from the delivery note the differences should be marked on the delivery note. The supplier should be immediately contacted and informed of the discrepancies and suitable action agreed and recorded in writing.
- (d) The Group Director Finance & Commercial will carry out such selective checks on invoices as he/she shall determine as being necessary.
- (e) Any amendment to an account shall be made in ink and initialled by the employee making it, stating briefly the reasons where they are not self-evident. Invoices which are subject to Value Added Tax must not be amended in any circumstances and the supplier should be requested to submit a supplementary VAT invoice wherever an amendment is required.
- (f) Each Group Director or Head of Service/Assistant Chief Executive shall, as soon as possible after 31 March, and not later than a date to be determined by the Group Director Finance & Commercial, each year notify the Group Director Finance & Commercial of all expenditure incurred, but not paid, for goods and services received by 31 March, relating to the previous financial year which exceeds an amount to be determined from time to time by the Group Director Finance & Commercial.

20 **Petty cash, change floats and other imprest accounts**

- (a) All imprest accounts must be approved by the Group Director Finance & Commercial, who is entitled, at any time, to inspect all details and vouchers relating to them.
- (b) Where the Group Director Finance & Commercial allows an imprest account to be run through a bank account, all bank accounts must be authorised in writing by the Group Director Finance & Commercial. The title of the bank account must begin with the words “London Borough of Havering” and the account should not be allowed to become overdrawn, or in the event that this occurs, this should be remedied as soon as it comes to the attention of a member of staff.
- (c) Income, apart from reimbursements to imprest accounts, must not be put into an imprest account.
- (d) Expenditure from an imprest account must not exceed the limit for a single transaction, which is set by the Group Director Finance & Commercial. This may only be varied if there are special circumstances which have been given the prior approval of the Group Director Finance & Commercial’s or persons nominated by him or her. All expenditure must be evidenced by an appropriate receipt or voucher.
- (e) An employee responsible for an imprest account must return an annual certificate in the form approved by the Group Director Finance & Commercial, confirming the amount of imprest in their possession as at the end of the financial year.
- (f) When an employee leaves the Council or otherwise ceases to be responsible for the imprest, the responsible Head of Service/Assistant Chief Executives or line manager should ensure that the imprest amount is accounted for, reconciled and transferred on to another responsible employee. Any such changes of imprest holder must be notified immediately to the Financial Systems Manager.

21 **Contracts of buildings, construction or engineering works**

- (a) Each contract between the Council and a contractor, involving payments made by instalments, must be accounted for by a suitable financial statement or summary that shows all payments made on the contract including professional fees
- (b) Payments on account/by instalments in respect of contracts can only be made on the appropriate certificate issued by the

Council's authorised architect, engineer, supervising employee; or by a private consultant who has been properly engaged by the Council to carry out this task.

- (c) Subject to contract provisions, each additional/extra item incurred in carrying out the contract must be authorised by the supervising employee appointed in the contract.
- (d) Where total expenditure is forecast to exceed the contract sum by £25,000 or 10% which ever is the lower and the scheme is a capital scheme, the Head of Service must make arrangements for additional approvals to be sought prior to making any expenditure commitment. This process is detailed in the Financial Framework. A form to notify details of the virement must be completed and is shown in the Financial Framework. For **revenue** contracts, such approval should be through the relevant procedural form with a virement undertaken if the cost cannot be met from the existing revenue budget.
- (e) Internal audit staff, as authorised by the Group Director Finance & Commercial may, having made prior arrangements with the appropriate supervising employee or Head of Service/Assistant Chief Executives, make site visits during the course of a contract and may examine any records or information which they feel are relevant to the audit.
- (f) Internal audit staff, as authorised by the Group Director Finance & Commercial, are empowered to examine contract final accounts and to review supporting records and documentation in order to form a view on the accuracy of such accounts. Any dealings with outside consultants and contractors in this connection should be made through the Council's supervising employee for the contract concerned.
- (g) Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Assistant Chief Executive Legal & Democratic Services for consideration of the Council's legal liability and, where necessary, to the Group Director Finance & Commercial for financial consideration before a settlement is reached. No ex gratia payment will be made to a contractor without the specific approval of the appropriate cabinet member or the member of staff with delegated authority.
- (h) Where completion of a contract is delayed; it shall be the duty of the employee supervising the contract concerned to initiate appropriate action in respect of any claim for liquidated damages, taking into consideration any extension of time granted under the contract conditions.

