

GOVERNANCE COMMITTEE

AGENDA

7.30pm

Wednesday
5 March 2008

Havering Town Hall
Main Road, Romford

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 Matthews

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

Jeffrey Tucker

**Labour Group
(1)**

Keith Darvill

**For information about the meeting please contact:
Ian Buckmaster (01708) 432431
e-mail ian.buckmaster@havering.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 23 January 2008, and to authorise the Chairman to sign them

5 APPOINTMENTS TO OTHER ORGANISATIONS, 2007/08 - further report

6 APPOINTMENT OF SCHOOL GOVERNORS, ETC

7 PARKING CONTROL SCHEMES - DELEGATION OF AUTHORITY

8 REVISION TO FINANCIAL PROCEDURE RULES

To follow when available, if not attached

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.

Cheryl Coppel
Chief Executive

**MINUTES OF A MEETING OF THE
GOVERNANCE COMMITTEE
Havering Town Hall
23 January 2007 (7.30pm – 8.55pm)**

Present:

COUNCILLORS:

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

Residents' Group Gillian Ford and Barbara Matthews

Rainham & Wennington Independent Residents' Group Jeffrey Tucker

Labour Group -

An apology was received for the absence of Councillor Keith Darvill

All decisions were taken with no vote against

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

28 MINUTES

The Minutes of the meeting of the Committee held on 21 November 2007 were approved as a correct record and were signed by the Chairman.

29 APPOINTMENTS TO OTHER ORGANISATIONS, 2007/08 - further report

The Committee was invited to consider appointing or re-appointing Members to three local organisations.

RESOLVED:

- 1 That Mrs Christine Hunnable be re-appointed as nominative trustee of the Romford Combined Charity for the term until 25 October 2011.
- 2 That Councillor Geoff Starns be appointed, and Councillor Paul Rochford be re-appointed, to the

governing body of Havering College of Further & Higher Education.

- 3 That the Cabinet Member for Housing & Regeneration and the three Ward Members for South Hornchurch (respectively Councillors Mike Armstrong, Tom Binding, John Clark and Len Long) be nominated to serve on the Mardyke Neighbourhood Board.

30 TENTH LONDON LOCAL AUTHORITIES BILL

The ALG (through Westminster City Council) was promoting general powers legislation on behalf of London Boroughs following consultation with the Boroughs. At its meeting in October 2007, the Council had passed an initial resolution to participate in promoting the legislation.

The Committee was now advised that, to accord with the procedures associated with local legislation of this nature, it was necessary for various notices to be published and resolutions to be passed by the Council for Havering to be included among the participating Boroughs. A Borough wishing to be included has to pass a first resolution (meeting various procedural requirements) – already done – and then confirm its participation by passing a further resolution by a majority of a whole number of the members of the Council at a meeting of the Council held as soon as may be after the expiration of 14 days after the Bill has been deposited in Parliament.

The Committee accordingly **RESOLVED to RECOMMEND** to the Council:

That the following resolution in connection with the approval of the London Local Authorities Bills promoted by Westminster be passed –

That the resolution of this Council passed at a meeting of the Council held on 17 October 2007 to promote a Bill or Bills in the last session of Parliament, pursuant to which the Bills intituled “A Bill to confer further powers upon local authorities in London; and for related purposes”; “A Bill to introduce in London a prohibition on the supply of certain bags by retailers, to confer powers upon the local authorities in London to enforce the prohibition; and for related purposes” and “A Bill to confer further powers upon local authorities in London and upon Transport for London; and for related purposes” have been deposited in Parliament, be and the same is hereby confirmed.

31 **AMENDMENTS TO THE CONSTITUTION – made by the Monitoring Officer**

The Constitution provided that this Committee must be notified at the first reasonable opportunity of any amendment made by the Monitoring Officer in exercise of her delegated power. The Committee now noted amendments made by her and published in Notifications 29 and 30 (as set out in Appendix 1 to these minutes).

32 **PENSIONS COMMITTEE: REPRESENTATION OF ADMITTED AND SCHEDULED BODIES**

The Committee noted that the legislation and government guidance on best practice for local authority committees responsible for administering the Local Government Pensions Scheme (LGPS) supported the principle that all key stakeholders should be afforded the opportunity to be represented on such committees. It was for the Council to decide the actual membership of its Pensions Committee.

The Pensions Committee had recently considered its membership. The current membership comprised six Members (politically balanced) and two union representatives, who attend on behalf of LGPS members.

In addition to direct employees of the Council, the staff of certain 'admitted' and 'scheduled' bodies were entitled to join the Havering LGPS. These were:

- (a) six 'admitted' bodies: Havering Citizens Advice Bureau; May Gurney Ltd; Morrisons Facilities Services; Catering for Education; Sports & Leisure Management Ltd; and KGB Cleaners. These bodies, by agreement, had been admitted to the fund, generally in consequence of the outsourcing of Council services;
- (b) three 'scheduled' bodies: Havering College of Further & Higher Education; Havering Sixth Form College; and Homes in Havering. These bodies' admission to the fund was a matter of 'scheduled' right.

There was no representation on the Pensions Committee of 'admitted' and 'scheduled' bodies, even though collectively they provided about 12% of the Havering LGPS membership. Accordingly the Pension Committee had recommended to this Committee that it would be appropriate to add to its membership by co-opting one, non-voting representative on behalf of the 9 bodies in question. The mechanism for agreeing that representative would be discussed and agreed with those bodies if this Committee and, subsequently, the Council agreed to the increased membership.

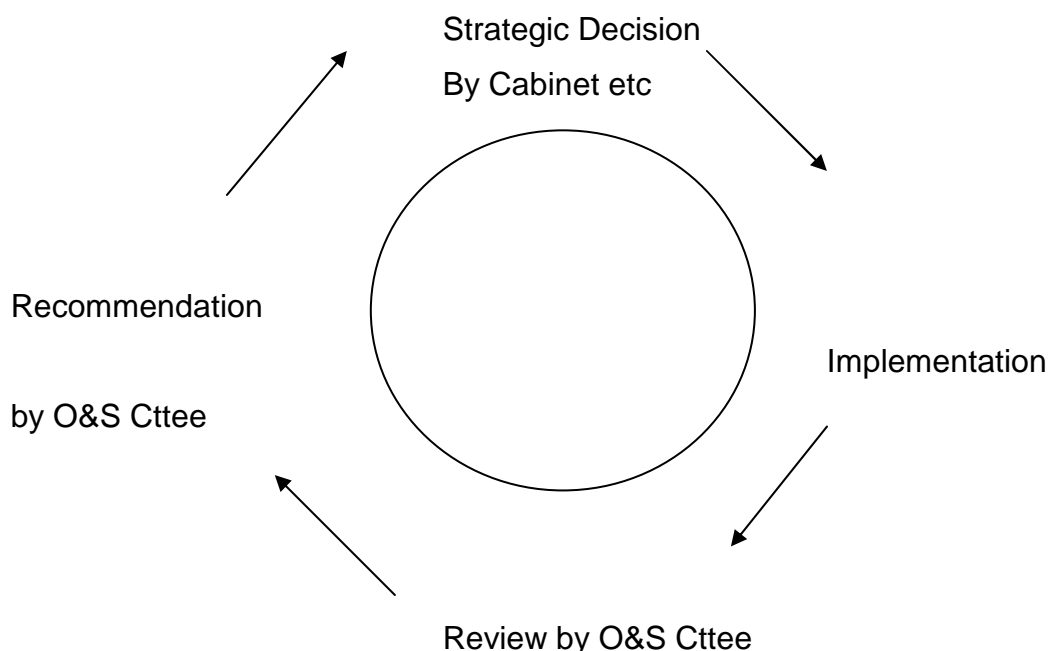
The Committee accepted the recommendation of the Pensions Committee and, accordingly, **RESOLVED to RECOMMEND** to the Council:

That the membership of the Pensions Committee be increased by the addition of a non-voting, co-opted representative of the 'admitted' and 'scheduled' bodies of the Havering LGPS.

33 **OVERVIEW AND SCRUTINY – work programmes**

The report referred to an issue raised in the Corporate Performance Assessment regarding work programmes. In particular, it outlined a mechanism in response to the recommendation that the Council review the operation of scrutiny to ensure greater alignment of corporate priorities, and in particular to make immediate steps to articulate short, medium and long term work programmes to achieve greater Member involvement in the Overview & Scrutiny process.

The Committee noted that the "Council Continuous Improvement Model" (CCIM) had emerged following discussion with the Leader of the Council. It features the normal planning cycle of policy development as set out below:



In brief, every Cabinet strategy decision would be put to the relevant OSC for review after a given period, giving the OSC opportunity to review that policy within the context of the Council's declared priorities.

In the future, every Cabinet strategic decision would be presented in list form periodically to the relevant OSC with an indication of when a meaningful OSC review might be best undertaken, taking into account

any Cabinet recommendation in that respect. Such lists could, in effect, form the OSCs' medium and long term work programme.

The Committee was reminded that adoption of this approach did not preclude any OSC from deciding to carry out reviews of other policy issues as the Local Government Act 2000 gave OSCs statutory powers to review any Council activity within their respective terms of reference, at any time.

34 COUNCILLOR CALL FOR ACTION

The Local Government & Public Involvement in Health Act 2007 (the Act) was introducing a number of changes in local governance as part of the government's aim of getting local authorities to engage more effectively (and in new ways) with citizens. This report concerned provisions known as "Councillor Call for Action" (CCA), which built on both the traditional constituency/community leadership role of Councillors (not previously described in legislation) and specific statutory provision in the Local Government Act 2000 introducing executive governance, enabling Members of an Overview & Scrutiny Committee (OSC) to require specific issues to be placed on the agenda of that OSC.

The report outlined the new provisions and invited approval of the manner in which it is suggested that they should operate within Havering. The report also refers to some associated issues, affected by CCA. Members noted that the provisions were to be brought into force later in 2008, and that statutory guidance from the Secretary of State, currently the subject of consultation with local authorities generally, would provide detailed advice in due course.

The Committee decided that, in the absence of that guidance, it would not be possible to make progress for the present but that a response should be sent to the consultation.

RESOLVED:

- 1 That the government's intention to introduce CCA (as part of its moves for more effective engagement with citizens), and the proposed means of operating it, be noted.
- 2 That the Assistant Chief Executive, Legal and Democratic Services, be authorised to make all necessary changes to the Constitution, and in particular the Overview & Scrutiny Procedure Rules, to give effect to the consequences of the introduction of CCA.
- 3 That the Council respond to the consultation paper as indicated in Appendix 2 to these minutes.

35 DEALING WITH PETITIONS – Department of Communities & Local Government: consultation

The Department of Communities & Local Government (DCLG) has sought comment on consultation paper that dealt, in part, with how local authorities dealt with petitions. Comments had been invited on some suggestions for formalising responses to petitions and taking them into account in the formulation of policies and actions.

The DCLG was suggesting that there should be a duty on local authorities to respond to petitions where specific criteria as to subject matter, identity and numbers of petitioners etc were met. There would be statutory guidance from the Secretary of State on dealing with petitions.

RESOLVED:

That the Council respond to the consultation paper as indicated in Appendix 2 to these minutes.

36 APPOINTMENT OF SCHOOL GOVERNORS

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

RESOLVED:

That Councillor John Mylod be re-appointed as a governor of Langtons Junior School, with effect from 1 January 2008.

37 STANDARDS COMMITTEE – INDEPENDENT CHAIRMAN

Part 10 of the Local Government & Public Involvement in Health Act 2007 had enacted a range of ethical standards legislation which would be implemented over the next few months once Regulations are in place. Within that Part, section 187 would, when brought into force, insert into Section 53(4) of the Local Government Act 2000 a requirement for the Standards Committee to be chaired by an Independent Member.

Although the exact date when that section would be brought into force had yet to be declared, it was possible that it would be as early as 1 April 2008. As the appointment needed to be made by full Council, it was suggested that the Council should be invited to make it at its forthcoming meeting, in order to ensure that the Standards Committee was properly established when the new legislation took effect.

The Committee also noted that it was possible that another consequence of the legislation was that there would be need for one or more additional Independent Members in order to deal with the prospective increased workload of the Standards Committee.

RESOLVED:

- 1 That the Committee **RECOMMEND** to the Council that Jack Knowles, Independent Member, be appointed Chairman of the Standards Committee with effect from the date on which the amendment of section 53(4) of the Local Government Act 2000 by section 187 of the Act is brought into force, requiring that the Chairman of the Standards Committee be an Independent Person.
- 2 That commencement of the recruitment process for one or more Independent Members be authorised, without commitment at this stage as to their eventual appointment.

Notification of amendments to the constitution

Amendments made by the Monitoring Officer

Notification No. 29

Date 28th November 2007

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

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

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|---|----------------|--|-----------------------|
| Part 3 Section 7 | 168 | Add Animal Welfare Act 2006 following Animal Health Act 1981 | Legislation |
| Part 2 Article 4 and Part 3 Section 1.2 | 12 57 | Amend References The Local Authorities (Functions and Responsibilities) Regulations 2000 to Local Authorities (Functions and Responsibilities) (England) (Amendment) (No.2) Regulations 2007 (SI 2007/1557): these regulations, which come into force on 1 July 2007, amend SI 2000/2853 so that local authority functions relating to the enforcement of the smoke free legislation under the Health Act 2006 are not to be the responsibility of the executive. See: http://www.opsi.gov.uk/si/si2007/20071557.htm . | Legislation |
| Part 3 Section 3 | 83-138 | Alteration in the reporting structure within the Scheme of Delegation with effect from 30 th October 2007. The Head of Development and Building Control to report to the Group Director Finance & Commercial. The Heads of Housing & Health and Regeneration and Strategic Planning to | Organisational Change |

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|--|----------------|---|-----------------------|
| | | report to the Group Director Public Realm. The Statutory post of Director of Adult Services to be held by Interim Director Alan Adams until 31.12.07 and then the Group Director of Children's Services from 1.1.08 Paragraphs 3.7.1 (1-2) to be allocated to the Group Director Finance and Commercial. Paragraphs 3.7.1 (3 to 8) to remain with the statutory post of Director of Adult Services | |
| Part 3 Section 2.2 Paragraph 3.1 | 79 | Delete the Cabinet Member for Crime and Safety and insert The Cabinet Member for Environment and Technical Services | Organisational Change |

Notification No. 30

Date 7th January 2008

Notification of amendments to the constitution

Amendments made by the Monitoring Officer

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

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

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|---------------------------|----------------|--|----------------------|
| Part 3 Section 3.2 | 85 | Section 3.2 Powers of the Chief Executive add after 6. 7. To exercise the power on behalf of the Council to consent to a dispersal order under the Anti Social Behaviour Act 2003 and to be a consultee for the purpose of a closure notice under the Anti Social Behaviour Act 2003. | Correction |

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| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|-----------------------------------|-----------------------|--|-----------------------------|
| Part 3 Section 7 Appendix C | 169 | Amend Section 3.7.4 function 57 to <i>Section 3.6.7 function 47, 48, 49, 59 and 69(i)</i> | Correction |
| Part 3 Section 7 Appendix D | 173 | Amend Section 3.7.4 functions 45, 46, 47 and 57 to <i>Section 3.6.7 functions 28(i) and (ii) 46, 46, 48, 49 and 59</i> | Correction |
| Part 3 Section 7 Appendix F | 175 | Amend Section 3.6, function 34 to <i>Function 10 and 20(ii) and 28(ii)</i> | Correction |
| Part 4 Section 4.4 | 216 | European procurement requirements. New thresholds effective from 1st January 2008 (thresholds are reviewed once every two years). On this occasion, due to currency fluctuations, the thresholds have gone down. Amend new thresholds: Works £3,497,313 (previously £3,611,319) Supplies & Services £139,893 (previously £144,371). | Legislation |

Councillor Call for Action: response to government consultation document

The Council is concerned at the potential for excessive bureaucracy presented by the Councillor Call for Action (CCA). If the Secretary of State's guidance is concerned with detail rather than broad principle, there is likely to be a loss of flexibility, with a corresponding lack of responsiveness to individual citizens. A detailed framework would have the (doubtless unintended) effect of opening the Council's actions in response to a CCA to investigation by the Local Ombudsman or the court (by judicial review) not of the principles of that response but of the mechanics by which it was processed.

Excessive bureaucracy will lead to unnecessary additional expense. It could also lead to the skewing of priorities, with consequential budget impacts. At a time of financial restraint, this could prove both costly and distracting.

Neither the legislation nor the consultation document is clear as to the thresholds at which a matter becomes suitable for treatment as a CCA. If left to individual Members, there is a risk that issues others might consider trivial will be promoted, at the expense of other, more pressing matters.

There should be an obligation on the Member making a CCA referral to co-operate with the Overview & Scrutiny Committee charged with dealing with it. Under current legislation, a Member of the OSC has a statutory right to ask that a matter be considered by an OSC: CCA extends that to all Members of the Council. Whereas a Member of the OSC would clearly have an interest in co-operating with the OSC, it cannot be assumed that a non-Member proposing a CCA would feel under any obligation to participate in the OSC's consideration of it.

Petitions: response to government consultation document

There are clearly advantages to a formal petition procedure. For example, people may be able to have a voice through petitioning whereas, at the moment, they may be lone voices, unaware others have a similar issue.

The process proposed nonetheless appears generally logical but somewhat bureaucratic, with a “one size fits all” approach that, if translated into legislation, could well reduce flexibility and lead to additional burdensome workloads. In particular, there is a risk that comparatively minor issues will consume disproportionately staff and Member time. Moreover, it is not clear from the consultation paper what would constitute a “response”, especially important given the proposed statutory duty “to respond”.

The requirements for numbers of petitioners suggest there is a strong possibility that, if thresholds were set too low, local authorities could find themselves having to devote considerable resources to issues of concern to but a small number of residents. There is also the possibility of dispute arising as to whether or not a petition meets the criteria if, for example, the lead petitioners believed that there were sufficient signatures but, having counted them, the local authority found there were not, or in particular should the Council receive petitions seeking mutually contrary or incompatible action.

It is sometimes the case that individuals approached to sign a petition do so, not out of conviction, but for other reasons such as a wish to be accommodating to a friend or neighbour, or even to be rid of unwanted attention as quickly as possible!

It is accepted, however, that a clear and certain process could well promote more resident interest in the decision making process and so could be one way to address the issue of voter apathy. The receipt of a well-managed petition is a valuable signal to Members of those things that excite local people and dealing with petitions in a well-managed way would assist in ensuring that people are well informed, regardless of whether the Council meets the petitioners’ expectations.

A specific risk of introducing a statutory process for handling petitions, as opposed to the current discretionary approach, is that failure to observe all prescribed stages would open councils to complaints of maladministration, to be investigated by the Local Ombudsman, or even judicial review proceedings.

It should also be noted that, while there is a clear relationship between handling petitions and the Councillor Call for Action – indeed, the consultation paper suggests that petitions might conveniently be termed “Community Calls for Action” – the detail of that potential relationship remains vague. A much more robust description of the relationship will be needed if the link between

the two is to be effective.

The cost of processing petitions through this proposed process cannot presently be quantified. The DCLG anticipates that costs will be minimal but whether that is over-optimistic remains to be seen. Certainly, the introduction of a statutory process is likely to prompt more petitions than currently and complying with it will certainly add to current costs.

Any additional costs for individual services for handling petitions will have to be met from within relevant existing budget provisions. There is, therefore, a risk that budget priorities could be distorted by the need to respond to petitions addressing different issues. Equally, if a failure to respond results in complaint to the Local Ombudsman, or judicial review proceedings, the outcome, and thus financial consequences, would be unpredictable.

