

GOVERNANCE COMMITTEE

AGENDA

7.30pm

Wednesday
7 May 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:

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NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

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

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

2. MOBILE COMMUNICATIONS DEVICES

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

3. CONDUCT AT THE MEETING

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

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

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

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

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

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

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

3 DECLARATION OF INTERESTS

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

4 MINUTES

To approve as 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, 2008/09 (advance report)

6 AMENDMENTS TO THE CONSTITUTION

7 THE STANDARDS COMMITTEE (ENGLAND) REGULATIONS 2008

Joint report, also to Standards Committee: the views of that Committee will be reported at the meeting

8 APPOINTMENT OF INDEPENDENT MEMBER TO STANDARDS COMMITTEE

To be considered in the light of the decision(s) reached in respect of item 7 above

9 APPOINTMENT OF STATUTORY LEAD MEMBER FOR CHILDREN'S SERVICES

To follow, when available

10 **URGENT BUSINESS**

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

Cheryl Coppel
Chief Executive

**MINUTES OF A MEETING OF THE
GOVERNANCE COMMITTEE
Havering Town Hall
5 March 2008 (7.30pm – 8.15pm)**

Present:

COUNCILLORS:

Conservative Group Frederick Thompson (in the Chair), Kevin Gregory, Steven Kelly, Roger Ramsey, +Lynden Thorpe and Michael White

Residents' Group Gillian Ford and Barbara Matthews

Rainham & Wennington Independent Residents' Group Jeffrey Tucker

Labour Group Keith Darvill

An apology was received for the absence of Councillor Eric Munday

All decisions were taken with no vote against

Councillors Gillian Ford, Frederick Thompson and Lynden Thorpe each declared a personal interest in the matters referred to in minute 40.

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

38 MINUTES

The Minutes of the meeting of the Committee held on 23 January 2008 were approved as a correct record and were signed by the Chairman.

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

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

RESOLVED:

- 1 (a) That Councillor June Alexander and Mr D Livermore be re-appointed as trustees of the Poyntz and other charities, for a period of four years.

- (b) That, as suggested by the Trustees, the appointment of a third trustee be deferred until an appropriate person for appointment has been identified.
- 2
 - (a) That the Cabinet Member for StreetCare be appointed to serve as the Council's representative on the Partnerships in Parking Board.
 - (b) That the appointment be added to the Job Description of that Cabinet Member.
- 3 That a further report be submitted in due course as to arrangements for the appointment of substitute Members to attend other organisations' meetings when the nominated Cabinet Member is unable to do so.

40 **APPOINTMENT OF SCHOOL GOVERNORS, ETC**

Councillors Gillian Ford and Lynden Thorpe both declared a personal interest as nominees for appointment, and Councillor Frederick Thompson declared a personal interest as the husband of a nominee for appointment.

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.

It was also reported that, following a recent change in the law, Pupil Referral Units (PRUs) were now required to have Management Committees constituted in a similar manner to School Governing Bodies. It was now proposed that the remit of the Governor Appointment Panel be extended to cover recommendations for the appointment of members of PRU Management Committees.

The Committee noted that, in anticipation of the approval of the extension of its remit, the Panel had nominated several individuals for appointment to PRU Management Committees, and was requested to confirm those appointments.

RESOLVED:

- 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 the appointments of:
 - (a) Councillor Geoff Starns and Mrs Rhonda Ware as members of The Tuition Service PRU Management Committee
 - (b) Councillor Wendy Brice-Thompson and Gary Woodman to the Albert

Road Centre PRU Management Committee

be confirmed.

- 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

41 **PARKING CONTROL SCHEMES - delegation of authority**

In May 2007, the Cabinet had approved a Parking Management Strategy for the future management of the Council's Parking Services and associated operations. Contained in the strategy were a number of proposals that required the use of delegated authority instead of referral to the relevant Area Committee, and in some instances, the Regulatory Services Committee. The Committee was now invited to endorse the delegations recommended in the Parking Management Strategy.

RESOLVED:

That the Committee accordingly **RECOMMEND to the Council** that the Constitution be amended so as to provide for the delegation to the Head of Technical Services, in consultation with 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.

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

42 **REVISION TO FINANCIAL PROCEDURE RULES**

The Chairman agreed pursuant to section 100B(4) of the Local Government Act 1972 that the Committee should consider the following as an urgent matter, in order to give effect to changes required in the Financial Procedure Rules at the earliest opportunity.

The Committee was advised that the Council's Financial Procedure Rules had last been revised in October 2006 to enhance specific sections to reflect current practice, and to tidy up some minor drafting issues with the previous, 2005 version. In accordance with good practice, a further review had now been undertaken and further amendments were proposed to the Rules. Future reviews would take place to ensure the Rules remained "fit for purpose" and continued to reflect recognised best practice, as well as also reflecting changes in legislation and the needs of the Council and its organisational structure.