22 Salaries, wages and pensions

- (a) The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Council shall be made under the direction of the Assistant Chief Executive Human Resources in consultation with the Group Director Finance & Commercial.
- (b) Each Group Director and Head of Service/Assistant Chief Executives shall notify the Group Director Finance & Commercial as soon as possible and in the form approved by him or her, of all matters affecting the payment of such emoluments, and in particular:
 - (i) appointments, resignations, dismissals, suspensions, secondments and transfers
 - (ii) absences from duty for sickness or other reason, apart from approved leave
 - (iii) changes in remuneration, other than normal increments and pay awards and agreements of general application
 - (iv) information necessary to maintain records of service for superannuation, income tax, national insurance and similar records.
- (c) Appointments can only be made in accordance with current Council policies and approvals for posts, grades and pay rates.
- (d) All time records or other pay documents shall be in a form prescribed or approved by the Group Director Finance & Commercial and the Assistant Chief Executive Human Resources, and shall be certified in manuscript by or on behalf of the appropriate Head of Service/Assistant Chief Executives or cost centre manager.
- (e) The names of employees authorised to sign such records shall be sent to the Group Director Finance & Commercial and the Assistant Chief Executive Human Resources by each Head of Service/Assistant Chief Executive or Group Director, together with specimen signatures and revised forms will be required whenever changes in personnel or duties occur.

23 Travelling and subsistence

- (a) All claims for car allowance and travelling and subsistence expenses must be made to the Group Director Finance &

Commercial on the standard form designed for that purpose, certified by an employee authorised to do so. Such claims should be made within three months of the end of the month in which they were incurred. Any exceptions to this need to be approved by the Group Director Finance & Commercial before they can be paid.

- (b) The certification by the authorising employee means that he or she is satisfied that journeys were made for proper Council business, the expenses were properly and necessarily incurred, and that the allowances are properly payable by the Council. Subsistence claims must be supported by receipts.
- (c) Car loan applications must be made to the Group Director or Head of Service/Assistant Chief Executives (where delegated). The certification by the authorising employee means that he or she is satisfied that the applicant is eligible for an immediate loan, that the loan does not exceed the applicable maximum level and that the applicant is financially capable of repaying the loan. All loan applications must be supported by the necessary documentation.
- (d) Payments to members, including co-opted members of committees, who are entitled to claim travelling or other allowances, shall be made by the Group Director Finance & Commercial upon receipt of the prescribed form duly completed.

All claims must be supported by receipts and submitted by 30 April in respect of the financial year ending on the preceding 31 March.

24 Use of consultants

- (a) Consultants must only be used for work essential to progress the Council's corporate objective or service objectives identified in service plans.
- (b) Group Directors/Assistant Chief Executives must initially consider ways of undertaking all work in-house. Consultants must only be used if the work cannot be completed within the required timescales or to a satisfactory standard or if the requisite experience is not available in house.
- (c) Former employees must not be considered for use as consultants.
- (d) All normal regulations must be followed e.g. quotes, tenders, corporate contracts, adequate budgetary provision.

Income

25 Income

- (a) The Group Director Finance & Commercial shall approve in writing all procedures for the collection of monies due to the Council regardless of the services within which they are collected.
- (b) Each Group Director is responsible for ensuring that the income receivable, in his or her services, is promptly identified, billed and promptly collected; either by staff in the service area or through the corporate debtor system/service. All income must be coded to the correct cost centre and subjective coding. Systems and processes for identifying, billing and collecting income must always receive approval from the Group Director Finance & Commercial. Similarly receipts, tickets and any other items designated by the Group Director Finance & Commercial as controlled stationery, must be in a form which he or she has approved.
- (c) The Group Director Finance & Commercial shall be notified promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The Group Director Finance & Commercial shall have the right to inspect any documents or other evidence in this connection as he or she may decide.
- (d) All banking must be made using pre-printed giros showing the establishment's unique banking reference.

All money received by an employee on behalf of the Council shall without delay be paid to the Group Director Finance & Commercial or, as he or she may direct, to the Council's banking accounts or transmitted directly to any other body or person entitled thereto. No deduction may be made from such money.