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REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENTS TO OTHER ORGANISATIONS - further report

The main series of appointments to other organisations was dealt with at the Committee's meeting on 30 May 2007. Since then, however, some further issues relating to various appointments have arisen. The Committee is asked to deal with them now.

(a) Poyntz and other charities

The "Poyntz and other charities" administers benefits for the poor, and almshouses (Remembrances Cottages) for the aged poor, of North Ockendon.

The Council appoints three of the trustees: one as owner of Stubbers, the others in accordance with the charities' trust deed. Two further trustees are co-opted by the three appointed trustees.

The term of office of the current trustees has expired and the Committee is asked to consider who should be appointed in succession. Appointments are for a period of four years. The existing trustees are eligible for re-appointment: it is understood that two of them are happy to be re-appointed.

The current trustees appointed by the Council are Councillor June Alexander, Mr C Groves and Mr D Livermore. Councillor Alexander and Mr Groves were appointed in 2003 and Mr Livermore last year (following the resignation of his predecessor). Councillor Alexander and Mr Livermore are willing to be re-

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appointed. The Trust is content for the third position to remain vacant for the time being.

The clerk of the charity is the incumbent of the church of St Mary Magdalene, North Ockendon. He will shortly be retiring but expects his successor to assume the clerkship in due course.

It is not necessary for the Council's nominees to be Members but whoever is appointed should live or work within the North Ockendon area. It is understood that the present trustees are all willing to be re-appointed

The Committee is asked to appoint two persons to serve as trustees, one as nominee of the owner of Stubbers and the other in accordance with the trust deed, and to accept the suggestion that the third trustee post remain vacant for the time being.

(b) Partnerships in Parking Board - Member Representative

The Cabinet has agreed that the Council should apply to join Partnerships in Parking (PIP), a partnership of a number of London authorities, with Transport for London, working together to develop proposals for innovative procurement and improved financial and operational efficiency in the parking field.

Assuming the application, as anticipated, succeeds, the Council will be entitled to appoint a member of the PIP Board, which meets quarterly (with meetings currently being held at Westminster City Hall).

It is recommended that the Committee appoint (by office) the Cabinet Member for StreetCare to serve as the Council's representative on the PIP Board.

| | |
|-----------------------------------|------|
| Legal Implications | None |
| Financial Implications | None |
| Equalities Implications | None |
| Environmental Implications | None |

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

Telephone: 01708 432431

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Cheryl Coppel
Chief Executive

Background Papers

Files relating to the various organisations to which appointments are made.

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REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENT OF SCHOOL GOVERNORS, ETC

The appointment of school governors who are also Members or employees of the Council is dealt with by this Committee (all other appointments are made by the Group Director, Children's Services under delegated powers), on the recommendation of the Governor Panel.

The Governor Panel has now submitted for formal approval the nomination of several Members and staff for reappointment to Governing Bodies.

It is also necessary to consider a minor expansion of the duties of the Governor Panel in consequence of a change in legislation.

A. Powers of Governor Panel

The Governor Panel considers the appointment of Local Authority (LA) school governors. The majority of appointments are made on its recommendation by the Group Director, Children's Services; recommendations for appointment of Members or employees of the Council are dealt with by this Committee.

Pupil Referral Units (PRUs) – which provide education to children excluded from, or otherwise unable to attend, mainstream schooling – do not have governing bodies, but are the responsibility of Management Committees that fulfil an analogous role. Hitherto, the advisory committees running PRUs had operated on a less formal basis than governing bodies but a recent change in legislation, in addition to designating them as Management Committees requires that they be constituted more formally. The former advisory committees contained LA officers who were involved with the running of the PRU as LA members but the new, more formal situation makes it advisable that this is not replicated in the new arrangements because of the potential for

conflicts of interest.

The mandatory categories of Management Committee membership are Parents, Staff, LA and Community. The strong advice of the Department for Children, Schools and Families (DCSF) is that Management Committees should not have more than 12 members in total. The DCSF has stated that:

“LAs can appoint any eligible person as a LA member [other than a person eligible to serve as a staff member of the PRU]. LAs are encouraged to appoint candidates irrespective of any political affiliation or preferences who are committed to assist in the effective running of the PRU”.

There are four PRUs in Havering, each catering for different ages and/or needs. Their respective constitutions of their Management Committees will need to differ to take account of their differing purposes but it is not anticipated that any will need to exceed a membership of twelve.

The Committee is requested to approve the extension of the powers of the Governor Panel to include the making of appointments to PRU Management Committees, on the basis outlined above.

B. Appointments

Consideration is invited of the following proposed appointments.

(i) School Governing Bodies

The Committee is requested to accept the Governor Panel recommendations that the following appointments be made:

| Name (and position) | School governing body |
|---|---|
| Ms T. Blight (Headteacher, Sanders Draper School) | Suttons Primary |
| Councillor Lynden Thorpe | (1) Squirrels Heath Infants (2) Ardleigh Green Infants |
| Katie Chandler (employed at Hall Mead) | James Oglethorpe |
| Councillor Gillian Ford | Temporary GB of proposed primary school on Branfil sites |

(ii) PRU Management Committee: The Tuition Service

In anticipation of the Committee's acceptance of the proposed arrangements for the appointment of members of PRU Management Committees discussed earlier in this report, the Governor Panel has considered the appointment of members of the Management Committee of The Tuition Service PRU.

The proposed constitution of this particular PRU Management Committee is:

- Parent – 1
- Staff – 2
- Local Authority appointed – 2
- Community representatives – 7

It is considered that it would be helpful for a Member to be one of the appointees and for the other appointment to be of a person with a strong education interest and a proven track record as a governor of a local school.

Subject to acceptance of the extension of its powers, the Governor Panel has recommended that Councillor Geoff Starns (Cabinet Member for Children's Services) and Mrs Rhonda Ware (a LA governor on the Royal Liberty School governing body) be appointed as members of the PRU Management Committee.

Human resources implications and risks

No implications or risks for the human resources arise from this report.

Equalities implications and risks

No implications or risks for the environment arise from this report

Financial implications and risks

No financial implications or risks arise from this report.

Legal implications and risks

No legal implications or risks arise from this report.

RECOMMENDATIONS

- 1 That the extension of the powers of the Governor Panel to include the consideration of the appointment of LA members of PRU Management Committees be approved.
- 2 That, subject to (1) above, the appointment of Councillor Geoff Starns and Mrs Rhonda Ware as members of The Tuition Service PRU Management Committee be approved.

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3 That the following appointments be approved:

| Name (and position) | School governing body |
|--|---|
| Ms T. Blight (Headteacher, Sanders Draper School) | Suttons Primary |
| Councillor Lynden Thorpe | (1) Squirrels Heath Infants (2) Ardleigh Green Infants |
| Katie Chandler (employed at Hall Mead) | James Oglethorpe |
| Councillor Gillian Ford | Temporary GB of proposed primary school on Branfil sites |

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

Telephone: 01708 432431

**Cheryl Coppel
Chief Executive**

Background Papers: None



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REPORT OF THE CHIEF EXECUTIVE

SUBJECT: Parking Control Schemes - Delegation of Authority

WARD: All

SUMMARY

A Parking Management Strategy that set out the future management of the Council's Parking Services and associated operations was presented to and approved by Cabinet on the 17th May 2007. Contained in the strategy were a number of proposals that requires the use of delegated authority instead of that of the relevant Area Committee, and in some instances, the Regulatory Services Committee. The Parking Management Strategy recommended that should Cabinet approve the principle of certain delegations then they should be presented to the Governance Committee for consideration with a recommendation for approval. This report sets out the proposed delegations.

RECOMMENDATION

It is recommended that authority be delegated to Head of Technical Services and with appropriate notification to the Chairman of the relevant Area Committee, to determine:

- 1. Schemes for the removal of grass verges in favour of footway parking.**
- 2. Requests for 'At any Time' waiting restrictions at junctions and bends for a distance of up to 15 metres.**
- 3. Requests for advisory white road marking such as 'Keep Clear' markings and 'T'bar markings.**
- 4. Requests for changes to all types of parking restrictions in relation to accommodating new vehicle crossover applications.**
- 5. Changes to all types of parking restrictions in relation to temporary and permanent accesses to new developments.**

REPORT DETAIL

1. Proposed parking restrictions have to follow a process so as to achieve the authority necessary to implement. This process involves a statutory consultation via an advertisement inviting the public and other interested parties to comment on, and or object to, a proposal within twenty one days. Currently, the responses are then considered by the relevant Area Committee, Lead Member, or officer authorised by the aforementioned prior to deciding whether to implement the proposal or not.
2. Proposals to streamline the process of introducing some parking control measures were contained in a Parking Management Strategy presented to and approved by Cabinet on the 17th May 2007. Various proposals in the strategy recommended that the Governance Committee be invited to recommend to the Council that authority be delegated from the relevant Area Committee to Head of Technical Services, with appropriate notification to the Chair of the relevant Area Committee, to authorise parking control proposals. The delegated authority would be used to determine:
 - 2.1. **Schemes for the removal of grass verges in favour of footway parking** on the merits of individual cases, noting that the general practice of not removing grass verges should otherwise remain in place. Cabinet agreed that grass verges can be removed in favour of footway parking but that it should only happen on a case by case basis. Each case is to be considered separately and that consideration needs to be given to the most economic way of implementing works and that would most likely be in conjunction with other highway related works.
 - 2.2. **The installation of 'At any time' waiting restrictions (Double Yellow Lines) at junctions and on the apexes of bends** where inconsiderate or obstructive parking at these locations reduces safety on the boroughs roads and where there is a greater demand from residents to deal with this type of parking quickly. The Highway Code clearly notes that vehicles should not be parked within 10 metres of a junction, notwithstanding the fact that the radius of some kerb lines at some junctions and around the apexes of bends would require the Highway Code recommendation to be extended to up to 15 metres to ensure good sight lines for vehicles travelling in both directions.
 - 2.3. **Requests for advisory white road marking such as 'Keep Clear' markings and 'T'bar marking** which are mainly used in turning heads and across multi vehicle accesses.
 - 2.4. **Requests for changes to all types of parking restrictions in relation to accommodating new vehicle crossover applications.** Due to the increasing demand for parking space on boroughs roads, residents are increasingly applying to the Council for vehicle crossovers to be installed (at their cost) and providing new or further off-street parking. However, problems can occur when the installation of a new vehicle crossover is in a Controlled

Parking Zone due to parking bays being located in front of the applicant's property. To remove parking bays, reduce them in size and replace the section of removed bay with a waiting restriction, it is currently necessary to go through the Committee process to gain approval in principle so that proposals can be advertised. While it is recognised the removal or reduction of parking bays may have an adverse affect on some residents, the creation of new off-street parking spaces will overall increase the parking capacity in each road.

2.5. Changes to all types of parking restrictions in relation to temporary and permanent accesses to new developments. With the significant amount of development taking place throughout the borough, there are increasing instances where new or temporary accesses to new developments affect parking bays on the highway. Although the Regulatory Services Committee approves planning applications, it is the Area Committee's that agree the parking regulations within their committee area. To negate the need for a report being submitted to the Area Committee outlining any required changes to parking restrictions when the Regulatory Services Committee have granted planning approval to a new development and to make the process of dealing with temporary and permanent accesses to new developments more efficient

Financial Implications and risks:

Nothing contained in this report will have a negative effect on existing budgets. On the contrary a positive impact may be noticeable due the greatly reduced amount of Officer time that will be needed to progress matters via delegation rather than progressing the same to Area Committee and the needing to attend those committee meetings to present reports.

Legal Implications and risks:

There are no specific legal implications from this proposal. The legal formalities for introducing and removing waiting restrictions will still have to be followed.

Human Resources Implications and risks: None

Equalities and Social Inclusion Implications and risks: None

| | |
|-----------------|----------------------------------|
| Staff Contact: | David Pritchard |
| Designation: | Parking Services Manager |
| Telephone No: | 01708 433 123 |
| E-mail address: | david.pritchard@haverling.gov.uk |

CHERYL COPPELL
Chief Executive

Background Papers List

Parking Management Strategy

Governance Committee, 5 March 2008

**MINUTES OF A MEETING OF THE
GOVERNANCE COMMITTEE
Havering Town Hall
23 January 2007 (7.30pm – 8.55pm)**

Present:

COUNCILLORS:

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

Residents' Group Gillian Ford and Barbara Matthews

Rainham & Wennington Independent Residents' Group Jeffrey Tucker

Labour Group -

An apology was received for the absence of Councillor Keith Darvill

All decisions were taken with no vote against

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

28 MINUTES

The Minutes of the meeting of the Committee held on 21 November 2007 were approved as a correct record and were signed by the Chairman.

29 APPOINTMENTS TO OTHER ORGANISATIONS, 2007/08 - further report

The Committee was invited to consider appointing or re-appointing Members to three local organisations.

RESOLVED:

- 1 That Mrs Christine Hunnable be re-appointed as nominative trustee of the Romford Combined Charity for the term until 25 October 2011.
- 2 That Councillor Geoff Starns be appointed, and Councillor

Paul Rochford be re-appointed, to the governing body of Havering College of Further & Higher Education.

- 3 That the Cabinet Member for Housing & Regeneration and the three Ward Members for South Hornchurch (respectively Councillors Mike Armstrong, Tom Binding, John Clark and Len Long) be nominated to serve on the Mardyke Neighbourhood Board.

30 TENTH LONDON LOCAL AUTHORITIES BILL

The ALG (through Westminster City Council) was promoting general powers legislation on behalf of London Boroughs following consultation with the Boroughs. At its meeting in October 2007, the Council had passed an initial resolution to participate in promoting the legislation.

The Committee was now advised that, to accord with the procedures associated with local legislation of this nature, it was necessary for various notices to be published and resolutions to be passed by the Council for Havering to be included among the participating Boroughs. A Borough wishing to be included has to pass a first resolution (meeting various procedural requirements) – already done – and then confirm its participation by passing a further resolution by a majority of a whole number of the members of the Council at a meeting of the Council held as soon as may be after the expiration of 14 days after the Bill has been deposited in Parliament.

The Committee accordingly **RESOLVED to RECOMMEND** to the Council:

That the following resolution in connection with the approval of the London Local Authorities Bills promoted by Westminster be passed –

That the resolution of this Council passed at a meeting of the Council held on 17 October 2007 to promote a Bill or Bills in the last session of Parliament, pursuant to which the Bills intituled “A Bill to confer further powers upon local authorities in London; and for related purposes”; “A Bill to introduce in London a prohibition on the supply of certain bags by retailers, to confer powers upon the local authorities in London to enforce the prohibition; and for related purposes” and “A Bill to confer further powers upon local authorities in London and upon Transport for London; and for related purposes” have been deposited in Parliament, be and the same is hereby confirmed.

31 **AMENDMENTS TO THE CONSTITUTION – made by the Monitoring Officer**

The Constitution provided that this Committee must be notified at the first reasonable opportunity of any amendment made by the Monitoring Officer in exercise of her delegated power. The Committee now noted amendments made by her and published in Notifications 29 and 30 (as set out in Appendix 1 to these minutes).

32 **PENSIONS COMMITTEE: REPRESENTATION OF ADMITTED AND SCHEDULED BODIES**

The Committee noted that the legislation and government guidance on best practice for local authority committees responsible for administering the Local Government Pensions Scheme (LGPS) supported the principle that all key stakeholders should be afforded the opportunity to be represented on such committees. It was for the Council to decide the actual membership of its Pensions Committee.

The Pensions Committee had recently considered its membership. The current membership comprised six Members (politically balanced) and two union representatives, who attend on behalf of LGPS members.

In addition to direct employees of the Council, the staff of certain 'admitted' and 'scheduled' bodies were entitled to join the Havering LGPS. These were:

- (a) six 'admitted' bodies: Havering Citizens Advice Bureau; May Gurney Ltd; Morrisons Facilities Services; Catering for Education; Sports & Leisure Management Ltd; and KGB Cleaners. These bodies, by agreement, had been admitted to the fund, generally in consequence of the outsourcing of Council services;
- (b) three 'scheduled' bodies: Havering College of Further & Higher Education; Havering Sixth Form College; and Homes in Havering. These bodies' admission to the fund was a matter of 'scheduled' right.

There was no representation on the Pensions Committee of 'admitted' and 'scheduled' bodies, even though collectively they provided about 12% of the Havering LGPS membership. Accordingly the Pension Committee had recommended to this Committee that it would be appropriate to add to its membership by co-opting one, non-voting representative on behalf of the 9 bodies in question. The mechanism for agreeing that representative would be discussed and agreed with those bodies if this Committee and, subsequently, the Council agreed to the increased membership.

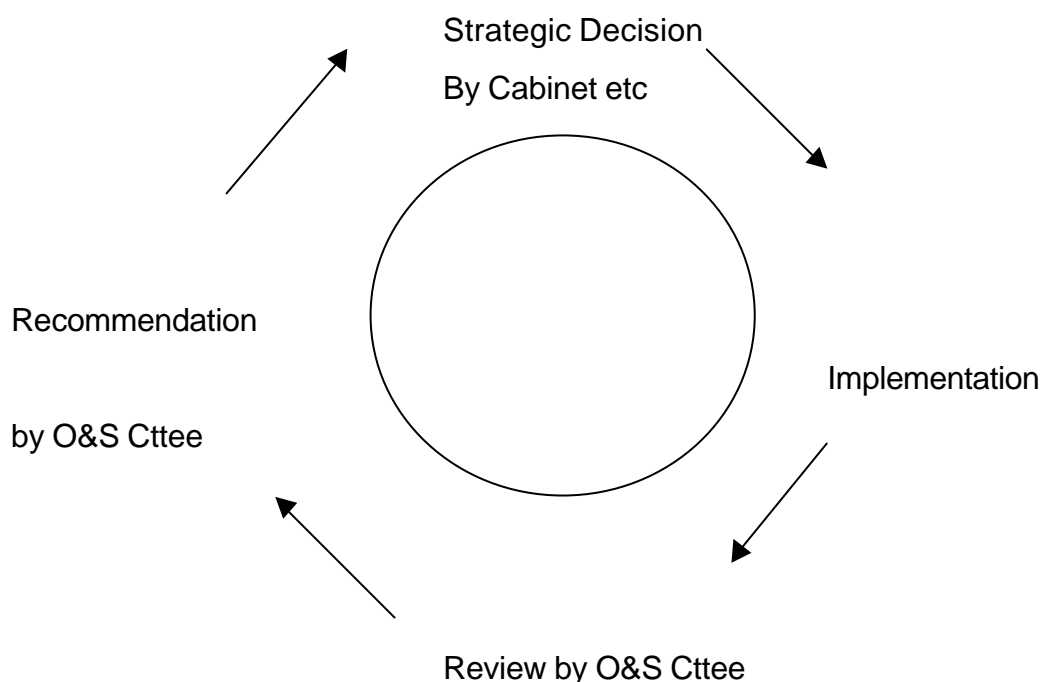
The Committee accepted the recommendation of the Pensions Committee and, accordingly, **RESOLVED to RECOMMEND** to the Council:

That the membership of the Pensions Committee be increased by the addition of a non-voting, co-opted representative of the 'admitted' and 'scheduled' bodies of the Havering LGPS.

33 **OVERVIEW AND SCRUTINY – work programmes**

The report referred to an issue raised in the Corporate Performance Assessment regarding work programmes. In particular, it outlined a mechanism in response to the recommendation that the Council review the operation of scrutiny to ensure greater alignment of corporate priorities, and in particular to make immediate steps to articulate short, medium and long term work programmes to achieve greater Member involvement in the Overview & Scrutiny process.

The Committee noted that the "Council Continuous Improvement Model" (CCIM) had emerged following discussion with the Leader of the Council. It features the normal planning cycle of policy development as set out below:



In brief, every Cabinet strategy decision would be put to the relevant OSC for review after a given period, giving the OSC opportunity to review that policy within the context of the Council's declared priorities.