- (e) A check should be undertaken to ensure that all monies paid into the Council's banking accounts is received by the bank and is credited to the correct FIS code. Any discrepancies should be investigated as soon as they have been identified.
- (f) Personal cheques shall not be cashed out of money held on behalf of the Council.
- (g) Every transfer of official money from one member of staff to another shall be evidenced in the records of the service concerned by the signature of the receiving, which shall be accompanied by a statement of the date of the transfer.
- (h) The level of fees and charges should be kept regularly under review by the appropriate Group Directors and their Heads of

Service. Any changes to fees and charges should be notified to members as soon as practicable for their approval. As a minimum, charges should be reviewed at least annually to coincide with the approval of the revenue budget and the Council's fees and charges publication, which is on the Council's Intranet and Internet sites.

26 Write off of irrecoverable debts

- (a) Write off of debts can only be approved by the Group Director Finance & Commercial and he or she must obtain a Lead Member Protocol from the Leader and the Lead Member Resources where the individual debt exceeds £25,000 or where the overall level of service debt being requested for write off exceeds a cumulative £250,000 or 1% of the annual service debt in any financial year whichever is the higher. The definition of service to be as defined by the Group Director Finance & Commercial.
- (b) Write offs can only be approved where it can be demonstrated that all cost effective efforts have been made to recover the debt. The financial framework provides more detail on the procedure to be followed.

Safeguarding and controlling assets

27 Security

- (a) Group Directors and their Head of Service/Assistant Chief Executives are responsible for ensuring the security of buildings, stocks, stores, furniture, equipment, cash and any other assets under their control. The Group Director of the service involved and the Group Director Finance & Commercial must be informed on any concerns over the security of these items.
- (b) Maximum limits for cash holdings shall be agreed by the relevant Head of Service/Assistant Chief Executives with the Group Director Finance & Commercial and shall not be exceeded without the express written permission of the Group Director Finance & Commercial.
- (c) Keys to safes and similar receptacles are normally to be carried on the person of those responsible. Keys must not be left in the vicinity of the secured area. The loss of any such keys must be reported to both the appropriate Head of Service/Assistant Chief Executives and the Group Director Finance & Commercial forthwith.

- (d) Every employee who is a party to confidential information, in whatever form, unless legally obliged to do so, shall not disclose that information to any other person unless he or she is duly authorised to do so by his or her Group Director or Head of Service/Assistant Chief Executives. All Group Directors and Heads of Service shall be responsible for maintaining proper security and privacy as regards information held in the computer installations for which they are responsible.
- (e) All staff access to the Council's networked computer applications is controlled by the use of a personal identifier and a unique password known only to the user.

Staff are responsible for access to systems via their identifier and will be held accountable for any abuse or misuse of systems attributed to their personal password.

Passwords are unique to each member of staff and must be kept secure. Staff should never share or reveal individual passwords with other members of staff.

If staff have any suspicion that their password may be known to others then they must change it immediately.

28 **Estates**

- (a) The Group Director Finance & Commercial will ensure that all land and buildings owned by the Council are recorded in a properly maintained terrier, in a form that he or she determines to be appropriate.
- (b) The Assistant Chief Executive Legal & Democratic Services shall have overall responsibility for the custody and security of all title deeds

29 **Stocks and stores**

- (a) Each Group Director and Head of Service/Assistant Chief Executives shall be responsible for the care and custody of any stocks and stores held by his or her services. Stocks should normally only be held at a reasonable level that would be needed to maintain the anticipated workflow.
- (b) Surplus and obsolete stocks and equipment with an estimated value of less than £5,000 can only be disposed of in consultation with the Business Development Manager. The decision as to whether an item is surplus or obsolete should be made by the

Group Director or Head of Service/Assistant Chief Executive concerned.

- (c) Surplus and obsolete stocks and equipment with an estimated value of more than £5,000 must be disposed of by competitive tender or auction. Appropriate advice should be sought initially from the Business Development Manager before starting this process.
- (d) When stocks or equipment are being disposed of for which each unit is less than £5,000 but the total of all units disposal exceeds this sum, 26(c) must be complied with.
- (e) The exception to the above is IT equipment, where any disposal must be undertaken in consultation with the Head of Business Systems.

30 **Protection of private property**

NOTE : IS THIS SOMETHING WE ACTUALLY DO???

- (a) Each Group Director and Head of Service/Assistant Chief Executives shall notify the Group Director Finance & Commercial, in such form as he or she may require, of any case known to him or her where steps are necessary for movable property to become the responsibility of the Council to mitigate loss or damage. Each Group Director and Head of Service/Assistant Chief Executives shall forward to the Group Director Finance & Commercial an itemised inventory in each case prepared in the presence of two employees.
- (b) All valuables belonging to private individuals coming into the Council's possession such as jewellery, watches and other small articles of a similar nature and documents of title shall be deposited for safe custody in a manner to be determined by the Group Director Finance & Commercial in consultation with the relevant Head of Service/Assistant Chief Executives. Any return or disposals of these items must be carried out in a manner approved by the Group Director Finance & Commercial.

31 **Inventories of equipment**

- (a) Group Directors are responsible for ensuring that the unit and service areas within their services maintain adequate inventories of equipment with an individual value exceeding £250 or where the equipment is liable to theft in the prescribed corporate format. Each inventory must be checked at least annually and appropriate action taken in respect of surpluses or deficiencies. The inventory must be promptly up-dated.

- (b) Council property must only be removed or used in the normal course of Council business, except for occasions such as disposal of surplus or obsolete items, when the process set out in section 29 must be followed.



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	4 OCTOBER 2006	7

REPORT OF THE MONITORING OFFICER

SUBJECT: AMENDMENTS TO THE CONSTITUTION – Monitoring Officer’s action

SUMMARY

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

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

RECOMMENDATIONS

That this report be noted.

Committee, Date**REPORT DETAIL**

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

Amendments to the Constitution were made by the Monitoring Officer since 1st May 2002 and this latest amendment is Amendment No 25 dated 7th July 2006.

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

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

Financial Implications None

Equalities Implications None

Environmental Implications None

CHRISTINE DOOLEY
Monitoring Officer

Staff Contact: **Christine Dooley**

Telephone: **01708 432484**

Background Papers

None



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	4 OCTOBER 2006	8

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: OVERVIEW & SCRUTINY PROCESS – reference from Council

1. Council on 19 July had before it the following motion and amendment –

Motion on behalf of the Residents' Group

This Council is concerned with the apparent lack of, accountability, openness and robustness of the current overview and scrutiny process since May 2006, it calls upon the senior members of the Administration and Opposition to meet urgently to review the situation and report back at the next Council meeting.

Amendment by the Administration

This Council is committed to the openness and robustness of its Overview & Scrutiny Committee process and it invites the Governance Committee to consider current procedure.

2. On the proposal of the Administration the motion and amendment were referred to this Committee for attention.
3. The Overview and Scrutiny Rules are in Part 4, Section 8 of the Constitution and are included as **Appendix 1** for information.
4. When considering a way forward on overview and scrutiny members should note that regular reports to the Audit Committee indicate that there are several outstanding recommendations to the Council on overview and scrutiny activity that emerged from the District Audit report on Democratic Renewal in late 2003. These are listed in **Appendix 2**.

5. There are no direct legal implications or risks, financial implications or risks, human resources implications and risks or equalities and social inclusion implications associated with this report simply setting out the reference from Council. In due course any report on suggested revised arrangements or a report giving members more information will reflect these various implications and risks.

RECOMMENDATION

That the Committee determine how to proceed.

Staff Contact: Philip Heady
Democratic Services Manager

Telephone: 01708 432433

Email: philip.heady@haverling.gov.uk

STEPHEN EVANS
Chief Executive

Background papers - there are none.

Overview and Scrutiny Committee Procedure Rules

1 Membership

All councillors (except members of the Cabinet) may be members of an overview and scrutiny committee. However, no member may be involved in scrutinising a decision in which he or she had been directly involved.

2 General role of overview and scrutiny committees

Within their terms of reference, overview and scrutiny committees will:

- (a) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions
- (b) make reports and/or recommendations to the full Council and/or the Cabinet and/or any policy, joint or area committee in connection with the discharge of any functions

In doing so the overview and scrutiny committees shall take into account the wishes of members on that committee who are not members of the largest political group on the Council

- (c) consider any matter affecting the area or its inhabitants
- (d) exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Cabinet.