In the future, every Cabinet strategic decision would be presented in list form periodically to the relevant OSC with an indication of when a meaningful OSC review might be best undertaken, taking into account any Cabinet recommendation in that respect. Such lists could, in effect, form the OSCs' medium and long term work programme.

The Committee was reminded that adoption of this approach did not preclude any OSC from deciding to carry out reviews of other policy issues as the Local Government Act 2000 gave OSCs statutory powers to review any Council activity within their respective terms of reference, at any time.

34 **COUNCILLOR CALL FOR ACTION**

The Local Government & Public Involvement in Health Act 2007 (the Act) was introducing a number of changes in local governance as part of the government's aim of getting local authorities to engage more effectively (and in new ways) with citizens. This report concerned provisions known as "Councillor Call for Action" (CCA), which built on both the traditional constituency/community leadership role of Councillors (not previously described in legislation) and specific statutory provision in the Local Government Act 2000 introducing executive governance, enabling Members of an Overview & Scrutiny Committee (OSC) to require specific issues to be placed on the agenda of that OSC.

The report outlined the new provisions and invited approval of the manner in which it is suggested that they should operate within Havering. The report also refers to some associated issues, affected by CCA. Members noted that the provisions were to be brought into force later in 2008, and that statutory guidance from the Secretary of State, currently the subject of consultation with local authorities generally, would provide detailed advice in due course.

The Committee decided that, in the absence of that guidance, it would not be possible to make progress for the present but that a response should be sent to the consultation.

RESOLVED:

- 1 That the government's intention to introduce CCA (as part of its moves for more effective engagement with citizens), and the proposed means of operating it, be noted.
- 2 That the Assistant Chief Executive, Legal and Democratic Services, be authorised to make all necessary changes to the Constitution, and in particular the Overview & Scrutiny Procedure Rules, to give effect to the consequences of the introduction of CCA.

Governance Committee, 23 January 2008

- 3 That the Council respond to the consultation paper as indicated in Appendix 2 to these minutes.

35 DEALING WITH PETITIONS – Department of Communities & Local Government: consultation

The Department of Communities & Local Government (DCLG) has sought comment on consultation paper that dealt, in part, with how local authorities dealt with petitions. Comments had been invited on some suggestions for formalising responses to petitions and taking them into account in the formulation of policies and actions.

The DCLG was suggesting that there should be a duty on local authorities to respond to petitions where specific criteria as to subject matter, identity and numbers of petitioners etc were met. There would be statutory guidance from the Secretary of State on dealing with petitions.

RESOLVED:

That the Council respond to the consultation paper as indicated in Appendix 2 to these minutes.

36 APPOINTMENT OF SCHOOL GOVERNORS

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

RESOLVED:

That Councillor John Mylod be re-appointed as a governor of Langtons Junior School, with effect from 1 January 2008.

37 STANDARDS COMMITTEE – INDEPENDENT CHAIRMAN

Part 10 of the Local Government & Public Involvement in Health Act 2007 had enacted a range of ethical standards legislation which would be implemented over the next few months once Regulations are in place. Within that Part, section 187 would, when brought into force, insert into Section 53(4) of the Local Government Act 2000 a requirement for the Standards Committee to be chaired by an Independent Member.

Although the exact date when that section would be brought into force had yet to be declared, it was possible that it would be as early as 1 April 2008. As the appointment needed to be made by full Council, it was suggested that the Council should be invited to make it at its forthcoming meeting, in order to ensure that the Standards Committee was properly established when the new legislation took effect.

The Committee also noted that it was possible that another consequence of the legislation was that there would be need for one or more additional Independent Members in order to deal with the prospective increased workload of the Standards Committee.

RESOLVED:

- 1 That the Committee **RECOMMEND** to the Council that Jack Knowles, Independent Member, be appointed Chairman of the Standards Committee with effect from the date on which the amendment of section 53(4) of the Local Government Act 2000 by section 187 of the Act is brought into force, requiring that the Chairman of the Standards Committee be an Independent Person.
- 2 That commencement of the recruitment process for one or more Independent Members be authorised, without commitment at this stage as to their eventual appointment.

Notification of amendments to the constitution

Amendments made by the Monitoring Officer

Notification No. 29

Date 28th November 2007

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

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

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|---|----------------|---|-----------------------|
| Part 3 Section 7 | 168 | Add Animal Welfare Act 2006 following Animal Health Act 1981 | Legislation |
| Part 2 Article 4 and Part 3 Section 1.2 | 12 57 | Amend References The Local Authorities (Functions and Responsibilities) Regulations 2000 to Local Authorities (Functions and Responsibilities) (England) (Amendment) (No.2) Regulations 2007 (SI 2007/1557): these regulations, which come into force on 1 July 2007, amend SI 2000/2853 so that local authority functions relating to the enforcement of the smoke free legislation under the Health Act 2006 are not to be the responsibility of the executive. See: http://www.opsi.gov.uk/si/si2007/20071557.htm . | Legislation |
| Part 3 Section 3 | 83-138 | Alteration in the reporting structure within the Scheme of Delegation with effect from 30 th October 2007. The Head of Development and Building Control to report to the Group Director Finance & Commercial. | Organisational Change |

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|--|-----------------------|---|-----------------------------|
| | | <p>The Heads of Housing & Health and Regeneration and Strategic Planning to report to the Group Director Public Realm.</p> <p>The Statutory post of Director of Adult Services to be held by Interim Director Alan Adams until 31.12.07 and then the Group Director of Children's Services from 1.1.08</p> <p>Paragraphs 3.7.1 (1-2) to be allocated to the Group Director Finance and Commercial.</p> <p>Paragraphs 3.7.1 (3 to 8) to remain with the statutory post of Director of Adult Services</p> | |
| Part 3 Section 2.2 Paragraph 3.1 | 79 | Delete the Cabinet Member for Crime and Safety and insert The Cabinet Member for Environment and Technical Services | Organisational Change |

Notification No. 30

Date 7th January 2008

Notification of amendments to the constitution

Amendments made by the Monitoring Officer

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

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

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|----------------------------------|-----------------------|---|-----------------------------|
| Part 3 Section 3.2 | 85 | <p>Section 3.2 Powers of the Chief Executive add after 6.</p> <p>7. To exercise the power on behalf of the Council to consent to a dispersal order under the Anti Social Behaviour Act 2003 and to be a consultee for the purpose of a closure notice under the Anti Social</p> | Correction |

Governance Committee, 23 January 2008

| Part and article/ section | Page reference | Substance of amendment / amended wording | Reason for amendment |
|-----------------------------------|-----------------------|---|-----------------------------|
| | | Behaviour Act 2003. | |
| Part 3 Section 7 Appendix C | 169 | Amend Section 3.7.4 function 57 to <i>Section 3.6.7 function 47, 48, 49, 59 and 69(i)</i> | Correction |
| Part 3 Section 7 Appendix D | 173 | Amend Section 3.7.4 functions 45, 46, 47 and 57 to <i>Section 3.6.7 functions 28(i) and (ii) 46, 46, 48, 49 and 59</i> | Correction |
| Part 3 Section 7 Appendix F | 175 | Amend Section 3.6, function 34 to <i>Function 10 and 20(ii) and 28(ii)</i> | Correction |
| Part 4 Section 4.4 | 216 | European procurement requirements. New thresholds effective from 1st January 2008 (thresholds are reviewed once every two years). On this occasion, due to currency fluctuations, the thresholds have gone down. Amend new thresholds: Works £3,497,313 (previously £3,611,319) Supplies & Services £139,893 (previously £144,371). | Legislation |

Councillor Call for Action: response to government consultation document

The Council is concerned at the potential for excessive bureaucracy presented by the Councillor Call for Action (CCA). If the Secretary of State's guidance is concerned with detail rather than broad principle, there is likely to be a loss of flexibility, with a corresponding lack of responsiveness to individual citizens. A detailed framework would have the (doubtless unintended) effect of opening the Council's actions in response to a CCA to investigation by the Local Ombudsman or the court (by judicial review) not of the principles of that response but of the mechanics by which it was processed.

Excessive bureaucracy will lead to unnecessary additional expense. It could also lead to the skewing of priorities, with consequential budget impacts. At a time of financial restraint, this could prove both costly and distracting.

Neither the legislation nor the consultation document is clear as to the thresholds at which a matter becomes suitable for treatment as a CCA. If left to individual Members, there is a risk that issues others might consider trivial will be promoted, at the expense of other, more pressing matters.

There should be an obligation on the Member making a CCA referral to cooperate with the Overview & Scrutiny Committee charged with dealing with it. Under current legislation, a Member of the OSC has a statutory right to ask that a matter be considered by an OSC: CCA extends that to all Members of the Council. Whereas a Member of the OSC would clearly have an interest in cooperating with the OSC, it cannot be assumed that a non-Member proposing a CCA would feel under any obligation to participate in the OSC's consideration of it.

Petitions: response to government consultation document

There are clearly advantages to a formal petition procedure. For example, people may be able to have a voice through petitioning whereas, at the moment, they may be lone voices, unaware others have a similar issue.

The process proposed nonetheless appears generally logical but somewhat bureaucratic, with a “one size fits all” approach that, if translated into legislation, could well reduce flexibility and lead to additional burdensome workloads. In particular, there is a risk that comparatively minor issues will consume disproportionately staff and Member time. Moreover, it is not clear from the consultation paper what would constitute a “response”, especially important given the proposed statutory duty “to respond”.

The requirements for numbers of petitioners suggest there is a strong possibility that, if thresholds were set too low, local authorities could find themselves having to devote considerable resources to issues of concern to but a small number of residents. There is also the possibility of dispute arising as to whether or not a petition meets the criteria if, for example, the lead petitioners believed that there were sufficient signatures but, having counted them, the local authority found there were not, or in particular should the Council receive petitions seeking mutually contrary or incompatible action.

It is sometimes the case that individuals approached to sign a petition do so, not out of conviction, but for other reasons such as a wish to be accommodating to a friend or neighbour, or even to be rid of unwanted attention as quickly as possible!

It is accepted, however, that a clear and certain process could well promote more resident interest in the decision making process and so could be one way to address the issue of voter apathy. The receipt of a well-managed petition is a valuable signal to Members of those things that excite local people and dealing with petitions in a well-managed way would assist in ensuring that people are well informed, regardless of whether the Council meets the petitioners' expectations.

A specific risk of introducing a statutory process for handling petitions, as opposed to the current discretionary approach, is that failure to observe all prescribed stages would open councils to complaints of maladministration, to be investigated by the Local Ombudsman, or even judicial review proceedings.

It should also be noted that, while there is a clear relationship between handling petitions and the Councillor Call for Action – indeed, the consultation paper suggests that petitions might conveniently be termed “Community Calls for Action” – the detail of that potential relationship remains vague. A much more

robust description of the relationship will be needed if the link between the two is to be effective.

The cost of processing petitions through this proposed process cannot presently be quantified. The DCLG anticipates that costs will be minimal but whether that is over-optimistic remains to be seen. Certainly, the introduction of a statutory process is likely to prompt more petitions than currently and complying with it will certainly add to current costs.

Any additional costs for individual services for handling petitions will have to be met from within relevant existing budget provisions. There is, therefore, a risk that budget priorities could be distorted by the need to respond to petitions addressing different issues. Equally, if a failure to respond results in complaint to the Local Ombudsman, or judicial review proceedings, the outcome, and thus financial consequences, would be unpredictable.

Governance Committee, 23 January 2008



| MEETING | DATE | ITEM |
|----------------------|--------------|----------|
| GOVERNANCE COMMITTEE | 5 MARCH 2008 | 5 |

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENTS TO OTHER ORGANISATIONS - further report

The main series of appointments to other organisations was dealt with at the Committee's meeting on 30 May 2007. Since then, however, some further issues relating to various appointments have arisen. The Committee is asked to deal with them now.

(a) Poyntz and other charities

The "Poyntz and other charities" administers benefits for the poor, and almshouses (Remembrances Cottages) for the aged poor, of North Ockendon.

The Council appoints three of the trustees: one as owner of Stubbers, the others in accordance with the charities' trust deed. Two further trustees are co-opted by the three appointed trustees.

The term of office of the current trustees has expired and the Committee is asked to consider who should be appointed in succession. Appointments are for a period of four years. The existing trustees are eligible for re-appointment: it is understood that two of them are happy to be re-appointed.

The current trustees appointed by the Council are Councillor June Alexander, Mr C Groves and Mr D Livermore. Councillor Alexander and Mr Groves were appointed in 2003 and Mr Livermore last year (following the resignation of his predecessor). Councillor Alexander and Mr Livermore are willing to be re-

Governance Committee, 5 March 2008

appointed. The Trust is content for the third position to remain vacant for the time being.

The clerk of the charity is the incumbent of the church of St Mary Magdalene, North Ockendon. He will shortly be retiring but expects his successor to assume the clerkship in due course.

It is not necessary for the Council's nominees to be Members but whoever is appointed should live or work within the North Ockendon area. It is understood that the present trustees are all willing to be re-appointed

The Committee is asked to appoint two persons to serve as trustees, one as nominee of the owner of Stubbers and the other in accordance with the trust deed, and to accept the suggestion that the third trustee post remain vacant for the time being.

(b) Partnerships in Parking Board - Member Representative

The Cabinet has agreed that the Council should apply to join Partnerships in Parking (PIP), a partnership of a number of London authorities, with Transport for London, working together to develop proposals for innovative procurement and improved financial and operational efficiency in the parking field.

Assuming the application, as anticipated, succeeds, the Council will be entitled to appoint a member of the PIP Board, which meets quarterly (with meetings currently being held at Westminster City Hall).

It is recommended that the Committee appoint (by office) the Cabinet Member for StreetCare to serve as the Council's representative on the PIP Board.

| | |
|-----------------------------------|------|
| Legal Implications | None |
| Financial Implications | None |
| Equalities Implications | None |
| Environmental Implications | None |

Governance Committee, 5 March 2008

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

Telephone: 01708 432431

Cheryl Coppel
Chief Executive

Background Papers

Files relating to the various organisations to which appointments are made.

Governance Committee, 5 March 2008



| MEETING | DATE | ITEM |
|----------------------|--------------|------|
| GOVERNANCE COMMITTEE | 5 MARCH 2008 | 6 |

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENT OF SCHOOL GOVERNORS, ETC

The appointment of school governors who are also Members or employees of the Council is dealt with by this Committee (all other appointments are made by the Group Director, Children's Services under delegated powers), on the recommendation of the Governor Panel.

The Governor Panel has now submitted for formal approval the nomination of several Members and staff for reappointment to Governing Bodies.

It is also necessary to consider a minor expansion of the duties of the Governor Panel in consequence of a change in legislation.

A. Powers of Governor Panel

The Governor Panel considers the appointment of Local Authority (LA) school governors. The majority of appointments are made on its recommendation by the Group Director, Children's Services; recommendations for appointment of Members or employees of the Council are dealt with by this Committee.

Pupil Referral Units (PRUs) – which provide education to children excluded from, or otherwise unable to attend, mainstream schooling – do not have governing bodies, but are the responsibility of Management Committees that fulfil an analogous role. Hitherto, the advisory committees running PRUs had operated on a less formal basis than governing bodies but a recent change in legislation, in addition to designating them as Management Committees requires that they be constituted more formally. The former advisory committees contained LA officers who were involved with the running of the PRU as LA members but the

new, more formal situation makes it advisable that this is not replicated in the new arrangements because of the potential for conflicts of interest.

The mandatory categories of Management Committee membership are Parents, Staff, LA and Community. The strong advice of the Department for Children, Schools and Families (DCSF) is that Management Committees should not have more than 12 members in total. The DCSF has stated that:

“LAs can appoint any eligible person as a LA member [other than a person eligible to serve as a staff member of the PRU]. LAs are encouraged to appoint candidates irrespective of any political affiliation or preferences who are committed to assist in the effective running of the PRU”.

There are four PRUs in Havering, each catering for different ages and/or needs. Their respective constitutions of their Management Committees will need to differ to take account of their differing purposes but it is not anticipated that any will need to exceed a membership of twelve.

The Committee is requested to approve the extension of the powers of the Governor Panel to include the making of appointments to PRU Management Committees, on the basis outlined above.

B. Appointments

Consideration is invited of the following proposed appointments.

(i) School Governing Bodies

The Committee is requested to accept the Governor Panel recommendations that the following appointments be made:

| Name (and position) | School governing body |
|---|---|
| Ms T. Blight (Headteacher, Sanders Draper School) | Suttons Primary |
| Councillor Lynden Thorpe | (1) Squirrels Heath Infants (2) Ardleigh Green Infants |
| Katie Chandler (employed at Hall Mead) | James Oglethorpe |
| Councillor Gillian Ford | Temporary GB of proposed primary school on Branfil sites |

(ii) PRU Management Committee: The Tuition Service

In anticipation of the Committee's acceptance of the proposed arrangements for the appointment of members of PRU Management Committees discussed

earlier in this report, the Governor Panel has considered the appointment of members of the Management Committee of The Tuition Service PRU.

The proposed constitution of this particular PRU Management Committee is:

Parent – 1
Staff – 2
Local Authority appointed – 2
Community representatives – 7

It is considered that it would be helpful for a Member to be one of the appointees and for the other appointment to be of a person with a strong education interest and a proven track record as a governor of a local school.

Subject to acceptance of the extension of its powers, the Governor Panel has recommended that Councillor Geoff Starns (Cabinet Member for Children's Services) and Mrs Rhonda Ware (a LA governor on the Royal Liberty School governing body) be appointed as members of the PRU Management Committee.

Human resources implications and risks

No implications or risks for the human resources arise from this report.

Equalities implications and risks

No implications or risks for the environment arise from this report

Financial implications and risks

No financial implications or risks arise from this report.

Legal implications and risks

No legal implications or risks arise from this report.

RECOMMENDATIONS

- 1 That the extension of the powers of the Governor Panel to include the consideration of the appointment of LA members of PRU Management Committees be approved.

Governance Committee, 5 March 2008

- 2 That, subject to (1) above, the appointment of Councillor Geoff Starns and Mrs Rhonda Ware as members of The Tuition Service PRU Management Committee be approved.

Governance Committee, 5 March 2008

3 That the following appointments be approved:

| Name (and position) | School governing body |
|--|---|
| Ms T. Blight (Headteacher, Sanders Draper School) | Suttons Primary |
| Councillor Lynden Thorpe | (1) Squirrels Heath Infants (2) Ardleigh Green Infants |
| Katie Chandler (employed at Hall Mead) | James Oglethorpe |
| Councillor Gillian Ford | Temporary GB of proposed primary school on Branfil sites |

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**Cheryl Coppel
Chief Executive**

Background Papers: None



| MEETING | DATE | ITEM |
|----------------------|--------------|----------|
| Governance Committee | 5 March 2008 | 7 |

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: Parking Control Schemes - Delegation of Authority

WARD: All

SUMMARY

A Parking Management Strategy that set out the future management of the Council's Parking Services and associated operations was presented to and approved by Cabinet on the 17th May 2007. Contained in the strategy were a number of proposals that requires the use of delegated authority instead of that of the relevant Area Committee, and in some instances, the Regulatory Services Committee. The Parking Management Strategy recommended that should Cabinet approve the principle of certain delegations then they should be presented to the Governance Committee for consideration with a recommendation for approval. This report sets out the proposed delegations.