3 Specific functions of overview and scrutiny committees

(a) Policy development and review

Overview and scrutiny committees may:

- (i) assist the Council and the Cabinet in the development of its budget and policy framework by in-depth analysis of policy issues
- (ii) conduct research, community and other consultation in the analysis of policy issues and possible options
- (iii) consider and implement mechanisms to encourage and enhance community participation in the development of policy options

- (iv) inquire of members of the Cabinet, the Chief Executive, Group Directors and Heads of Service/Assistant Chief Executives (who may involve other staff as appropriate) about their views on issues and proposals affecting the area
- (v) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

(b) **Scrutiny**

Overview and scrutiny committees may:

- (i) review and scrutinise the decisions made by and performance of the Cabinet and/or council staff both in relation to individual decisions and over time. In reviewing decisions made by and the performance of council staff, it is expected that members will direct initial inquiries to the appropriate Head(s) of Service/Assistant Chief Executives.
- (ii) review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas
- (iii) inquire of members of the Cabinet and/or the Chief Executive, Group Directors, Assistant Chief Executives and Heads of Service about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects
- (iv) make recommendations to the Cabinet and/or Council arising from the outcome of the scrutiny process
- (v) review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the overview and scrutiny committee and local people about their activities and performance
- (vi) question and gather evidence from any person (with their consent).
- (vii) Establish Topic Groups

The topic group must report back to the Overview and Scrutiny Committee which established it immediately after their first meeting with the group's detailed terms of reference for confirmation. The Committee is entitled to alter the terms of reference if it sees fit.

(c) **Finance**

Overview and scrutiny committees may exercise overall responsibility for any specific budgets made available to them.

(d) **Work programme**

The overview and scrutiny committees will be responsible for setting their own work programme.

(e) **Annual report**

Overview and scrutiny committees must report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

(f) **Staff**

Overview and scrutiny committees may indicate the priorities within the work programme of the staff employed to support their work.

4 Overview and Scrutiny Liaison Committee

(a) This committee shall not control the work of the various overview and scrutiny committees but shall:

(i) have oversight of the work programmes of each overview and scrutiny committee, including the resources available to service the programme

(ii) consider the contribution of overview and scrutiny committees to the wider Council agenda

(iii) ensure overview and scrutiny committees do not duplicate work

(iv) co-ordinate contact with the Cabinet on behalf of overview and scrutiny committees.

(b) The committee shall meet at least once a year.

(c) The committee shall deal with the allocation of responsibilities between overview and scrutiny committees should a matter fall within the remit of more than one overview and scrutiny committee.

5 Non-voting members

Each overview and scrutiny committee or sub-committee shall be entitled to recommend to Council the appointment of a number of people as non-voting members (as defined in section 13 of the Local Government and Housing Act 1989).

6 Co-opted members and non-voting members on Education Overview and Scrutiny Committee

- (a) The Education Overview and Scrutiny Committee shall include in its membership the following co-opted members:
- (i) one Church of England diocese representative
 - (ii) one Roman Catholic diocese representative
 - (iii) three parent governor representatives.
- (b) The Education Overview and Scrutiny Committee may also include in its membership two non-voting members representing local teacher unions and professional associations. The Council invites local teacher unions and professional association representatives to nominate, in each municipal year, two teacher representatives (one primary sector representative and one secondary sector representative).

7 Meetings of the committees

There shall be at least four ordinary meetings of each overview and scrutiny committee in each year. In addition, extraordinary meetings may be called from time to time as and when appropriate. An overview and scrutiny committee meeting may be called by the Chairman of the relevant overview and scrutiny committee, by half the whole number of members of the committee or by the proper officer if he or she considers it necessary or appropriate.

8 Quorum

The quorum for an overview and scrutiny committee shall be as set out for committees in rule 4 of the Committee Procedure Rules in Part 4 of this constitution.

9 Agenda items

Any member of an overview and scrutiny committee shall be entitled to give notice to the proper officer that he or she wishes an item relevant to the functions of the committee or sub-committee to be included on the agenda for the next available meeting of the committee. On receipt of such a request that proper officer will ensure that it is included on the next available agenda.

The overview and scrutiny committees shall also respond, as soon as their work programme permits, to requests from the Council and, if they consider it appropriate, the Cabinet to review particular areas of Council activity. Where they do so, the overview and scrutiny committee shall report their findings and any recommendations back to the Cabinet and/or the Council.

10 Policy review and development

- (a) The role of the overview and scrutiny committees in relation to the development of the Council's budget and policy framework is set out in detail in the Budget Framework Procedure Rules and the Policy Framework Procedure Rules set out in Part 4 of this constitution.
- (b) In relation to the development of the Council's approach to other matters not forming part of its policy framework or budget framework, overview and scrutiny committees may make proposals to the Cabinet for developments in so far as they relate to matters within their terms of reference.
- (c) Overview and scrutiny committees may hold inquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist them in this process. They may go on site visits, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address them on any matter under consideration.