RECOMMENDATION

It is recommended that authority be delegated to Head of Technical Services and with appropriate notification to the Chairman of the relevant Area Committee, to determine:

- 1. Schemes for the removal of grass verges in favour of footway parking.**
- 2. Requests for 'At any Time' waiting restrictions at junctions and bends for a distance of up to 15 metres.**
- 3. Requests for advisory white road marking such as 'Keep Clear' markings and 'T'bar markings.**
- 4. Requests for changes to all types of parking restrictions in relation to accommodating new vehicle crossover applications.**
- 5. Changes to all types of parking restrictions in relation to temporary and permanent accesses to new developments.**

REPORT DETAIL

1. Proposed parking restrictions have to follow a process so as to achieve the authority necessary to implement. This process involves a statutory consultation via an advertisement inviting the public and other interested parties to comment on, and or object to, a proposal within twenty one days. Currently, the responses are then considered by the relevant Area Committee, Lead Member, or officer authorised by the aforementioned prior to deciding whether to implement the proposal or not.
2. Proposals to streamline the process of introducing some parking control measures were contained in a Parking Management Strategy presented to and approved by Cabinet on the 17th May 2007. Various proposals in the strategy recommended that the Governance Committee be invited to recommend to the Council that authority be delegated from the relevant Area Committee to Head of Technical Services, with appropriate notification to the Chair of the relevant Area Committee, to authorise parking control proposals. The delegated authority would be used to determine:
 - 2.1. **Schemes for the removal of grass verges in favour of footway parking** on the merits of individual cases, noting that the general practice of not removing grass verges should otherwise remain in place. Cabinet agreed that grass verges can be removed in favour of footway parking but that it should only happen on a case by case basis. Each case is to be considered separately and that consideration needs to be given to the most economic way of implementing works and that would most likely be in conjunction with other highway related works.
 - 2.2. **The installation of 'At any time' waiting restrictions (Double Yellow Lines) at junctions and on the apexes of bends** where inconsiderate or obstructive parking at these locations reduces safety on the boroughs roads and where there is a greater demand from residents to deal with this type of parking quickly. The Highway Code clearly notes that vehicles should not be parked within 10 metres of a junction, notwithstanding the fact that the radius of some kerb lines at some junctions and around the apexes of bends would require the Highway Code recommendation to be extended to up to 15 metres to ensure good sight lines for vehicles travelling in both directions.
 - 2.3. **Requests for advisory white road marking such as 'Keep Clear' markings and 'T'bar marking** which are mainly used in turning heads and across multi vehicle accesses.
 - 2.4. **Requests for changes to all types of parking restrictions in relation to accommodating new vehicle crossover applications.** Due to the increasing demand for parking space on boroughs roads, residents are increasingly applying to the Council for vehicle crossovers to be installed (at their cost) and providing new or further off-street parking. However, problems can occur when the installation of a new vehicle crossover is in a Controlled

Parking Zone due to parking bays being located in front of the applicant's property. To remove parking bays, reduce them in size and replace the section of removed bay with a waiting restriction, it is currently necessary to go through the Committee process to gain approval in principle so that proposals can be advertised. While it is recognised the removal or reduction of parking bays may have an adverse affect on some residents, the creation of new off-street parking spaces will overall increase the parking capacity in each road.

2.5. Changes to all types of parking restrictions in relation to temporary and permanent accesses to new developments. With the significant amount of development taking place throughout the borough, there are increasing instances where new or temporary accesses to new developments affect parking bays on the highway. Although the Regulatory Services Committee approves planning applications, it is the Area Committee's that agree the parking regulations within their committee area. To negate the need for a report being submitted to the Area Committee outlining any required changes to parking restrictions when the Regulatory Services Committee have granted planning approval to a new development and to make the process of dealing with temporary and permanent accesses to new developments more efficient

Financial Implications and risks:

Nothing contained in this report will have a negative effect on existing budgets. On the contrary a positive impact may be noticeable due the greatly reduced amount of Officer time that will be needed to progress matters via delegation rather than progressing the same to Area Committee and the needing to attend those committee meetings to present reports.

Legal Implications and risks:

There are no specific legal implications from this proposal. The legal formalities for introducing and removing waiting restrictions will still have to be followed.

Human Resources Implications and risks: None

Equalities and Social Inclusion Implications and risks: None

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|-----------------|---------------------------------|
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CHERYL COPPELL
Chief Executive

Background Papers List

Parking Management Strategy

GOVERNANCE COMMITTEE

SUPPLEMENTARY AGENDA

5 March 2008

Supplementary report

7 PARKING CONTROL SCHEMES - DELEGATION OF AUTHORITY

A supplementary report, updating some aspects to the report as published, is attached.

The following reports are submitted with the agreement of the Chairman as urgent matters pursuant to Section 100B(4) of the Local Government Act 1972

Report not previously circulated

8 REVISION TO FINANCIAL PROCEDURE RULES

Additional report

9A CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING

Cheryl Coppel
Chief Executive

Governance Committee, 5 March 2008



| MEETING | DATE | ITEM |
|----------------------|--------------|---------------------------|
| Governance Committee | 5 March 2008 | 7 SUPPLEMENTARY |

SUPPLEMENTARY REPORT OF THE CHIEF EXECUTIVE

SUBJECT: Parking Control Schemes - Delegation of Authority

Following publication of the report, the need for an additional recommendation has been identified, and the Financial Implications and Risks have been updated.

The following should be added to the original:

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| ADDITIONAL RECOMMENDATION |
|--------------------------------------|

It is recommended that authority be delegated to Head of Technical Services and with appropriate notification to the Chair of the relevant Area Committee, to determine:

- 6. Dispensations from charging for traffic orders required for special events.**

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| REPORT DETAIL |
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- 2.6 Dispensations from charging for traffic orders required for special events.** Currently no charges are levied for this service and in 2006/7 Parking Services have met the cost of £8,700 from existing resources. These types of requests are growing annually and in complexity and are becoming a significant drain on finance and officer time. The Parking Management Strategy recommended that Parking Services introduce a suitable scale of charges to cover the cost of each request at a level which meets the cost of officer time and associated sundry items, such as temporary traffic orders and the placing of cones and replacement cost of missing cones. However, it is

recognised that certain events are supported/promoted via the Council, including those led by some community groups in town centres such as Elm park and Rainham and it would seem contradictory for the Council to charge event organisers for this service – in these limited circumstances it is proposed that dispensations be granted with the authorisation of the Head of Technical Services.

Financial Implications and risks:

There are no financial implications arising from these recommendations. There will be no effect on existing budgets.

| | |
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Chief Executive



| MEETING | DATE | ITEM |
|-----------------------------|---------------------|----------|
| GOVERNANCE COMMITTEE | 5 MARCH 2008 | 8 |

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: REVISION TO FINANCIAL PROCEDURE RULES

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 October 2006 to enhance specific sections of the Rules to reflect current practice, and to tidy up some minor drafting issues with the 2005 version. As is good practice, a further review has now been undertaken and amendments are being proposed to the Rules. Future reviews will take place to ensure the Rules are "fit for purpose" and reflect recognised best practice, as well as also reflecting changes in legislation and the needs of the Council and its organisational structure.

RECOMMENDATION

That Committee:

1. agrees the Financial Procedure Rules as set out in Appendix A.
2. agrees the consequential changes are made to the Contract Procedure Rules set out in Appendix B

3. notes that further reviews will be undertaken as appropriate and any consequent changes will be presented to Committee for consideration and approval.

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| REPORT DETAIL |
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1. The Financial Procedure Rules (FPR) 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 contains 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 in 2006. 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 2006 version.
4. The opportunity has been taken to undertake a comparison against the Rules operated by other London boroughs. In virtually all cases, this has identified that the Rules applied within Havering are generally lengthier and more detailed than those in place elsewhere. There are instances where the Financial Procedure Rules and the Contract Procedure Rules (CPR) overlap, whilst there are areas of detail that should more appropriately be located within the Council's detailed procedures as set out in the Financial and Procurement Frameworks.
5. In addition, the Havering rules go some way beyond the guidance issued by CIPFA in 2001; CIPFA clearly recommends a high level within the Rules with the detail being set out in procedures.
6. A review has been carried out and a number of areas have been identified that require amendment or addition. These are as follows:

| Section# | Main Changes |
|---|---|
| New section 3 – authorisation levels | Section moved from original location at (original) section 15 into a more appropriate location |
| New section 3 – financial skills & competencies | New section included to reflect requirement for staff to be suitably skilled for manage Council resources |

Governance Committee, 5 March 2008

| Section# | Main Changes |
|---|--|
| 6 – investments, borrowings & treasury | Links to treasury management made more explicit |
| 8 – risk management | Order of paragraphs reversed |
| 9 – insurance | Removal of detailed procedures covered within Financial Framework |
| 11 – fraud & corruption | Order of paragraphs changed and removal of detailed procedures covered within Financial Framework Inclusion of specific reference to money laundering and terrorist financing |
| Original 10 – Declarations of interest, gifts and hospitality | Section not appropriate for FPR – relocate to Employee Code of Conduct and removed from FPR |
| Original 11 – Conduct bribery and corruption | Section not appropriate for FPR – relocate to Employee Code of Conduct and removed from FPR |
| Original 12 – best value | Section deleted – no longer relevant |
| 12 – partnerships | Text updated to reflect broader impact of partnerships |
| Original 14 – procurement | Text relocated into ordering section |
| 15 – ordering | Text added on e business transactions and reinforcement of need to comply with procurement rules |
| 16 – payments | Text added on e business transactions and removal of detailed procedures covered within Financial Framework. Text on service responsibilities enhanced |
| 17 – petty cash | Removal of detailed procedures covered within Financial Framework |
| 18 – construction contracts | Section replaced by single clause – existing text relocated elsewhere within FPR or CPR |
| 21 – taxation | New section added to emphasise need for guidance and compliance |
| Original 24 – use of consultants | Section deleted – duplication with CPR – CPR amended |
| 23 – debt write off | Clarification of duties to recover debts and amendment to the current limits set for write-off approval by the CFO |
| 24 – security | Explicit reference to data protection |
| 25 – estates | Retitled land and property |
| 26 – stocks and stores | Broadened to include equipment |
| 27 – protection of private property | Retitled administration of private funds and text amended |
| Original 31 – inventories of equipment | Now included in section 26 |
| #Note – references are to the new section number unless otherwise indicated | |

7. 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.
8. The opportunity has been taken to ensure detailed descriptions are set out in the Financial Framework rather than also being included in the FPR. This ensures comparability with other local authorities and the CIPFA guidance. It also provides clarity for staff and enables detailed changes to be amended and communicated to staff within a very short space of time.
9. This review removes the areas of duplication and rationalises the Financial Procedure Rules, whilst ensuring that the supporting Frameworks are sufficiently detailed to provide clarity to officers dealing with matters on a day to day basis.
10. Changes to the Rules have been made alongside consideration of the Contract Procedure Rules (CPR), which govern the Council's procurement activities. Appendix B sets out changes to the CPR. Matters relating to hospitality and corruption will be covered in the Staff Code of Conduct under preparation by the government.
11. The revised rules have been set out in two formats to make identification of any changes easier. A "clean" version of the proposed new Rules is set out in Appendix A, and this is the version that approval is being sought for. Appendix B contains a version showing the preceding version that tracks all the proposed changes.
12. The amendments required to the Financial Framework that are dependent on the approval of the new Financial Procedure Rules have been drafted and await formal approval of the Rules. These are relatively minor. Changes to some of the detailed procedures within the Framework have already been implemented as these are done on an ongoing basis and have been effected where these are not dependent on the formal approval of the new Rules.
13. As recognised by this review, the Financial Procedure Rules will need to be kept under review to ensure the Rules are "fit for purpose" and thus meet the operational as well as financial and legal needs of the Council. The Rules also need to reflect recognised best practice, such as that recommended by the Audit Commission or arising from the annual Use of Resources assessment. Finally, the Rules needs also to reflect changes in legislation and the needs of the Council and its organisational structure. As a result, further reviews will be undertaken as appropriate and any consequent changes will be presented to Committee for consideration and approval.

Financial Implications and risks:

14. 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. Relevant parts of the Financial Framework will need to be revised to reflect the new Rules once approved.

Legal Implications and risks:

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

Human Resources Implications and risks:

16. 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:

17. There are no implications or risks arising from this report.

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CHERYL COPPELL
Chief Executive

Background Papers List

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

APPENDIX A

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. This enables the Council to ensure that it makes the most effective use of the resources available to it in delivering value for money services to the local community. 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.

The financial limits contained within these Procedure Rules will be subject to an annual review by the Group Director Finance & Commercial.

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.

For the purposes of these Rules, the term employees covers interim/agency staff and, where appropriate, the employees of contractors delivering goods and services to the Council.

Compliance with these Procedure Rules requires the Council's employees to be appropriately equipped to manage the finances available to them. This means that:

- The Corporate Management Team and managers throughout the Council are financially literate and understand the financial environment in which the Council operates
- The Financial Services team is adequately resourced with appropriate financial skills and provide a good level of support on financial matters
- Suitable training and development programmes are in place for both managers and finance staff.

This requires managers to ensure that staff have the appropriate competencies to manage the resources they are responsible for.

| Number | Section |
|---------------|--|
| | General financial matters |
| 1 | Accounting |
| 2 | Budgets |
| 3 | Authorisation levels |
| 4 | Financial skills & competencies |
| 5 | Internal control |
| 6 | Investments and borrowings |
| 7 | Trust funds |
| 8 | Risk management |
| 9 | Insurances |
| 10 | Internal audit |
| 11 | <i>Preventing fraud & corruption</i> |
| 12 | <i>Partnership arrangements</i> |
| | Expenditure |
| 13 | Banking arrangements and cheques |
| 14 | Orders and payments by corporate purchasing card |
| 15 | Orders for work, goods and services |
| 16 | Payment of accounts |
| 17 | Petty cash, change floats and other imprest accounts |
| 18 | Contracts for building, construction and engineering works |
| 19 | Salaries, wages and pensions |
| 20 | Travelling and subsistence |
| 21 | Taxation |
| | Income |
| 22 | Income |
| 23 | Write off of irrecoverable debts |
| | Safeguarding and controlling assets |
| 24 | Security |
| 25 | Land and property |
| 26 | Stocks, stores and equipment |
| 27 | Administration of private funds |

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.

Where a cost centre manager projects that there will be a variance against the approved budget, efforts should be made to contain this locally. If this cannot be resolved locally, then the line manager should be advised and actions taken to address the variance. If the variance remains, then the Group Director/Head of Service/Assistant Chief Executive for that section must be notified immediately.

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

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 and risks 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/Assistant Chief Executive 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 Authorisation levels

- (a) The names of employees authorised to commit or otherwise approve expenditure and other financial transactions, 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, including staff joining or leaving the Council, must be notified to the Group Director Finance & Commercial as soon as possible.
- (c) Group Directors and Heads of Service/Assistant Chief Executives will undertake an annual review of their signatory lists and notify any amendments to the Group Director Finance & Commercial.
- (d) 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.

4 Financial skills and competencies

- (a) Group Directors/Assistant Chief Executives will ensure that their managers are financially literate and understand the financial environment in which the Council operates.
- (b) The Group Director Finance & Commercial will ensure that the Financial Services team is adequately resourced with appropriate financial skills and provides a good level of support on financial matters.
- (c) The Group Director Finance & Commercial will ensure that suitable training and development programmes are in place for both managers and finance staff.

- (d) Group Directors/Assistant Chief Executives will ensure that their staff have the appropriate competencies to manage the resources they are responsible for.

5 Internal control

- (a) The Group Director Finance & Commercial is responsible for establishing adequate systems to monitor and control the Council's financial transactions and for ensuring that such systems are adequately maintained.
- (b) 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.
- (c) Group Directors/Assistant Chief Executives should ensure that they take due account of risk in the management of their functions and ensure that they allocate resources to appropriately manage that risk.
- (d) 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 Internal Audit & Corporate Risk Manager, is responsible for reviewing systems of internal control and advising and instructing Group Directors/Assistant Chief Executives accordingly.
- (e) The Audit Committee is responsible for approving the Annual Governance Report 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.

6 Investments, borrowings and treasury management

- (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 by the Group Director Finance & Commercial.
- (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) All borrowings and investment activities must be carried out in accordance with the Council's Treasury Management Policy Statement and Strategy, which should be approved by the Council on an annual basis as part of the council tax setting process.
- (e) 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.
- (f) Only the Group Director Finance & Commercial can authorise any leasing and/or other credit arrangements.

7 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.

8 Risk management

- (a) The Group Director Finance & Commercial is responsible for reviewing the risk management strategy, promoting it throughout the Council, and advising and instructing Group Directors/Assistant Chief Executives accordingly, and for procuring insurance cover where appropriate.
- (b) 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). They are also responsible for promoting and implementing the risk management strategy within their service areas.

9 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 immediately, and subsequently in writing, of any event likely to lead to an insurance claim, and information or explanations relating to it.
- (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:
 - (i) any terms of any indemnity that the Council is requested to give
 - (ii) appropriate contract conditions for contractors to indemnify the Council and suitable minimum insurance levels for inclusion in contracts
 - (iii) appropriate indemnities and minimum insurance cover for partnership arrangements.
- (f) Group Directors/Assistant Chief Executives/Heads of Service will be responsible for ensuring that they acquire additional professional indemnity insurance for any areas of work that they take on voluntarily, and for ensuring that staff in their service areas are similarly insured.

10 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 Internal Audit & Corporate Risk Manager has direct access to the Chief Executive, all levels of management and the

- Audit Committee and the Corporate Overview & Scrutiny Committee
- (iii) that the internal auditors are trained to comply with professional good practice.
- (c) The Audit Commission is responsible for appointing external auditors to 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, including the appointed external auditor, or other external body, shall have authority to:
- (i) enter at any time any Council premises or land, (subject to the rights of any occupier)
 - (ii) have unrestricted access to all records, documents and correspondence relating to any financial and other transactions of the Council where so required in connection with normal audit work
 - (iii) remove and /or secure any record, document and correspondence of the Council as considered necessary
 - (iv) make site visits during the course of a contract and examine any records or information relating to the contract, and examine contract final accounts and review supporting records and documentation in order to form a view on the accuracy of such accounts
 - (v) have unrestricted access to employees and require and receive such information and explanations as are necessary concerning any matter under examination
 - (vi) require any employee of the Council to produce cash, stores or any other Council property under that employee's control.

- (f) It is the responsibility of 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.

11 Preventing fraud & corruption

- (a) The Group Director Finance & Commercial is responsible for reviewing the anti-fraud & corruption policy and strategy and for advising the Audit Committee and Group Directors/Heads of Service/ Assistant Chief Executives on its implementation.

- (b) 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 strategy and procedures and by alerting the relevant Group Director/Head of Service/Assistant Chief Executive or the Internal Audit & Corporate Risk Manager to any suspected breach.

- (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 Internal Audit & Corporate Risk Manager.
 - (d) 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.

- (e) The Group Director Finance & Commercial is responsible for reviewing the anti-money laundering policy and strategy and for advising the Audit Committee and Group Directors/Heads of Service/ Assistant Chief Executives on its implementation.

- (f) The Group Director Finance & Commercial will nominate a suitably qualified and experienced officer to act as Money Laundering Reporting Officer and to provide professional guidance on terrorist financing issues.
- (g) The officer appointed by the Group Director Finance & Commercial will nominate one or more deputies to cover the money laundering role, and will ensure that systems are in place which counter opportunities for money laundering to take place within the Council.

12 Partnership arrangements

- (a) The Group Director Finance & Commercial will ensure that the accounting arrangements adopted in relation to partnerships and joint ventures are subject to financial control procedures which reflect those of the Council.
- (b) Group Directors/Assistant Chief Executives have a responsibility to take appropriate professional advice when entering into partnership arrangements and to ensure that any such arrangements do not impact adversely on Council services.
- (c) Group Directors/Assistant Chief Executives are also responsible for ensuring conformity with the remainder of these Financial Procedure Rules and the Financial Framework and that any negotiations are in accordance with the Contract Procedure Rules.
- (d) Group Directors/Assistant Chief Executives must ensure that all financial risks have been fully appraised before contracts and other relationships are entered into.
- (e) Group Directors/Assistant Chief Executives will ensure that all partnership arrangements comply with the requirements of the Council's Partnership Toolkit and any associated procedures.

Expenditure

13 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.

14 Orders and payments by corporate purchasing card

- (a) The issue and use of all corporate purchasing cards must comply with the guidance set out in the Financial Framework and the Purchasing Card User Guide.

(b) Employees should purchase and pay for goods using the corporate purchasing card as the Council's preferred method of payment. 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.

- (c) All purchases made with the card must comply with procedural rules in the Constitution and must be made using suppliers from Havering's corporate contract list wherever the item involved is covered by such a list.
- (d) 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.

15 Orders for work, goods and services

- (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 comply with the Contract Procedure Rules and any more detailed procedures laid down in the Procurement 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.
- (c) Where arrangements have been made for supplies of goods and services to be obtained via the Council's e-business systems, these systems must be used for any relevant purchases made by services.
- (d) 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 by employees authorised to do so by the appropriate Group Director or Head of Service/Assistant Chief Executive.
- (e) 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, orders placed via the Council's e-business system (where these are system-generated), public utility supplies, periodical payments such as rent or business rates, petty cash purchases or such other exceptions as the Group Director Finance & Commercial may approve.
- (f) 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 set out in the Procurement Framework.
- (g) Where orders for goods and services are placed via the Council's e-business systems, Group Directors or Heads of Service/Assistant Chief Executives will ensure that appropriate authorisation arrangements have been made for orders and receipts, in accordance with the requirements of the systems.
- (h) The Business 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.
- (i) 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.

16 Payment of accounts

- (a) The Council's preferred method of payment is via the corporate purchasing card. For other payments, 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) Group Directors/Assistant Chief Executives are responsible for payments originating from their services. They must ensure that there are secure systems in place so that:
 - (i) only officers approved by them can initiate or certify payments
 - (ii) those officers are appropriately trained
 - (iii) there are effective financial controls including separation of duties and this should be evidenced on the certification slip
 - (iv) VAT is calculated, recorded and treated appropriately in all cases
- (c) All payments must be supported by an invoice or properly completed and authorised payment request. Inaccurate, unclear or incomplete invoices are not valid, and should be returned to the supplier.
- (d) Payments must be certified by a responsible officer before being passed for processing. Certifying officers must make adequate checks to satisfy themselves that the payment is being made in accordance with the Financial Framework.
- (e) 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) Payment must be made promptly and in good time to take account of any settlement discounts. Invoices should be paid in accordance with the terms agreed with the supplier, or within 30 days of receipt.
- (g) Payments made in respect of goods and services ordered via the e-business system will be made electronically and will be authorised as part of the ordering and receipting process.
- (h) 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.

17 Petty cash, change floats and other imprest accounts

- (a) All imprest accounts required for the purpose of meeting petty cash and other expenses 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) All bank accounts for use as part of an imprest account 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) Expenditure from an imprest account should be limited to minor items only and 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. All expenditure must be evidenced by an appropriate receipt or voucher.
- (d) An employee responsible for an imprest account must return a certificate in the form approved by the Group Director Finance & Commercial setting out the state of the account, when required.
- (e) 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.

18 Contracts of buildings, construction or engineering works

- (a) For contracts of construction and alterations to buildings and for civil engineering works, Group Directors/Assistant Chief Executives shall have in place and document adequate systems and procedures in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- (b) Group Directors/Assistant Chief Executives will ensure that all such systems and procedures are in compliance with these Financial

Procedure Rules and the Financial Framework, and shall seek approval from the Group Director Finance & Commercial for any exceptions from them.

19 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.
- (f) Group Directors and Heads of Service/Assistant Chief Executives will undertake an annual review of their signatory lists and notify any amendments to the Group Director Finance & Commercial.

20 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 must not be reimbursed through petty cash, but through the payroll system.
- (b) Expenses claims must be submitted within three months of incurring expenditure. Employees are expected to take reasonable steps to minimise costs when spending Council funds.
- (c) 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.
- (d) Travel loan applications (for car or season ticket loans) 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.
- (e) 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.

21 Taxation

- (a) The Group Director Finance & Commercial shall maintain and make available up to date guidance on the proper treatment and accounting for VAT and shall ensure that the net VAT payments are fully and

promptly recovered from HM Revenue & Customs. The Group Director Finance & Commercial shall prepare and implement a timetable for the preparation and submission of VAT claims

- (b) Group Directors/Assistant Chief Executives shall comply with the timetable and associated procedures for VAT claims. They shall also ensure that the VAT implications of fees and charges levied by the Council, all purchasing transactions and any consideration of alternative means of service provision are properly considered and recorded after due consultation with the Group Director Finance & Commercial.

Income

22 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/Assistant Chief Executive is responsible for establishing appropriate and secure arrangements for ensuring that the income receivable, in his or her services, is promptly identified, billed and collected; either by staff in the service area or through the corporate debtor system/service. All income and VAT must be correctly accounted for.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) Each Group Director/Assistant Chief Executive should ensure that checks are undertaken to ensure that all monies paid into the Council's

banking accounts are received by the bank and are credited to the correct FIS code. Any discrepancies should be investigated as soon as they have been identified.

- (g) Personal cheques shall not be cashed out of money held on behalf of the Council.
- (h) 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.
- (i) The level of fees and charges should be kept regularly under review by the appropriate Group Directors and their Heads of Service/Assistant Chief Executives. 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.

23 Write off of irrecoverable debts

- (a) Group Directors/Assistant Chief Executives shall ensure that every effort is made to recover debts due to the Council using the corporate debtor system/service as appropriate. No material arrangement should be made to any procedures for billing or recovery of monies due to the Council without prior consultation and agreement with the Group Director Finance & Commercial.
- (b) Group Directors/Assistant Chief Executives must seek the approval of the Group Director Finance & Commercial for all debts to be written off, except where authority has been delegated to them, and must keep a record of all sums written off up to the approved limit.
- (c) Where authority to approve write-offs is delegated to Group Directors/Assistant Chief Executives, the same principles contained within these Financial Procedure Rules must be applied.
- (d) Write off of debts can only be approved by the Group Director Finance & Commercial. He or she may approve write offs within the following approved limits; the higher of:
 - (i) the individual debt is £50,000 or less, or
 - (ii) 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;or
 - (iii) the debts arise as a result of an insolvency

The definition of service and individual debt to be as defined by the Group Director Finance & Commercial.

- (e) The Group Director Finance & Commercial must obtain a Cabinet Member Protocol from the Leader and the Cabinet Member Resources for the write-off of all other debts.
- (f) Write offs can only be approved where it can be demonstrated that all cost effective efforts have been made to recover the debt and the appropriate procedures for recovering debt have been followed.

Safeguarding and controlling assets

24 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. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place. The Group Director of the service involved and the Group Director Finance & Commercial must be informed on any concerns over the security of assets.
- (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 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 Executive.
- (e) All Group Directors/Assistant Chief Executives and Heads of Service shall be responsible for ensuring that proper arrangements are in place for compliance with data protection legislation. This includes maintaining proper security and privacy as regards information held in the computer installations for which they are responsible.
- (f) All Council employees and elected Members who have access to, or use any Council information, communication or computer equipment, will comply with the Council's Business Systems Policy.

- (g) 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.

25 **Land & property**

- (a) The Group Director Finance & Commercial will ensure that all land and properties 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.

(c) Group Directors/Assistant Chief Executives must inform the Group Director Finance & Commercial and the Assistant Chief Executive Legal & Democratic Services if they propose to acquire, lease or dispose of land and properties by lease or freehold.

26 **Stocks, stores and equipment**

- (a) Each Group Director and Head of Service/Assistant Chief Executives shall be responsible for the care and custody of any stocks, stores and equipment held by his or her services, and shall ensure that appropriate records on those assets are properly maintained. Stocks should normally only be held at a reasonable level that would be needed to maintain the anticipated workflow.
- (b) 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 updated.
- (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, either individually or in total, 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) The exception to the above is IT equipment, where any disposal must be undertaken in consultation with the Head of Business Systems.
- (e) 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. Council property shall not be used for anything other than Council business without the prior approval of Group Directors/Assistant Chief Executives.

27 Administration of Private Funds

- (a) Private Funds are defined as financial assets held in an official capacity by Council officers on behalf of third parties such as trust funds, voluntary grant aided funds or receivership accounts. Where private funds exist in connection with Council activities, the appropriate Head of Service and the Group Finance Manger must be informed. Appropriate procedures need to be in place to manage such a fund.
- (b) The administration of these funds must comply with the remainder of these Financial Procedure Rules, the Financial Framework and any associated procedures. Accountancy records should be maintained to a standard so as to achieve an unqualified audit, and relevant year end treatment applied. The Head of Financial Services will determine any additional requirements that may be necessary.
- (c) Group Directors/Assistant Chief Executives shall ensure that finance and legal advice is sought to ensure that legal issues are considered and tax responsibilities defined. A comprehensive risk appraisal must be carried out prior to entering into any form of private fund arrangement.

APPENDIX B

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. *This enables the Council to ensure that it makes the most effective use of the resources available to it in delivering value for money services to the local community.* 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.

The financial limits contained within these Procedure Rules will be subject to an annual review by the Group Director Finance & Commercial.

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.

For the purposes of these Rules, the term employees covers interim/agency staff and, where appropriate, the employees of contractors delivering goods and services to the Council.

***Compliance with these
Procedure Rules
requires the Council's
employees to be
appropriately equipped
to manage the finances***

available to them. This means that:

- *The Corporate Management Team and managers throughout the Council are financially literate and understand the financial environment in which the Council operates*
- *The Financial Services team is adequately resourced with appropriate financial skills and provide a good level of support on financial matters*
- *Suitable training and development programmes are in place for both managers and finance staff.*

This requires managers to ensure that staff have the appropriate competencies to manage the resources they are responsible for.

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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.

Where a cost centre manager projects that there will be a variance against the approved budget, efforts should be made to contain this locally. If this cannot be resolved locally, then the line manager should be advised and actions taken to address the variance. If the variance remains, then the Group Director/Head of Service/Assistant Chief Executive for that section must be notified immediately.

- (d) 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 *and risks* 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/Assistant Chief Executive 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 Authorisation levels

- (a) *The names of employees authorised to commit or otherwise approve expenditure and other financial transactions, 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, including staff joining or leaving the Council, must be notified to the Group Director Finance & Commercial as soon as possible.*
- (c) *Group Directors and Heads of Service/Assistant Chief Executives will undertake an annual review of their signatory lists and notify any amendments to the Group Director Finance & Commercial.*
- (d) *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.*

4 Financial skills and competencies

- (a) *Group Directors/Assistant Chief Executives will ensure that their managers are financially literate and understand the financial environment in which the Council operates.*
- (b) *The Group Director Finance & Commercial will ensure that the Financial Services team is adequately resourced with appropriate financial skills and provides a good level of support on financial matters.*
- (c) *The Group Director Finance & Commercial will ensure that suitable training and development programmes are in place for both managers and finance staff.*
- (d) *Group Directors/Assistant Chief Executives will ensure that their staff have the appropriate competencies to manage the resources they are responsible for.*

35 Internal control

- (a) *The Group Director Finance & Commercial is responsible for establishing adequate systems to monitor and control the Council's financial transactions and for ensuring that such systems are adequately maintained.*
- (b) *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.*
- (c) *Group Directors/Assistant Chief Executives should ensure that they take due account of risk in the management of their functions and ensure that they allocate resources to appropriately manage that risk.*
- (d) *These arrangements will have regard to the advice and instructions of the Group Director Finance & Commercial. The Group Director, through the Head of Financial*

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Services and the Internal Audit ~~Client Manager~~ & *Corporate Risk Manager*, is responsible for reviewing systems of internal control and advising and instructing Group Directors/Assistant Chief Executives accordingly.

- e(e) The Audit Committee is responsible for approving the ~~a~~ Annual ~~Statement on Internal Control~~ *Governance Report* 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.

46 Investments, ~~and~~ borrowings and treasury management

- (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 *by the Group Director Finance & Commercial*.
- (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.
- (e) *All borrowings and investment activities must be carried out in accordance with the Council's Treasury Management Policy Statement and Strategy, which should be approved by the Council on an annual basis as part of the council tax setting process.*
- d(e) 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(f) Only the Group Director Finance & Commercial can authorise any leasing *and/or other credit* arrangements.

57 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.

68 Risk management

- (c) *The Group Director Finance & Commercial is responsible for reviewing the risk management strategy, promoting it throughout the Council, and advising and instructing Group Directors/Assistant Chief Executives accordingly, and for procuring insurance cover where appropriate.*
- (d) 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). *They are also responsible for promoting and implementing the risk management strategy within their service areas.*

~~The Group Director Finance and 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.~~

79 **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.
- (d) 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.
- (e) 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 *immediately, and subsequently* in writing, of any ~~loss, liability or damage or any event likely to lead to an insurance claim, and together with any information or explanations relating to it. required by the Group Director Finance & Commercial or the Council's insurers, and to 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 and 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:
 - (i) any terms of any indemnity that the Council is requested to give , ~~on~~
 - (ii) appropriate contract conditions for contractors to indemnify the Council ~~and on~~ and suitable minimum insurance levels for inclusion in contracts
 - (iii) *appropriate indemnities and minimum insurance cover for partnership arrangements.*
- ~~(f) Group Directors/Heads of Services/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 and Commercial shall arrange a suitable fidelity guarantee insurance for all employees handling cash on behalf of the Council.~~
- (f) *Group Directors/Assistant Chief Executives/Heads of Service will be responsible for ensuring that they acquire additional professional indemnity insurance for any areas of work that they take on voluntarily, and for ensuring that staff in their service areas are similarly insured.*

§10 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.

- (e) 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 Internal Audit ~~Client Manager~~ & *Corporate Risk Manager* has direct access to the Chief Executive, all levels of management and the Audit Committee and the Corporate Overview & Scrutiny Committee
 - (iii) that the internal auditors are trained to comply with professional good practice.

- (f) 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.

- (g) 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, *including the appointed external auditor, or other external body*, shall have authority to:
 - (i) enter at any time any Council premises or land, (subject to the rights of any occupier)
 - (ii) have unrestricted access to all records, documents and correspondence relating to any financial and other transactions of the Council where so required in connection with normal audit work
 - (v) remove and /or secure any record, document and correspondence of the Council as considered necessary
 - (vi) *make site visits during the course of a contract and examine any records or information relating to the contract, and examine contract final accounts and review supporting records and documentation in order to form a view on the accuracy of such accounts*
 - (v) have unrestricted access to ~~personnel~~ *employees* and require and receive such information and explanations as are necessary concerning any matter under examination
 - (vi) require any employee of the Council to produce cash, stores or any other Council property under that employee's control.

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- (h) 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.
- (i) 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.

911 Preventing fraud & corruption

- (c) *The Group Director Finance & Commercial is responsible for reviewing the anti-fraud & corruption policy and strategy and for advising the Audit Committee and Group Directors/Heads of Service/ Assistant Chief Executives on its implementation.*
- (d) 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 strategy* and procedures and by alerting the relevant Group Director/Head of Service/Assistant Chief Executive or the Internal Audit & *Corporate Risk Manager* 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 Executives shall provide any information or explanation required by the Group Director Finance & Commercial or the 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 & *Corporate Risk Manager*.

~~(c) 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 and corruption policy.~~

~~e(d) 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.~~

- (f) *The Group Director Finance & Commercial is responsible for reviewing the anti-money laundering policy and strategy and for advising the Audit Committee and Group Directors/Heads of Service/ Assistant Chief Executives on its implementation.*

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- (f) *The Group Director Finance & Commercial will nominate a suitably qualified and experienced officer to act as Money Laundering Reporting Officer and to provide professional guidance on terrorist financing issues.*
- (g) *The officer appointed by the Group Director Finance & Commercial will nominate one or more deputies to cover the money laundering role, and will ensure that systems are in place which counter opportunities for money laundering to take place within the Council.*

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 involved 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.~~

12 **Partnership arrangements**

- (a) *The Group Director Finance & Commercial will ensure that the accounting arrangements adopted in relation to partnerships and joint ventures are subject to financial control procedures which reflect those of the Council.*
- (b) *Group Directors/Assistant Chief Executives have a responsibility to take appropriate professional advice when entering into partnership arrangements and to ensure that any such arrangements do not impact adversely on Council services.*
- (c) *Group Directors/Assistant Chief Executives are also responsible for ensuring conformity with the remainder of these Financial Procedure Rules and the Financial*

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Framework and that any negotiations are in accordance with the Contract Procedure Rules.

- (d) *Group Directors/Assistant Chief Executives must ensure that all financial risks have been fully appraised before contracts and other relationships are entered into.*
- (e) *Group Directors/Assistant Chief Executives will ensure that all partnership arrangements comply with the requirements of the Council's Partnership Toolkit and any associated procedures.*

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 dependant 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.~~

136 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.

147 Orders and payments by corporate purchasing card

- (a) *The issue and use of all corporate purchasing cards must comply with the guidance set out in the Financial Framework and the Purchasing Card User Guide.*

(b) ~~Wherever possible, e~~ Employees should purchase and pay for goods using the corporate purchasing card as the Council's preferred method of payment. 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.

- (c) All purchases made with the card must comply with procedural rules in the ~~is~~ e Constitution and must be made using suppliers from Havering's corporate contract list wherever the item involved is covered by such a list.
- (d) 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.

158 Orders for work, goods and services

(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 comply with the Contract Procedure Rules and any more detailed procedures laid down in the Procurement 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.*

(c) *Where arrangements have been made for supplies of goods and services to be obtained via the Council's e-business systems, these systems must be used for any relevant purchases made by services.*

- (d)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 and 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.~~

(e)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, *orders placed via the Council's e-business system, (where these are system-generated)* public utility supplies, ~~for~~ for periodical payments such as rent or

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business rates, petty cash purchases or such other exceptions as the Group Director Finance & Commercial may approve.

- (f)e 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 set out in the Procurement Framework.~~
- (g) *Where orders for goods and services are placed via the Council's e-business systems, Group Directors or Heads of Service/Assistant Chief Executives will ensure that appropriate authorisation arrangements have been made for orders and receipts, in accordance with the requirements of the systems.*
- (h)d The ~~Procurement and Partnership Development Unit~~ *Business 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 ~~e-Procurement f-Framework.~~
- (i)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.

169 **Payment of accounts**

- (a) The Council's preferred method of payment is via the corporate purchasing card. ~~Where this is not possible. For other payments,~~ 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.~~
- (b) *Group Directors/Assistant Chief Executives are responsible for payments originating from their services. They must ensure that there are secure systems in place so that:*
 - (i) *only officers approved by them can initiate or certify payments*
 - (ii) *those officers are appropriately trained*
 - (iii) *there are effective financial controls including separation of duties and this should be evidenced on the certification slip*
 - (iv) *VAT is calculated, recorded and treated appropriately in all cases*
- (c) All payments must be supported by an invoice or properly completed and authorised payment request. *Inaccurate, unclear or incomplete invoices are not valid, and should be returned to the supplier. ~~There should be two people involved in authorising the payment and this must be evidenced from the certification slip.~~*
- (d) *Payments must be certified by a responsible officer before being passed for processing. Certifying officers must make adequate checks to satisfy themselves that the payment is being made in accordance with the Financial Framework.*
- ~~(e) —~~ ~~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~~

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~~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) *Payment must be made promptly and in good time to take account of any settlement discounts. Invoices should be paid in accordance with the terms agreed with the supplier, or within 30 days of receipt.*
- (g) *Payments made in respect of goods and services ordered via the e-business system will be made electronically and will be authorised as part of the ordering and receipting process.*
- (h) 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.