11 Reports from overview and scrutiny committee

- (a) Once it has formed recommendations on proposals for development, the overview and scrutiny committee will prepare a formal report and submit it to the proper officer for consideration by the Cabinet or to the Council as appropriate.
- (b) If an overview and scrutiny committee cannot agree on one single final report to the Council or Cabinet as appropriate, then up to one minority report may be prepared and submitted for consideration by the Council or Cabinet with the majority report.
- (c) The Council or Cabinet shall consider the report of the overview and scrutiny committee within ten weeks of it being submitted to the proper officer.

12 Process by which overview and scrutiny reports are considered by the Cabinet

- (a) The agenda for Cabinet meetings shall include an item entitled "Issues arising from overview and scrutiny". The reports of overview and scrutiny committees referred to the Cabinet shall be included at this point in the agenda (unless they have been considered in the context of the Cabinet's deliberations on a substantive item on the agenda) within ten weeks of the overview and scrutiny committee completing its report or recommendations.

- (b) Where an overview and scrutiny committee prepares a report for consideration by the Cabinet in relation to a matter for which the leader or Council has delegated decision making power to an individual Cabinet member, then the overview and scrutiny committee will submit a copy of their report to him or her for consideration. At the time of doing so, the overview and scrutiny committee shall serve a copy on the proper officer.

The member with delegated decision making power must consider the report and respond in writing to the overview and scrutiny committee within ten weeks of receiving it. A copy of his/her written response to it shall be sent to the proper officer and then the leader. The member may also attend a future meeting of the overview and scrutiny committee to present their response.

13 Rights of overview and scrutiny committee members to documents

- (a) In addition to their rights as councillors, members of overview and scrutiny committees have the additional right to documents, and to notice of meetings as set out in the Access to Information Procedure Rules in Part 4 of this constitution.
- (b) Nothing in this rule prevents more detailed liaison between the Cabinet and overview and scrutiny committee as appropriate depending on the particular matter under consideration.

14 Members and staff giving account

- (a) Any overview and scrutiny committee or sub-committee may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role, it may require any individual Cabinet member, the Chief Executive, an Group Director and/or a Head of Service/Assistant Chief Executive (who may involve other staff as appropriate) to attend before it to explain, in relation to matters within their remit:
 - (i) any particular decision or series of decisions
 - (ii) the extent to which the actions taken implement Council policy, and/or
 - (iii) their performance

and it is the duty of those persons to attend if so required.

- (b) Where any member or member of staff is required to attend an overview and scrutiny committee under this provision, the Chairman of that committee will inform the proper officer. The proper officer shall inform the member or member of staff in writing giving at least seven working days' notice of the meeting at which he or she is required to attend. The notice will state the nature of the item on which he or she is required to attend to give account and whether any papers are required to be produced for the committee. Where the account to be given to the committee will require the production of a report, then the member or member of staff concerned will be given sufficient notice to allow for preparation of that documentation.
- (c) Where, in exceptional circumstances, the member or member of staff is unable to attend on the required date, then the overview and scrutiny committee shall in consultation with the member or member of staff arrange an alternative date for attendance to take place within a maximum of ten days from the date of the original request.

15 Attendance by others

An overview and scrutiny committee may invite people other than those people referred to in paragraph 14 above to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and members and staff in other parts of the public sector and shall invite such people to attend.

16 Call-in ("requisition") procedure

- (a) All decisions of Cabinet and individual Cabinet members, and all key decisions taken by staff or area committees, will be notified weekly to all members, and non-Executive members shall be entitled to requisition that decision. Notification will be by the weekly Calendar Brief (or supplementary Calendar Brief) to all members, indicating the latest date for submission of a requisition.
- (b) If the Chief Executive is notified of a requisition of a decision shown on that notification within three working days of the deemed receipt of a decision, then (subject to (g) following) that decision shall not be acted upon but shall be submitted to the next overview and scrutiny committee meeting, or one convened for the purpose, for determination.
- (c) At that meeting, the overview and scrutiny committee may resolve to initiate either of the specific call-in procedures set out in rule 5 of the

Policy Framework Procedure Rules or in rule 8 of the Budget Framework Procedure Rules.