1720 Petty cash, change floats and other imprest accounts

- (a) All imprest accounts *required for the purpose of meeting petty cash and other expenses* 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 run through a bank account, a~~ All bank accounts *for use as part of an imprest account* 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.~~
- (c) Expenditure from an imprest account *should be limited to minor items only and* 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.
- (d) An employee responsible for an imprest account must return ~~an annual~~ certificate in the form approved by the Group Director Finance & Commercial *setting out the state of the account, when required* ~~confirming the amount of imprest in their possession as at the end of the financial year.~~
- (e) 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.

1824 **Contracts of buildings, construction or engineering works**

- (a) *For contracts of construction and alterations to buildings and for civil engineering works, Group Directors/Assistant Chief Executives shall have in place and document adequate systems and procedures in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.*
- (b) *Group Directors/Assistant Chief Executives will ensure that all such systems and procedures are in compliance with these Financial Procedure Rules and the Financial Framework, and shall seek approval from the Group Director Finance & Commercial for any exceptions from them.*

(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% whichever 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.~~

1922 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.
- (f) *Group Directors and Heads of Service/Assistant Chief Executives will undertake an annual review of their signatory lists and notify any amendments to the Group Director Finance & Commercial.*

203 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 &~~

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~~Commercial before they can be paid.~~ *must not be reimbursed through petty cash, but through the payroll system.*

- (b) *Expenses claims must be submitted within three months of incurring expenditure. Employees are expected to take reasonable steps to minimise costs when spending Council funds.*
- (c)~~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.
- (d)~~c~~ ~~Car~~ *Travel* loan applications (*for car or season ticket loans*) 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.
- (e)~~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.

21 Taxation

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

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.~~

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- ~~(d) All normal regulations must be followed e.g. quotes, tenders, corporate contracts, adequate budgetary provision.~~

Income

225 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/*Assistant Chief Executive* is responsible for *establishing appropriate and secure arrangements* 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 *and VAT* must be ~~coded to the correct costcentre and subjective coding~~ *correctly accounted for*.
- (c) 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.
- ~~(d)~~^e 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.
- ~~(e)~~^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.
- ~~(f)~~^e *Each Group Director/Assistant Chief Executive* ~~A check~~ *should ensure that checks are be* undertaken to ensure that all monies paid into the Council's banking accounts *are is* received by the bank and *are is* credited to the correct FIS code. Any discrepancies should be investigated as soon as they have been identified.
- ~~(g)~~^f Personal cheques shall not be cashed out of money held on behalf of the Council.
- ~~(h)~~^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.
- ~~(i)~~^h The level of fees and charges should be kept regularly under review by the appropriate Group Directors and their Heads of Service/*Assistant Chief Executives*. 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.

236 Write off of irrecoverable debts

- (a) *Group Directors/Assistant Chief Executives shall ensure that every effort is made to recover debts due to the Council using the corporate debtor system/service as appropriate. No material arrangement should be made to any procedures for billing or recovery of monies due to the Council without prior consultation and agreement with the Group Director Finance & Commercial.*

- (b) *Group Directors/Assistant Chief Executives must seek the approval of the Group Director Finance & Commercial for all debts to be written off, except where authority has been delegated to them, and must keep a record of all sums written off up to the approved limit.*
- (c) *Where authority to approve write-offs is delegated to Group Directors/Assistant Chief Executives, the same principles contained within these Financial Procedure Rules must be applied.*
- (d) *Write off of debts can only be approved by the Group Director Finance & Commercial. He or she may approve write offs within the following approved limits; the higher of:*
- (i) *the individual debt is £50,000 or less, or*
 - (ii) *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;*
or
 - (iii) *the debts arise as a result of an insolvency*

The definition of service and individual debt to be as defined by the Group Director Finance & Commercial.

- (e) *The Group Director Finance & Commercial must obtain a Lead Cabinet Member Protocol from the Leader and the Lead Cabinet Member Resources for the write-off of all other debts. ~~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.~~*
- (f)b *Write offs can only be approved where it can be demonstrated that all cost effective efforts have been made to recover the debt and the appropriate procedures for recovering debt have been followed. The financial framework provides more detail on the procedure to be followed.*

Safeguarding and controlling assets

24 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. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place. 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~~ assets.*
- (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

- (e) All Group Directors/Assistant Chief Executives and Heads of Service shall be responsible for *ensuring that proper arrangements are in place for compliance with data protection legislation. This includes maintaining proper security and privacy as regards information held in the computer installations for which they are responsible.*
- (f) *All Council employees and elected Members who have access to, or use any Council information, communication or computer equipment, will comply with the Council's Business Systems Policy.*
- (g)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.

258 **Estates-Land & property**

- (a) The Group Director Finance & Commercial will ensure that all land and ~~buildings~~ *properties* 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.

(c) Group Directors/Assistant Chief Executives must inform the Group Director Finance & Commercial and the Assistant Chief Executive Legal & Democratic Services if they propose to acquire, lease or dispose of land and properties by lease or freehold.

269 **Stocks, ~~and~~ stores and equipment**

- (a) Each Group Director and Head of Service/Assistant Chief Executives shall be responsible for the care and custody of any stocks, ~~and~~ *stores and equipment* held by his or her services, *and shall ensure that appropriate records on those assets are properly maintained.* Stocks should normally only be held at a reasonable level that would be needed to maintain the anticipated workflow.
- (b) *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 updated.*
- (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, *either individually or in total,* must be disposed of by competitive tender or

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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.~~
- (d)e The exception to the above is IT equipment, where any disposal must be undertaken in consultation with the Head of Business Systems.
- (e) *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. Council property shall not be used for anything other than Council business without the prior approval of Group Directors/Assistant Chief Executives.*

2730 Protection of private property Administration of Private Funds

- (a) *Private Funds are defined as financial assets held in an official capacity by Council officers on behalf of third parties such as trust funds, voluntary grant aided funds or receivership accounts. Where private funds exist in connection with Council activities, the appropriate Head of Service and the Group Finance Manger must be informed. Appropriate procedures need to be in place to manage such a fund.*
- (b) *The administration of these funds must comply with the remainder of these Financial Procedure Rules, the Financial Framework and any associated procedures. Accountancy records should be maintained to a standard so as to achieve an unqualified audit, and relevant year end treatment applied. The Head of Financial Services will determine any additional requirements that may be necessary.*
- (c) *Group Directors/Assistant Chief Executives shall ensure that finance and legal advice is sought to ensure that legal issues are considered and tax responsibilities defined. A comprehensive risk appraisal must be carried out prior to entering into any form of private fund arrangement.*
- ~~(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 updated.~~

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~~(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 | 5 MARCH 2008 | 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: CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING

SUMMARY

This report updates the Committee in respect of Corporate Governance arrangements and requests confirmation of the code which reflects change.

RECOMMENDATION

That the Committee:

1. Note the actions taken.
2. Note the new arrangements for delivering good governance.
3. Note the arrangements put in place by the Council to deliver good governance and the new arrangements.
4. Confirm the Code of Corporate Governance as set out as in Appendix C.
5. Confirm their commitment to promote good Corporate Governance.

| |
|----------------------|
| REPORT DETAIL |
|----------------------|

Background

1. This Committee reaffirmed a Code of Corporate Governance in March 2007 and was appraised of the regular self assessments which took place by the Officer Governance Group. The self assessment was formulated on the basis of an assessment against a framework issued by CIPFA/SOLACE as supplemented by the CPA key lines of enquiry and is set out in Appendix D for information.
2. Following extensive research and consultation, the CIPFA/Solace Joint Working Group has produced a new framework *Delivering Good Governance in Local Government*. The principles and standards set out in the *Framework* are to help local authorities develop and maintain their own codes of governance and discharge their accountability for the proper conduct of business.
3. Governance arrangements in the public services are closely scrutinised and sometimes criticised. Significant governance failings attract immense attention and one significant failing can taint a whole sector. Local authorities have a key role in leading their communities as well as ensuring the delivery of high quality services to them. Good governance structures enable an authority to pursue its vision effectively and also underpin that vision with mechanisms for control and management of risk.
4. Local government has been subject to continued reform intended to improve local accountability and engagement. The drives for higher performance, increased efficiency and the emphasis on the role of political and managerial leadership have remained key, but at the same time the Government's agenda for local government and the Lyons Inquiry have contributed to a debate on the very purpose of modern local government.
5. Increasingly, local authorities work with and through a range of organisations and partnerships in order to deliver services and enhance local prosperity. Partnerships are regarded as an essential part of the pattern of public service provision. Working in partnership can bring many benefits that public bodies could not achieve by other means. However, partnership working brings governance challenges. A one-size-fits-all approach to governance is inappropriate. Governance arrangements must be proportionate to the risks involved. In future it is likely that authorities will be less concerned with direct service delivery and more with commissioning and regulation, influencing behaviour and supporting their communities. Community leadership may become the most important feature of local governance.
6. The new *Framework* illustrates best practice for developing and maintaining a local code of governance and making adopted practice open and explicit.

The *Framework* recommends that authorities must be able to demonstrate that they are complying with the principles of good governance. The six core principles defined in the *Framework* are taken from the Good Governance Standard developed by the Independent Commission on Good Governance in Public Services with support from the Office for Public Management (OPM) and CIPFA, in

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partnership with the Joseph Rowntree Foundation, and have been adapted for local government purposes.

7. Good governance means per the six core principles:

- (i) focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
- (ii) members and officers working together to achieve a common purpose with clearly defined functions and roles.
- (iii) promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- (iv) taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- (v) developing the capacity and capability of members and officers to be effective
- (vi) engaging with local people and other stakeholders to ensure robust public accountability.

8. The *Framework* urges local authorities to test their structures against these principles by:

- reviewing their existing governance arrangements against the *Framework*.
- developing and maintaining an up-to-date local code of governance including arrangements for ensuring its ongoing application and effectiveness.
- preparing a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.

The Havering Approach

9. The attached appendices A and B explain the process the Council will use for developing an Annual Governance Statement and the sequence of preparation and reporting of it.

10. The approach adopted by the Council has been:

- To fundamentally review the Code of Governance having regard to the new guidance. The new code is attached as Appendix C.
- To develop a new self assessment model which is used by the Governance Officer Group to assess current Governance arrangements and areas for improvement. The Officers involved are:

Chris Dooley – Assistant Chief Exec Legal & Democratic Services

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David Ede – Assistant Chief Exec Human Resources
Vanessa Bateman – Interim Audit Services Manager
Philip Heady – Democratic Services Manager
Barry Howlett – Performance Manager
Jonathan Owen – Assistant Chief Exec Strategy & Communications

- For CMT to review the results of this and endorse this report.
 - To document the Assurance Framework for the Borough including the documents / processes used and the contributions from different groups. This work is progressing.
- (i) Areas where effectiveness will be improved include:
- Communication with the community
 - Implementation of a fully integrated planning and performance computer system
 - Seeking views and developing the annual report
 - Management of complaints
 - Improved community awareness
- (ii) Publicity of the Code has and continues to take place by publication of articles in Inside Havering and Living in Havering as well as by writing to all Stakeholders. Feedback has been, or is being presented.
- (iii) In order to continue to assess the effectiveness of our arrangements, the views of a variety of people will continue to be sought to assess whether the public understand:
- who does what at the council;
 - how to get information about our finances, and;
 - how to get clearer information about the decisions the council makes.

Financial Implications and Risks:

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

Legal Implications and Risks:

The Corporate Governance Code reflects many of the statutory requirements placed on the Council by various Local Government Acts. It does not introduce new obligations on the Council.

Human Resource Implications and Risks:

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Implementation of these measures will lead to improved performance management. It will also ensure clear standards of personal behaviour are adopted through the development of protocols and codes of conduct. It will also recognise the importance of continual training and development for Members to enable them to effectively fulfil their roles.

Equalities and Social Inclusion Implications and Risks:

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

Staff Contact: Rita Greenwood

**Title: Group Director
Finance and Commercial**

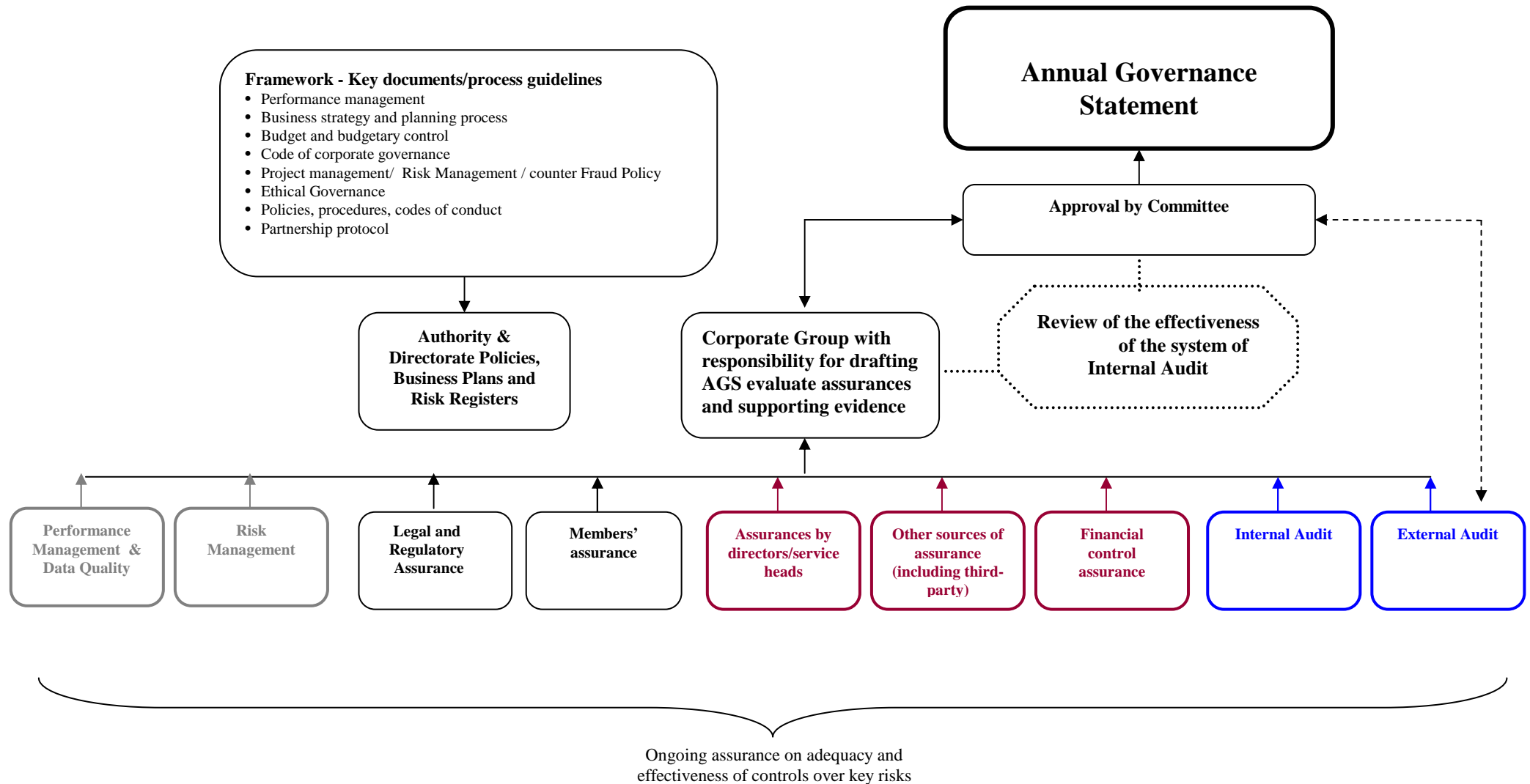
Telephone: 01708 432218

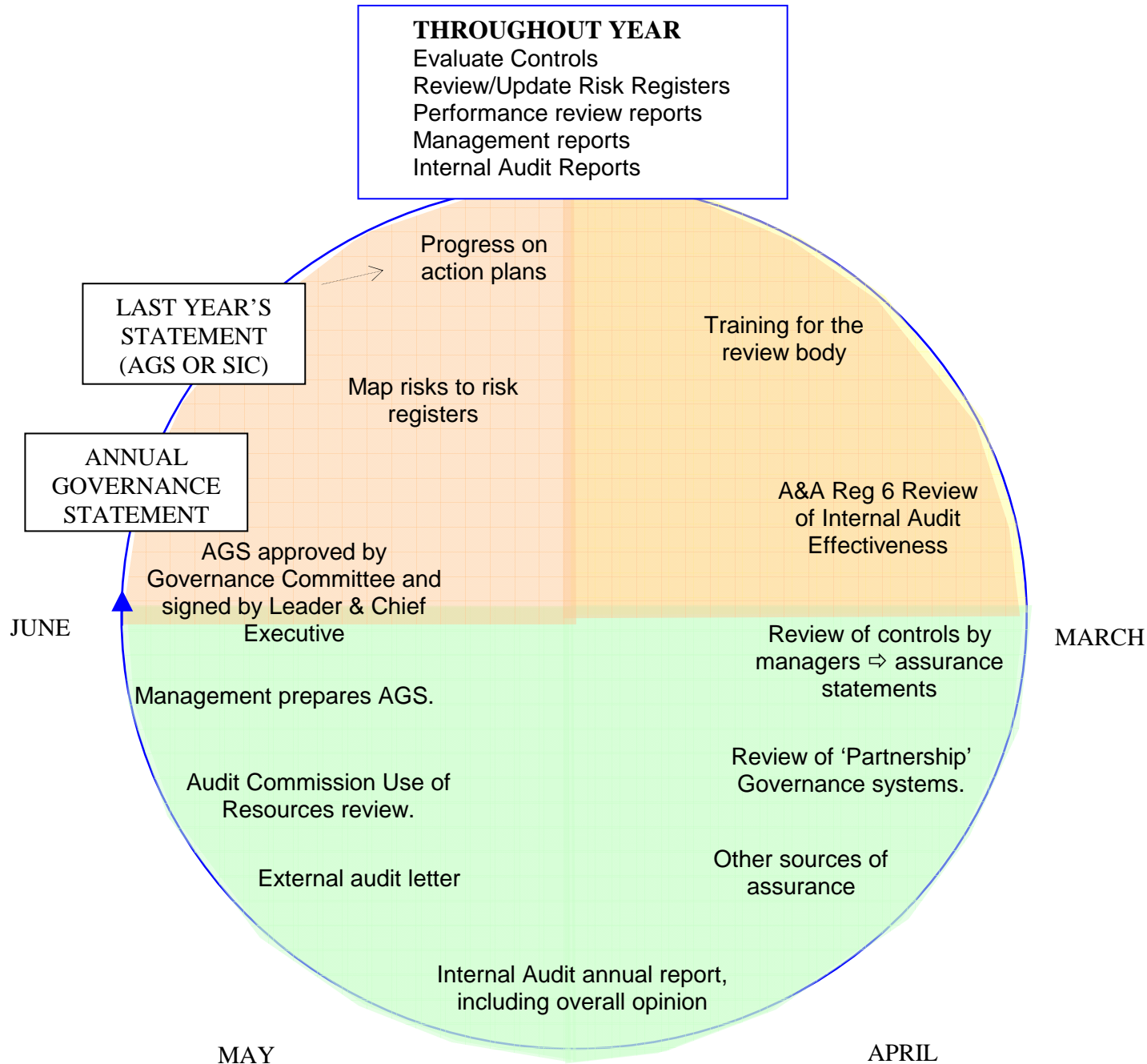
**CHERYL COPPELL
Chief Executive**

Background Papers

None.

ANNUAL GOVERNANCE STATEMENT FRAMEWORK





THE LOCAL CODE OF CORPORATE GOVERNANCE IN HAVERING

INTRODUCTION

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

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

What is Corporate Governance?

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

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

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

The Principles

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

- Accountability
- Effectiveness
- Integrity
- Openness & Inclusiveness

- Up to date

1. Implementing the Vision

The Council's vision for the London Borough of Havering is:

The Council will review its vision and the impact on the borough regularly. It will ensure that all partnerships which the Council has involvement in consider a common vision which can be understood and agreed by all.

2. Community Focus

The London Borough of Havering will publish, on a timely basis, an annual report and performance plan, communicating the Council's activities and achievements, its financial position and the satisfaction of its service users.

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

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

We are committed to

- Openness in all of our dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- Establishing clear channels of communication with all sections of the community and other stakeholders, putting in place appropriate monitoring arrangements to ensure that they operate effectively.
- Developing with the local community and stakeholders, a vision for the local communities. This will be clearly articulated and disseminated and will incorporate priorities and targets. It will be supported by relevant strategic plans.
- Being supportive and respectful in our dealings with each other, our partners and contractors and the community as a whole.

3. Service Delivery Arrangements

The London Borough of Havering will measure and monitor the quality of service received by users and will ensure that such information is available to review service quality effectively and regularly and will:

- Establish a clear policy about the types of matters it will consult on and engage with the public and services users.
- Ensure such policy contains a feedback mechanism for the public and service users to demonstrate what has changed as a result.
- Ensure processes for dealing with diverse priorities and competing demands are set out in the policy.
- Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to environmental and equality policies.
- Establish sound systems for providing management information for performance measurement purposes.
- Monitor and report performance against agreed standards and targets in a comprehensive and understandable way.
- Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community and establish processes to ensure that they operate effectively.
- Provide positive responses to the findings and recommendations of external auditors and statutory inspectors. Arrangements for the effective implementation of agreed actions will be made.
- Be committed to diversity and, in doing so, we acknowledge the diversity of the local population. Service delivery will take account of our diverse communities.

In the event of any service failure the Council will immediately put in place effective measures to identify and deal with these.

4. Structures and Processes

Balance of Power and Authority

The London Borough of Havering will document:

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

Roles and Responsibilities – Members

The London Borough of Havering will:

- Set out a clear statement of the Cabinet and Cabinet members individual responsibility and document this.
- Set out the respective roles and responsibilities of Council members and senior Council staff.
- Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority, taking account of relevant legislation. This will be monitored and reviewed on a regular basis.
- Meet regularly on a formal basis to set the strategic direction and monitor the service delivery of the authority.
- Establish clearly documented and understood management for:
 - Policy development, implementation and review
 - Decision-making, reporting and monitoring & control
 - Formal procedural and financial regulations to govern the conduct of the authority's business.

- Recognise the initial and continued training need of members. Members are to be trained for their roles and given access to all relevant information, advice and resources as necessary, to enable them to effectively fulfil their roles.
- Define formally in writing the role of the executive member(s) of the authority, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole.
- Define clearly in writing the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review.
- Ensure that the role of the Leader of the Council is understood and that there is shared understanding of the roles and objectives of the Leader and of the Chief Executive.
- Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances overall performance.
- Maintain open and effective mechanisms for documenting evidence for decisions, recording the criteria, rationale, and considerations on which decisions are based.
- Maintain the Members' Code of Conduct and the hospitality register for Members.
- Ensure that the Council's Audit Committee discharges its functions appropriately and independently of Cabinet and Scrutiny functions.
- Produce Annual Reports detailing the activities carried out by Overview and Scrutiny Committees.
- Ensure that relevant stakeholders and partners are effectively engaged in the scrutiny process so that there is public accountability.

Roles and Responsibilities – Officers

The London Borough of Havering will:

- Make a Chief Executive or equivalent responsible and accountable to the authority for all aspects of operational management.

- Ensure that the role of the Chief Executive is well understood and that there is a shared understanding of the roles and objectives of the Leader and the Chief Executive.
- Make a senior officer (the Section 151 Officer) responsible to the authority for:
 - Ensuring that appropriate advice is given on all financial matters
 - Keeping and maintaining legitimate and proper and effective financial records and accounts
 - Maintaining and keeping a proper and effective system of internal financial control.
- Make a senior officer (the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.
- Define clearly in writing the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review.
- Adopt clear protocols and codes of conduct to ensure that the implications of supporting community political leadership for the whole council are acknowledged and resolved.
- Maintain and effectively manage the Hospitality Register for staff.
- Ensure that relevant, timely and fit for purpose information is provided to those making decisions.
- Ensure that professional advice on matters that have legal or financial implications are available and recorded well in advance and used appropriately.
- Whilst striving to use its powers for the benefit of residents to ensure that appropriate recognition is given to the limits of lawful activity placed upon the Council by law and the ultra vires doctrine and other administrative case law and principles in order to ensure good decision making
- Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

5. Developing Capacity

The Council will ensure that members and staff have the skills, knowledge, experience and resources they need to perform effectively in their roles by:

- Ensuring its legislation programme continues to meet individual needs and opportunities for members and staff to update their knowledge on a regular basis as and when required.
- Ensuring staff performing statutory roles have the necessary skills, resources and support necessary to effectively perform their roles.
- Ensuring such roles are fully understood throughout the Council.
- Assessing the skills of members and staff and developing those skills on a continuing basis to improve performance.
- Recognising when external expert advice is needed.
- Enabling members and staff to effectively scrutinise and challenge
- Ensuring effective arrangements are in place for reviewing the performance of the Cabinet as a whole and of individual members and agreeing an action plan which might aim to address training and/or development needs.
- Encouraging new talent for membership of the Council and its workforce ensuring continuity and renewal.
- Ensuring effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council and its partners.
- Ensuring career structures are in place for members and staff to encourage participation and development.

6. Use of Resources and Value for Money

The London Borough of Havering will:

- Measure and monitor value for money in respect of the use of its assets and resources, staffing and the management of its contracts and partnership agreements.

- Use the information available to assist the Council or partnership to regularly review value for money and performance by the use of performance information and statistics.
- Measure the environment and equalities impact of all policies, plans, decision and functions.

7. Risk Management and Internal Control

The London Borough of Havering will:

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

8. Standards of Conduct and Shared Values

The London Borough of Havering will:

- Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, partners and agents of the authority are required to subscribe and establish appropriate systems and processes to ensure that they are complied with.
- Make arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and establish appropriate processes to ensure that they continue to operate in practice.
- Put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice.
- Establish and promote a whistle blowing Policy to which staff, contractors, partners, the public and other stakeholders have access to.
- Develop shared values for the Council and staff reflecting public expectations and communicate these to members, staff, the community and partners.
- Monitor the shared values to ensure they demonstrate that the organisational values are effective.
- Use the shared values as a guide for decision making and actions and as a basis for developing positive and trusting relationships.
- Ensure that behaviour demonstrates those shared values both individually and collectively.
- Effectively and transparently maintain its complaints procedure.

9. Partnerships

The London Borough of Havering will ensure that relationships between the Council, its partners and the public are clear in order that each knows what is expected of the other. The Council will:

- Develop protocols to ensure effective communication between members, partners and officers and the public.

- Ensure effective mechanisms are in place to monitor service delivery.
- Ensure its visions, strategic plans, priorities and targets are developed through robust mechanisms in consultation with the local community and other key stakeholders and that they are clearly articulated and disseminated
- Set out the standards of conduct and personal behaviour expected
- Ensure that clear channels of communication are in place and that appropriate monitoring arrangements are documented and operating effectively.

10. Roles / Responsibilities of the Public and Public Accountability

The public have the following rights and responsibilities set out in the Constitution:

- Rights regarding voting and petitions,
- Rights to access information held by the Council through Freedom of Information and Environmental Impact legislation..
- Rights in participation in Council affairs and the responsibilities upon them when they do.
- The right to be engaged appropriately by the Council through a robust scrutiny function.
- The right to access and use the Council's complaint procedure

11. Update and Revision of the Local Code of Corporate Governance.

In accordance with the requirements of the Council's Internal Control Framework, this code will be kept updated and reviewed from time to time.

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

| 1. FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA | | | | |
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| | The code should reflect the requirement for local authorities to: | Source documents/good practice/other means that may be used to demonstrate compliance | Self Assessment | Plans for Improvement |
| A. Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users | a. Develop and promote the Authority's purpose and vision | <ul style="list-style-type: none"> • Havering Community Strategy developed • High level corporate framework for community involvement and consultation • Corporate Plan in place • The Corporate Plan takes account of all consultation and local and national priorities • Corporate Plan takes account of annual budget and MTFS • Integration of MTFS, budget setting, consultations and the service planning process into the Corporate Planning process • Corporate priorities and objectives are set out in key documents on the council's website and intranet site • Equality Standard adopted and implemented to Level 3 • Annual Financial Statements • Local Area Agreements in place • Capital Strategy and MTFS updated to align with new priorities <p><u>Service Planning</u></p> <ul style="list-style-type: none"> • Meetings across directorates to discuss key objectives in the corporate and service plans Clear terms of reference are set out for preparation of Service Plans • Service Plans clearly reflect corporate and match approved funding • Service Plans outline plans for improved service delivery • Service Plans include consultation results from representatives of the community • Key Performance Indicators established and approved for each service and included within service plans • Service Plans quality assured by Corporate Performance Team | 7 | <p>Refresh the Vision for Havering. (JO)</p> <p>Implement a fully integrated planning and performance computer system. (JO)</p> <p>Ensure full communicated to the community and increase awareness. (JO)</p> <p>Ensure staff fully involved. (CMT)</p> <p>New LAA2. (JO)</p> <p>New Community Strategy – July 08. (JO)</p> <p>Civic Pride campaign. (JO)</p> |
| | b. Review on a regular basis the Authority's vision for the local area and its impact on the Authority's governance arrangements | <ul style="list-style-type: none"> • Results of CPA and CAA • Statement of Internal Control • External review of SIC as part of Statement of Accounts • Statutory audit of Accounts – protocol working | 6 | <p>Assess the Vision against what is happening. (CMT)</p> <p>Identify increased ways to engage with the community.</p> |

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| | | <p>papers and records</p> <ul style="list-style-type: none"> • Internal financial control monitored and reviewed by Internal Audit • Annual Report – opinion of Head of Internal Audit • Regular monitoring of the Corporate Plan objectives, commitments and level of achievements • Review of Audit Plan • Internal Audit Plans and reports • Terms of Reference for Internal Audit • Response to external audit reports • Use of Resources assessments • Ongoing review of progress and action in relation to external inspection service review recommendations • Inspection reports and benchmarking • Inspections action plan monitoring database reports quarterly | | <p>(CMT)</p> <p>Review linkages in reports to the Vision. (CMT)</p> |
| | <p>c. Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties</p> | <ul style="list-style-type: none"> • Strategic Partnerships' priorities and objectives are aligned with corporate priorities • Clear statement of the partnership principles and objectives • Partnership Toolkit • Developed infrastructure within voluntary and community sector • Financial plans take account of strategic partnership contributions and income streams • Obtained Head of Services Assurances on their partnerships | 5 | <p>The Council should undertake more thorough research on the views of Members to establish a firmer evidence base to plan the way forward and demonstrate the strength of partnership working. (CD)</p> <p>Service Plan process reviews partnership. (HoS)</p> |
| | <p>d. Publish an annual report on a timely basis to communicate the Authority's activities and achievements, its financial position and performance</p> | <ul style="list-style-type: none"> • Annual Report published on the outcome of Corporate and Service Plans • Annual Report – opinion from the District Auditor • Unqualified BVPP from the District Auditor • Resourcing Plan | Yes (10) | <p>Seek views on and develop Annual Report. (JO)</p> |
| <p>B. Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning</p> | <p>a. Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available</p> | <ul style="list-style-type: none"> • Clearly defined performance reporting mechanisms and timetables in place both corporately and within all programme areas – minimum standards established in the performance management framework • Performance Management Framework identifying: sources of performance measures; who is responsible for achieving each performance measure; who is responsible for collating data on each one; who determines and approves the | 6 | <p>Implement a fully integrated planning and performance computer system. (JO)</p> <p>Review complaints system/ process/policy and reporting. (CG)</p> <p>Implement E&D Performance Management</p> |

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| | | <p>performance measures; who receives reports on performance and how often; how data quality is assured; how performance data is captured and its integrity maintained; how poor performance is addressed; and how performance is driven upwards over time includes guidance on responsibilities, reporting, data quality, addressing poor performance</p> <ul style="list-style-type: none"> • Distribution records of performance guidance distributed throughout the council and minutes of the Performance Management Group • Reports resulting from internal/external reviews of performance management • Benchmarking • Key performance indicators • Regular reporting on delivery of national, authority, departmental and partnership performance targets • Use of Resources reviews reports (capital and revenue, current year and medium term) | | System. (DE) |
| | b. Put in place effective arrangements to identify and deal with failure in service delivery | <ul style="list-style-type: none"> • Use of Overview and Scrutiny • Performance Plan internal feedback • Clear monthly performance monitoring mechanism to CMT and Cabinet incorporating the identification of poor performance and quality assurance of performance data • Monitoring reports presented to the appropriate committee • SMART Action Plans • Performance trends established • Quarterly reporting %age of PIs improving • Further reduce the number of performance indicators with issues and reservations • Regular budget monitoring • Regular monitor of LSP indicators • Ombudsman reports • Virement rules followed • Clearer risk-based reserve/contingency strategy • Improved Capital Strategy/Programme • Unsupported borrowing properly assessed and monitored • Year on Year comparison of achievement against targets • Complaints Procedure | 8 | Consistently learning from issues and making changes accordingly. (CMT) |
| C. Ensuring that the authority makes best use of resources and | a. Decide how value for money is to be measured and make sure | <ul style="list-style-type: none"> • Improvement and Delivery Board • Local Area Agreements 2 | 9 | Develop the VFM Toolkit for use at service level. (JO) |

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| <p>that tax payers and service users receive excellent value for money</p> | <p>that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.</p> | <ul style="list-style-type: none"> • Improved CPA score ratings • Improved Use of Resources Blocks score ratings • Deliver Gershon and VFM savings • Baseline progress against KLOE • Capital and revenue budgets demonstrably in support of corporate priorities • Delivery of objectives within budget • Annual Report published • Audit Committee tracks progress by services areas against Action Plans • Performance comparison versus spend with other local authorities • Evidence of consultation with stakeholders and strategic partners on service provision against cost • Key Performance Indicators established and approved for each service and included within service plans • Review of accuracy and usefulness of output from information systems • 100% completion of all timebound financial review recommendations on the recommendations database | | <p>Better communication to residents via Civic Pride campaign. (JO)</p> |
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| 2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES | | | | |
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| | The code should reflect the requirement for local authorities to: | Source documents/good practice/other means that may be used to demonstrate compliance | Self Assessment | Plans for Improvement |
| A. Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function | <p>ai) Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice</p> <p>aii) Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers</p> | <ul style="list-style-type: none"> • Clear roles for SMT, Cabinet and Scrutiny • Member and staff protocol in place and observed • Portfolio of Cabinet Members included within Constitution • Record of decisions and supporting reports etc. • Conditions of Employment • Library of Statutory Obligations • Overview & Scrutiny Review completed • Constitution clearly sets out respective roles • Protocol on Member/staff relations in place and monitored by the Standards Committee • Portfolio of cabinet members is included in the Constitution • Records are kept of decisions and reports | 9 | Cabinet Leadership Development Programme developed. (DE) |
| B. Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard | a) Determine a scheme of delegation and reserve powers within the Constitution , including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required | <ul style="list-style-type: none"> • Constitution in place • Policy development under Constitution • Scheme of Delegation in place, including matters reserved to the council • Powers delegated to Executive Members included in Scheme of Delegation • Scheme of Delegation incorporates adequate controls and sanctions • Minutes of delegations to officers and committees • Limited call-ins of executive decisions • Communication and dissemination of Scheme of Delegation regularly undertaken • Regular reports on the operation of the scheme (compliance, budget monitoring, year end balances) • Team Building and Development exercises • Leadership Centre reviews • Member Development Group | 9 | <p>The Council should undertake more thorough research on the views of Members to establish a firmer evidence base to plan the way forward and demonstrate that organisational culture allows officers, partners and the public to challenge decisions without fear of reprisal.</p> <p>Implement 360 degree reviews. (DE)</p> |
| | b) Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management | <ul style="list-style-type: none"> • The Chief Executive is responsible for the operational management of the council • Job description • Organisational Chart • Appointment of suitably qualified and experienced staff, selected against accurate and specific job descriptions and person specifications | 10 | |

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| | c) Develop protocols to ensure that the Leader and Chief Executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained | <ul style="list-style-type: none"> • Clear roles for SMT, Cabinet and Scrutiny • Member and staff protocol in place and observed • Limited number of Cabinet/Scrutiny disputes referred to Cabinet | 9 | Develop formal protocol. (CC) |
| | d) Make a senior officer (the S151 officer) responsible to the Authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control | <ul style="list-style-type: none"> • Director of Finance and Commercial is the S151 Officer • The role of the S151 Officer is defined in the Constitution • Section 112/114 Local Government Finance Act 1988 • Statutory provision • Job description • Organisational Chart • PDPA | 10 | |
| | e) Make a senior officer (usually the Monitoring Officer) responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with | <ul style="list-style-type: none"> • Assistant Chief Executive (Legal & Democratic) is the Monitoring Officer • The role of the Monitoring Officer is defined in the Constitution • Statutory provision • Job description • Organisational Chart • PDPA | 9 | The Council should undertake more thorough research on the views of Members to establish a firmer evidence base to plan the way forward and demonstrate how well the Monitoring Officer is supported to carry out her role effectively |
| C. Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other | a. Develop protocols to ensure effective communication between members and officers in their respective roles | <ul style="list-style-type: none"> • Member and Officer Protocol established • Administration's Strategy Group • Cabinet/CMT Away Days • Member and Officer Protocol • Staff Opinion Survey • Investors in People • Workforce Planning • Havering Strategic Partnership • Members appointed to represent the Council on an external body have a protocol and its enforced by MO | 8 | The Council should undertake more thorough research on the views of Members to establish a firmer evidence base to plan the way forward and demonstrate open and constructive communication and trust between Members and officers |
| | bi) Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable) bii) Ensure that effective | <ul style="list-style-type: none"> • The Terms and Conditions for remuneration of members and staff established • Member Allowance Scheme and Code of Practice part of Constitution • Policies and practices • Key Performance Indicators have been developed and monitored in respect of key partnerships | 8 | Community better understand the role and work of Members. (JO) Group Leaders monitor performance of Members. (CC) |

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| | mechanisms exist to monitor service delivery | <ul style="list-style-type: none"> • Job profiles | | |
| | <p>c) Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p> | <ul style="list-style-type: none"> • Havering Strategic Partnership – needs more JO • Schedule of Meetings, Agenda and Minutes well publicised • Equality Standard adopted and implemented to Level 3 • The Corporate Plan takes account of all consultation and local and national priorities • Developed voluntary and community infrastructure • Civic Forum • Mobility Forum • Older Person's Forum • Business Partnership/Forum • BME Forum • The Compact • Residents' participation at Area Committees • Residents' responses to Living in Havering surveys/questionnaires • Forum developed for consultation with BME, disabled, older people, and LGBT • ICAN initiative • Impact Assessment of all policies and functions • Effective media monitoring and analysis • Customer suggestions actioned through the customer suggestion scheme • Web feedback facility • Leader's blog | 8 | Improve consultation with the Community. (JO) |
| | <p>di) When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</p> <p>dii) When working in partnership</p> <ul style="list-style-type: none"> • Ensure that there is clarity about the legal status of the partnership • Ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions | <ul style="list-style-type: none"> • Partnership Toolkit • For each partnership there is: partnership principles and objectives; clarity of partners' roles; definition of the partnership board members' roles; line management responsibilities for staff supporting the partnership; clear accountability for proper financial administration; and a protocol for dispute resolution • Protocol on outside bodies • Member job profiles | 6 | Review members representation on outside bodies. (CD) |