- (d) Any requisition submitted under (b) above must be in writing and must be signed by:
 - (i) at least two non-Executive members representing more than one group, or
 - (ii) at least one co-opted member and one non-Executive member.Additionally, the requisition must give the grounds for the requisition.
- (e) Following the consideration of the matter by members if the requisition submitted under (b) above is upheld, the matter shall be referred to either
 - (i) The Council where the committee considers the matter is contrary or not wholly in accordance with the policy or budgetary framework, or otherwise
 - (ii) The Cabinet
- (f) A requisition under (b) above shall be determined at the committee meeting by simple majority.
- (g) The members may indicate at the time of submitting any requisition that it is “holding” requisition, to permit informal discussion with the Cabinet member as to the merits of the decision. Time shall be of the essence when dealing with “holding” requisitions. A “holding requisition” shall be treated as withdrawn if, eight working days having passed from the publication of the decision, both members have not confirmed by notice in writing to the Chief Executive that the requisition should be subject to the full requisition procedure provided for in the preceding paragraphs.
- (h) Any requisition may be withdrawn at any time prior to it being disposed of.
- (i) For the avoidance of doubt, “notice given in writing” for the purpose of this Rule includes notice given by fax or by email from an address or number recognised as associated with the member sending it, and shall be regarded as validly signed by both members if either an identical fax or email is received from both of them or one clearly associates him or herself with a submission by the other,

17 Exception to the call-in (“requisition”) procedure

- (a) The call-in procedure set out above shall not apply where a decision being taken by Cabinet or an individual Cabinet member, or a key decision made by a member of staff or an area committee is urgent. A decision will be urgent if any delay likely to be caused by the call in process would seriously prejudice the Council’s or the public interests.

The record of the decision and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in.

- (b) The decision making person or body can only take an urgent decision and avoid the call-in procedures after obtaining agreement from the Chairman or in the absence of the Chairman, the vice Chairman of the relevant overview and scrutiny committee that the decision be treated as urgent. If there is no Chairman or vice Chairman of a relevant overview and scrutiny committee, or if the Chairman or vice Chairman of each relevant overview and scrutiny committee is unable to act, then the agreement of the Mayor, or in his/her absence the Deputy Mayor will suffice.
- (c) Any agreement obtained under this provision should be evidenced in writing.
- (d) The leader will submit quarterly reports to Council on decisions taken by Cabinet or individual Cabinet members, or key decisions made by a member of staff or area committees, in the circumstances set out in rule 17 (exception to the call-in (“requisition”) procedure) in the preceding three months. The report will include the number of decisions taken and a summary of the matters in respect of which those decisions were taken.
- (e) The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to Council with proposals for review if necessary.

18 The Party Whip

There shall be no Party Whip at a meeting of an Overview & Scrutiny Committee. “The Party Whip” is understood to mean “any instruction given by or on behalf of a political group to any Councillor who is a member of that group as to how that Councillor shall speak or vote before a Overview & Scrutiny Committee, or the application or threat to apply any sanctions by the group in respect of that Councillor should he/she speak or vote in any particular manner”

19 Exception where notification of requisition not made within three working days

- (a) Where the procedure set out in rule 16 does not apply because notification of requisition has not been given within the deadline of three working days, an overview and scrutiny committee may nevertheless resolve to initiate either of the specific call-in procedures set out in rule 5 of the Policy Framework Procedure Rules or in rule 8 of the Budget Framework Procedure Rules.

- (b) The overview and scrutiny committee may resolve to initiate either of the call-in procedures referred to above only if the resolution is made within fourteen calendar days of the requisitioned decision being notified.
- (c) Such a resolution can be made only at the first meeting of the overview and scrutiny committee immediately following the expiration of the period of 3 working days applying to the executive decision in question.

20 Procedure at overview and scrutiny committee meetings

- (a) Overview and scrutiny committees and sub-committees shall consider the following business:
 - (i) minutes of the last meeting
 - (ii) declarations of interest
 - (iii) consideration of any matter referred to the committee for a decision in relation to call in of a decision
 - (iv) responses of the Executive to reports of the overview and scrutiny committee
 - (v) the business otherwise set out on the agenda for the meeting.
- (b) Where the overview and scrutiny committee conducts investigations (for example, with a view to policy development), the committee may also ask people to attend to give evidence at committee meetings which are to be conducted in accordance with the following principles:
 - (i) that the investigation be conducted fairly and all members of the committee be given the opportunity to ask questions of attendees, and to contribute and speak
 - (ii) that those assisting the committee by giving evidence be treated with respect and courtesy
 - (iii) that the investigation be conducted so as to maximise the efficiency of the investigation or analysis.
- (c) Following any investigation or review, the committee or sub-committee shall prepare a report, for submission to the Cabinet and/or Council as appropriate and shall make its report and findings public.

Restrictions on appointment to Housing Overview & Scrutiny Committee

No member who has been appointed by the Council to the board of Havering Homes shall be appointed to the overview & scrutiny committee responsible for scrutiny of the Council's housing management functions.

**Extracts from the DA report on Democratic Renewal
First Quarter 2004/05**

Recommendation Outstanding	
R10	Develop Overview and Scrutiny policy development programmes that have a clear and crosscutting direction, and take account of key performance data.
R11	Encourage local community stakeholder involvement in the political management process, including taking an active part in member meetings.
R13	Develop the work programmes of the Overview and Scrutiny Committees to include post implementation review.
R14	Clarify the expected role of Overview and Scrutiny Committees in respect of Best Value and communicate this effectively to members.
R15	Encourage greater scrutiny focus on holding the Cabinet to account.
R16	Improve communication between members involved in scrutiny when developing reports.
R17	Foster a more inclusive and less party-political approach to Scrutiny working.
R18	Encourage further reporting back to Cabinet on Scrutiny studies.
R23	Consider the establishment of a mechanism to ensure effective exchange of information between Cabinet, OSC and Area Committee chairs.

Alongside recommendation 10 the commentary in the updated report to the Audit Committee will, on the recommendations, say that Group Leaders met throughout 2004 in an effort to plot a way forward on all aspects of O&S and Government Committee later set up an informal Member-level group to consider the most appropriate O&S model for Havering. Group Leaders gave further informal thought to ways forward throughout 2005. The Administration are currently considering other possibilities, at one time planning to visit Brent to see one particular model, with a view to coming forward with proposals for Governance Committee, then March 2006 Council. In the event July Council referred the whole issue back to Governance.

The commentary alongside the remaining recommendations refers the reader to that alongside recommendation 10.



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	4 OCTOBER 2006	9A

This report is submitted with the agreement of the Chairman as an urgent matter, pursuant to Section 100B(4) of the Local Government Act 1972

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: THE COUNCIL'S COMPLAINTS PROCEDURES – alterations to improve operation

At its meeting in July, the Adjudication & Review Committee agreed a series of alterations to the Council's complaints procedure intended to improve its effectiveness.

Among the agreed changes were provisions to limit the circumstances in which the complaints procedure may be invoked (by providing for restrictions similar to those imposed by statute on the Ombudsman, and by setting time limits outside which complaints will not normally be considered). The limitations agreed were:

- (a) Explicitly that the complaints procedure cannot be used where the complaint relates to matters:
 - where there is a clear legal right of appeal or remedy in a court of law
 - which are contractual or commercial transactions
 - concerning personnel issues
 - issues affecting most, or all, residents of the borough
 - relating to the internal management of schools

- (b) That time limits apply, so that
 - (i) no complaint will be entertained where the events giving rise to it occurred more than 12 months before the date of submission of the complaint

- (ii) a complaint will not be moved from one stage of consideration to the next unless the complainant so requests within three months of the completion of the consideration of the complaint at that stage

Anticipating that there may however be circumstances where in which it may be in the Council's interest to entertain a complaint strictly outside these limits – for example, where to do so would avoid expensive litigation – that Committee agreed that, subject to the approval of this Committee and the Council, the Head of Customer Services be authorised to consider cases of dispute or where there may be advantage in continuing to use the complaints procedure rather than potentially costly legal proceedings and to agree that, in exceptional circumstances, a complaint not complying with the limitations agreed by that Committee shall nevertheless be considered.

The Committee is requested to endorse the proposal.

RECOMMENDATION

That the Committee **RECOMMEND** to the Council that the Head of Customer Services be authorised to consider cases of dispute or where there may be advantage in continuing to use the complaints procedure rather than potentially costly legal proceedings and to agree that, in exceptional circumstances, a complaint not complying with the limitations on the submission of complaints agreed by the Adjudication & Review Committee shall nevertheless be considered.

STEPHEN EVANS
Chief Executive

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Background papers:
There are no papers