Reference Documents

Final Report of the SOLACE Commission on Managing in a Political Environment, SOLACE (2005)

Changing Organisation Cultures, Audit Commission (2005)

3. PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

| | The code should reflect the requirement for local authorities to: | Source documents/good practice/other means that may be used to demonstrate compliance | Self Assessment | Plans for Improvement |
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| <p>A. Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</p> | <p>a) Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</p> | <ul style="list-style-type: none"> • A Code of Corporate Governance has been adopted by the council • Use of the Confidential Reporting Code • Limited complaints to Standards Committee • Regular reminders of conduct and responsibilities • Member and STAFF Induction programmes • Few complaints in 2007. Monitored by Standards Committee. | <p style="text-align: center;">7</p> | <p>The Council should establish the reasons why a significant percentage of senior officers tend to disagree that the Council's approach to promoting ethical standards is building public confidence in local democracy. The Council should then reconsider its approach as necessary to ensure that its actions have greater impact.</p> <p>Consider why the role of the Standards Committee is not always well understood. Consider whether more internal and external publicity is needed or whether the Committee needs to become more proactive.</p> <p>The Council should undertake more thorough research on the views of Members to establish a firmer evidence base to plan the way forward and demonstrate that the Council's approach to promoting ethical standards is encouraging appropriate behaviour</p> <p>The Council should undertake more thorough research on the views of Members to establish a</p> |

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| | | | | firmer evidence base to plan the way forward and demonstrate the extent to which Members are a focus for positive change |
| | b) Ensure that standards of conduct and personal behaviour expected of members and staff, or work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols | <p><u>Code of Conduct</u></p> <ul style="list-style-type: none"> • Further training for Members on Code of Conduct has taken place • Training for Members on Code of Conduct included within Induction Week • Dissemination of Code of Conduct • Incorporate RIPA into protocol • Reminder sent to all Members the subject of reports and reminder on Calendar Brief • Train RIPA Authorising Officer • Staff Opinion Survey • Performance • Member and Officer Protocol in Constitution • Limited disciplinary issues for staff around Code of Conduct • Complaints Procedure <p><u>Fraud</u></p> <ul style="list-style-type: none"> • Annual Letter • Anti-Fraud and Corruption Policy approved; and updated and reviewed regularly • Dissemination of Anti-Fraud and Corruption Policy • Reports on identified frauds • Annual AF70 return to Audit Commission • Reports on the results of National Fraud Initiatives | 8 | <p>Provide further information to Members and officers about what action to take if they believe there has been a failure to comply with the Member code of conduct.</p> <p>Ensure that the requirements of Codes of Conduct are integrated into other schemes, policies and procedures, such as human rights, freedom of information, data protection and equalities policies, and conveyed to Members and officers.</p> |
| | c) Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice | <ul style="list-style-type: none"> • Members advised, where possible, if likely to have an interest • Register of Hospitality and Gifts • Registers of Interest maintained and up to date • Regular inspection of Hospitality and Gifts Register • Regular inspection of Register of Interest • Regular updating and review of Register of Interest by senior officers, including MO • Standing Orders • Financial Regulations • Few complaints against Members and Staff | 8 | |
| B. Ensuring that organisational values are put into practice and are effective | a) Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and | <ul style="list-style-type: none"> • The Code of Conduct integrated into other policies, procedures and schemes • A communication strategy in relation to the CofC has been developed, approved, and implemented | 6 | Finalised shared values and link to competencies being developed. (CMT) |

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| | communicate these with members, staff, the community and partners | <ul style="list-style-type: none"> Information on what action to take if it is believed that there has been a failure to comply with the Members' Code of Conduct Notified in writing to Members and 6 monthly note on Calendar Brief. Will also routinely be dealt with as part of any training session | | Improve community awareness. (JO) |
| | b) Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice | <ul style="list-style-type: none"> Scheme of delegation incorporates controls and sanctions Procurement Policy approved and regularly reviewed Dissemination of Procurement Policy Effectiveness of Procurement Policy by benchmarking | 8 | |
| | c) Develop and maintain an effective standards committee | <ul style="list-style-type: none"> Standards and Governance Committees terms of reference in place, ensuring all appropriate aspects are covered Responsibility for overseeing corporate governance is with Governance Committee Agendas and minutes from the Standards Committee indicate that the responsibility is being discharged in accordance with the terms of reference Internal and external publicity for the Standards and Governance Committee The Standards Committee being proactive | 7 | <p>Consideration being given to improved articles (Living, Talking Point, leaflets at PASC/Libraries).. (JO)</p> <p>Standards Committee to report to Council regularly. (CD)</p> |
| | d) Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority | <ul style="list-style-type: none"> Decision making practices Impact assessments CLT/Senior managers conference Cross service working | 5 | The Council should undertake more thorough research on the views of Members to establish a firmer evidence base to plan the way forward and demonstrate transparency of decision-making by Members and Member accountability for their values and competency. |
| | e) In pursuing the vision of a partnership , agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively | <p><u>Formation</u></p> <ul style="list-style-type: none"> Partnership Toolkit Partnership Policy Definition of a Partnership Identified Key Partnerships according to Audit Commission criteria Regular updated list of partnerships, including key partners Agreed responsibilities for the partnerships | 7 | Ensure Partnership Toolkit acts as a reminder to agree partnership values. (JO) |

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| | | <ul style="list-style-type: none"> • Formal written agreements with partners • Shared vision and mutual goals embedded in the agreement • Ensuring partnership are/remain relevant to the organisation's goals <p><u>Assets and Risk</u></p> <ul style="list-style-type: none"> • Open book review of costs incurred by partners • Robust arrangements for sharing profits/losses or surplus/deficits • Allocation of assets and liabilities • Risk based assessment of key partnerships • Assessed and Ranked Risks for partnerships • Defined risk ownership and cost of transferring risk • Proportionate governance arrangements • Transfer of significant risk to partners as part of process/contract • Six monthly reviews and updates <p><u>Outcomes</u></p> <ul style="list-style-type: none"> • Mechanisms to monitor and actively manage the performance of key partnerships • Measures for defining the success of partnerships • Reviewing the delivery of benefits of partnerships • Agreed outputs linked to payments • Clear and robust arrangements for dispute resolution • Agreements for Exit Strategies • Audit Commission reports | | |
| <p>Reference documents <i>Standards of Conduct in English Local Government: The Future, ODPM (2005)</i></p> | | | | |

| 4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK | | | | |
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| | The code should reflect the requirement for local authorities to: | Source documents/good practice/other means that may be used to demonstrate compliance | Self Assessment | Plans for Improvement |
| A. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny | a) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible | <ul style="list-style-type: none"> • Robust evidence and data • Regular reviews of Scrutiny function • Reports • Minutes • Call in requisitions and reports • Review of Scrutiny completed | 8 | Continue to develop Scrutiny functions. (CD) |
| | b) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based | <ul style="list-style-type: none"> • Forward Plan • Cabinet reports and minutes • Form As • Form Ds • Supporting reports etc. • Calendar Brief • Operations of Cabinet | 9 | |
| | c) Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice | <ul style="list-style-type: none"> • Members' Code of Conduct • Members advised where possible if likely to have an interest • Detailed process for situations where an external body's (whom members are appointed to) rules conflict with the Code of Conduct • Members advised when they have an interest when known • Advice given recently and to be updated from time to time in Calendar Brief | 9 | |
| | d) Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee | <ul style="list-style-type: none"> • Audit Committee • Terms of Reference • Membership reflects "independent" nature • Training and Development for committee members • Annual Report to Council • Annual Work Programme • Annual review of Audit Committee • Committee structure for reporting • Forward work programme | 9 | |
| | e) Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints | <ul style="list-style-type: none"> • Complaints Procedure approved, reviewed and updated regularly • Complaints Procedure compliant with all statutory requirements • Dissemination of Complaints Procedure, via | 5 | <p>Improve response times to complaints. (CG)</p> <p>Regular reports on complaints numbers and</p> |

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| | | leaflets etc. <ul style="list-style-type: none"> • Complaints files • Committee reports summarising complaints dealt with analysed by outcome | | content. (CG) Review of complaints process. (CG) |
| B. Having good-quality information , advice and support to ensure that services are delivered effectively and are what the community wants/needs | a) Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications | <ul style="list-style-type: none"> • Members' Induction scheme • Training for Committee Chairs • Report clearance process • Member briefings • Having the place • Quarterly life indicators • Having research network | 7 | Take up of training remains poor and is being worked on. (DE) Web based observatory. (DE) |
| | b) Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately | <ul style="list-style-type: none"> • Impact assessment • Legal, Financial and Human Resource Implications logged and formally cleared • Record of decision making and supporting reports etc. • Legal requirements for insurance are met • Training and Development • Research • Part of PDPAs and Service Planning • Research materials are available • Monitoring Officer/S151 authorities | 8 | |
| C. Ensuring that an effective risk management system is in place | a) Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs | <u>Risk Management</u> <ul style="list-style-type: none"> • Responsibility of Risk Management at a senior level – Director of Finance & Commercial Services • Responsibilities for Risk Management incorporated into Job Descriptions and performance appraisals • The linking of RM to Corporate Governance • Risk Management Strategy and Policy • Communication Strategy • Business Continuity Plans covering all critical service areas • BCP regularly tested, reviewed and updated • Risk Management Board and Terms of Reference • Financial Standards and Regulations • Regular reporting of risk to CMT and political boards • RM incorporated into all levels of service planning • Risk owners assigned to manage principal risk • Partnership risks are considered • Risk Management workshops • Risk based auditing • Risks not properly addressed identified in internal | 9 | |

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| | | <p>reports fed into risk management process</p> <ul style="list-style-type: none"> • Council's Risk Financing Policy regularly reviewed in light of costs and alternative risk mitigation strategies • All principal Risk Registers updated • Key risk indicators • Risk rating changes • Awareness Briefings • Intranet pages • Evidence of Management Board/Lead Member/Cabinet Approval • Evidence of Formal Review of risk at service/section/partnership levels • Analysis of control and risk self-assessment questionnaires • Systematic procedures for the identification of risk • Risk Assessments • Corporate Risk Register – setting out principal risks and appropriate key controls to manage them • Key controls are monitored, reviewed and updated regularly • Managers' involvement in risk identification and analysis process • Risk Management information being updated promptly • Business Continuity Database/Management System • Risk Management training programme • Regular newsletter or other means of communicating RM issues to staff • Evaluation of Induction RM element • Leadership Programme with 360 degree feedback <p><u>Insurance</u></p> <ul style="list-style-type: none"> • Self insurance provisions subject to annual independent actuarial valuation and contributions to the fund are adjusted accordingly • Woolf Principles used to manage insurance claims • Monitoring successful and unsuccessful insurance claims <p><u>Health & Safety</u></p> <ul style="list-style-type: none"> • Health & Safety Policy approved, reviewed and updated • H&S Policy covers partnerships | | |
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| | | <ul style="list-style-type: none"> • Dissemination of H&S Policy • Evidence of effectiveness of H&S Policy – no. of cases investigated by HSE, and the number of cases proven • Review of number of reported incidences and near misses | | |
| | b) Ensure that effective arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access | <ul style="list-style-type: none"> • Whistle-blowing policy approved and regularly reviewed • Communication and dissemination • Progressive increase in percentage of staff aware of Whistle-blowing procedure • Reports on incidence of usage • Annual declarations on fraud to the Audit Commission | 8 | Re-publicise the whistle-blowing policy to Members and officers. (CD/DE/RG) Best practice review March 2008. (DE) |
| D. Using their legal powers to the full benefit of the citizens and communities in their area | a) Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities | <ul style="list-style-type: none"> • Constitution • Monitoring Officer provisions • Statutory provisions • Report clearance process | 7 | Consider reference to the promotion of wellbeing. (CD) |
| | b) Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law | <ul style="list-style-type: none"> • Compliance with Local Government Acts • Constitution • Reporting structures recognising this • Legal powers executed • Clearance of reports and delegations | 8 | |
| | c) Observe all specific legislative requirements placed upon them as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes | <ul style="list-style-type: none"> • Monitoring Officer provisions • Section 151 Officer • Statutory provisions • Member reporting mechanisms facilitate this • Excellent record on defending judicial reviews • Reports contain references where appropriate to administrative law | 8 | |

Reference documents

Worth the Risk: Improving risk Management in Local government, audit Commission (2001)
Risk management in the Public Services, CIPFA/ ALARM (2001)
The Orange Book – Management of Risk Principles and Concepts, HM Treasury (October 2004)
Audit Committees: Practical Guidance for Local Authorities, CIPFA (2005)
The Good Scrutiny Guide: A Pocket Guide for Public Scrutineers, Centre for Public Scrutiny (2006)
Overview and Scrutiny in Local government: A Handbook for Elected Members, Centre for Public Scrutiny (2006)
A Wider conversation: Effective Scrutiny of Local Strategic Partnerships, IDeA (February 2007)

5. DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE

| | The code should reflect the requirement for local authorities to: | Source documents/good practice/other means that may be used to demonstrate compliance | Self Assessment | Plans for Improvement |
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| <p>A. Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</p> | <p>a) Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis</p> | <ul style="list-style-type: none"> • Training and Development Plan • Induction training for key new members and officers incorporates suitable coverage on corporate governance issues according to responsibilities • Regular update of courses and information • Intranet site • Induction Programme includes Local Government Acts • Induction Programme includes Risk Management • Induction Programme includes Procurement Policy • Induction Programme includes Register of Interest • Induction Programme includes Hospitality and Gift Register • Induction Programme includes Health and Safety • Induction Programme includes Equalities and Diversity • Induction Programme includes Human Rights • Induction Programme includes Freedom of Information, Data Prot. • Member development group • Job profiles • Member profiles • PDPA process • Training budgets • liP corporately | <p>8</p> | <p>Member development group to be more proactive. (DE)</p> <p>Member Charter for improvement March 2008. (DE)</p> |

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| | <p>b) Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority</p> | <ul style="list-style-type: none"> • Membership of Corporate Management Team (CMT) • Training needs analysis (specialist staff development and general awareness) • Ongoing Training and Development for Officers • Continued Professional Development • General staff awareness programme in place • The Code of Conduct has been published and is accessible to all staff, the public and other stakeholders • Accommodation • IT equipment • Internet and Intranet • Job profiles • PDPAs • Training budget • Peer/mentoring/coaching availability • Networking groups | 9 | |
| <p>B. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group</p> | <p>a) Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</p> | <ul style="list-style-type: none"> • Identify the requirements of a modern day councillor - tense • PDPAs • One to Ones • Training and Development Plan • Member Development Programme • Leadership Programme • Networking groups | 8 | <p>Ensure that Members receive appropriate training on key legislation such as the Human Rights, Data Protection and Freedom of Information Acts.</p> <p>Review terms of reference for Governance Group and attendance. (CMT)</p> <p>Review best practice. (CMT)</p> |
| | <p>b) Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</p> | <ul style="list-style-type: none"> • Induction Week for Members in place • Member Development Programme • Leadership Programme • IDeA working • Best Practice visits • Beacon Status contact • Chief Executive Roadshows • CMT Roadshows • O&S training • Improvement & Delivery Board • Performance Management Group | 8 | |
| | <p>c) Ensure that effective arrangements are in place for reviewing the performance of the</p> | <ul style="list-style-type: none"> • Havering Strategic Partnership • Stakeholders' Forums | 8 | <p>360 degree appraisals for Members. (DE)</p> |

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| | executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs | <ul style="list-style-type: none"> • Area Committees • Community Conference • Job Profiles • Improvement & Delivery Board | | |
| C. Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal | a) Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority | <ul style="list-style-type: none"> • Publicity campaigns in the local media aimed at people of all ages and all backgrounds • Training and development for Members • Civic Pride | 6 | <p>Raise awareness and publicity generally.</p> <p>Open Day.</p> <p>Work with community groups.</p> <p>Raise awareness with political parties.</p> |
| | b) Ensure that career structures are in place for members and officers to encourage participation and development | <ul style="list-style-type: none"> • Succession Planning • Member Development Programme • Leadership Programme • Workforce Plan | 7 | <p>Link learning and development with business needs.</p> <p>New HR structure links these aspects.</p> |
| Reference documents <i>Frontline Councillor: How Local Politicians Can make a Difference to their Communities, IDeA (2007)</i> | | | | |

| 6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY | | | | |
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| | The code should reflect the requirement for local authorities to: | Source documents/good practice/other means that may be used to demonstrate compliance | Self Assessment | Plans for Improvement |
| A. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships | ai) Make clear to themselves, all staff and the community to whom they are accountable and for what aii) Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required | <ul style="list-style-type: none"> • Scrutiny Committees • Topic Groups • Joint Overview & Scrutiny for health • Area Committees • Crime and Disorder Committees • Havering Strategic Partnership • Committees and Groups have terms of reference | 7 | |
| | b) Produce an annual report on the activity of the scrutiny function | <ul style="list-style-type: none"> • Annual Reports produced to ????? each scrutiny function | 10 | |
| B. Taking an active and planned approach to dialogue with an accountability to the public to ensure effective and appropriate delivery whether directly by the authority, in partnership or by commissioning | ai) Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively aii) Hold meetings in public unless there are good reasons for confidentiality aiii) Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands | <ul style="list-style-type: none"> • Annual Report • Community Area Forums • Living in Havering community newspaper • Constitution • Forward Plan • Member level meetings under Local Government Acts in public unless one of exempt provisions are triggered • Website | 6 | Community call for action. Petition. More consultation with BMT groups. |
| | b) Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result | <ul style="list-style-type: none"> • Consultation Strategy • Website • MORI survey • MTFs linked to resident's priorities | 7 | |
| | c) On an annual basis, publish a performance plan giving information on the authority's | <ul style="list-style-type: none"> • Communications Strategy • Annual Report | 8 | Publicise more effectively. |

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| | vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period | | | |
| | d) Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so | <ul style="list-style-type: none"> • Constitution • Code of Corporate Governance • Website • Area Committees • Living • Public accessibility to meetings and Councillors • Consultations • MORI survey | 8 | Civic Pride. |
| C) Making best use of human resources by taking an active and planned approach to meet responsibility to staff | a) Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making | <ul style="list-style-type: none"> • Constitution • Representative Panels • Havering Joint Forum • Service Plans • Intranet • News letters | 8 | Engagement with TUs. Enhanced lifelong communications. |
| Reference documents <i>Governing Partnerships: Bridging the Accountability Gap, Audit Commission (2005). The Good Governance Standard for Public Services, The Independent Commission on good governance in Public Services (2004)</i> | | | | |

| MEETING | DATE | ITEM |
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| GOVERNANCE COMMITTEE | 5 MAY 2008 | 6 |

SUPPLEMENTARY

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENT OF SCHOOL GOVERNORS, ETC

PRU Management Committee appointments

Since the main report was prepared, the Governor Appointments Panel has nominated two further PRU Management Committee appointees, and the Committee is invited to confirm them.

The PRU in question is the Albert Road Centre (ARC). The two nominees are **Councillor Wendy Brice-Thompson** and **Gary Woodman**. Both are experienced school governors, who sit on the Governing Body of the Royal Liberty School. It is considered that their experience will be invaluable to the ARC Management Committee, especially as the ARC is currently in special measures.

RECOMMENDATION:

That the appointments of Councillor Wendy Brice-Thompson and Gary Woodman to the ARC Management Committee be confirmed.

Cheryl Coppel
Chief Executive