The Committee was also invited to endorse consequential amendments to the Council's Contract Procedure Rules.

RESOLVED:

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

- (1) The revised Financial Procedure Rules set out in Appendix A to these minutes be **ADOPTED**; and
- (2) The consequential amendments set out in Appendix B be **AGREED**.

43 **CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING**

The Chairman agreed pursuant to section 100B(4) of the Local Government Act 1972 that the Committee should consider the following as an urgent matter, in order to meet the commitment for reporting at six-monthly intervals.

The Committee received and noted the latest six-monthly progress report on corporate governance arrangements an Havering.

RESOLVED:

That the Committee confirm:

- (1) The Code of Corporate Governance as set out as in Appendix C to these minutes; and
- (2) Its commitment to promote good Corporate Governance.

**Appendix A
(Minute 42)**

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.

Governance Committee, 5 March, 2008

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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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 that the Council should 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

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responsibilities defined. A comprehensive risk appraisal must be carried out prior to entering into any form of private fund arrangement.

Amendments to the Contract Procedure Rules

Paragraph 22(a)	<p>Delete the existing fourth bullet point and replace with:</p> <p>Where total expenditure is forecast to exceed the contract sum by £25,000 or 10% which ever is the lower and the scheme is a capital scheme, the Head of Service must make arrangements for additional approvals to be sought prior to making any expenditure commitment. This process is detailed in the Financial Framework. 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.</p>
Paragraph 22(b)	<p>Amend the second bullet point to:</p> <p>It can either be met from existing budget provisions or, if additional funding is required, that authority for the increased budget is obtained first <u>in accordance with the procedures set out in paragraph 22(a) above</u></p>
Paragraph 24(a)	<p>Delete the words “the Financial Procedure Rules and” so it reads:</p> <p>The appointment of consultants is a contract for services and is therefore covered by these rules as well as subject to the Procurement Framework</p>
Paragraph 24(b)	<p>Amend to read:</p> <p>Consultants may be appointed only if the appropriate Group Director is satisfied that the tasks required cannot be carried out adequately in-house – for example, due to lack of internal resources or expertise, specialist knowledge, independences or urgency. <u>Former employees must not be considered for use as consultants.</u></p>

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.

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- 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.

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- 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.

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- 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:

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- 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:

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- Rights regarding voting and petitions
- Rights to access information held by the Council through Freedom of Information and Environmental Impact legislation
- Rights of 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@havering.gov.uk

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MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	7 MAY 2007	5

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENTS TO OTHER ORGANISATIONS, 2008/09 (advance report)

Thames Chase Joint Committee

The Council appoints three Members to this Joint Committee of local authorities that are involved in the Thames Chase forest project. The current appointees are Councillors Clarence Barrett, Lesley Kelly and Eric Munday; Councillor Munday is the Vice-Chairman of the Joint Committee.

The Joint Committee's convention is for the member who is Vice-Chairman to succeed to the Chairmanship in the following year.

Although this Committee will not be considering generally appointments to outside bodies until its next meeting, Members are invited to consider the Joint Committee appointments at this meeting as Essex County Council, which administers the Joint Committee, has asked for notification by 16 May of the Council's nomination as Chairman. It is clearly sensible also for the Committee to confirm the appointment of the three nominees at the same time.

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

RECOMMENDATIONS

- 1 That Councillors Clarence Barrett, Lesley Kelly and Eric Munday be re-appointed as Members of the Thames Chase Joint Committee.

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- 2 That Councillor Eric Munday, currently Vice-Chairman, be proposed as Chairman of the Joint Committee.

Cheryl Coppel
Chief Executive

Staff Contact: Ian Buckmaster
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Background Papers

None.



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	7 MAY 2008	6

REPORT OF THE MONITORING OFFICER

SUBJECT: AMENDMENTS TO THE CONSTITUTION

SUMMARY

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

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

RECOMMENDATIONS

That this report be noted.

REPORT DETAIL

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

Amendments to the Constitution were made by the Monitoring Officer since 1st May 2002 and this latest amendment is Amendment No. 321 dated 14th March 2008.

In addition to the Constitutional requirements the Monitoring Officer has determined that she will notify Group Leaders as soon as any Monitoring

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Officer amendments are made to the Constitution. The notification will then appear in Calendar Brief so that all members are aware of the amendments. The notification of the amendments will be numbered so there is no confusion.

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

Financial Implications None

Equalities Implications None

Environmental Implications None

Legal Implications None

CHRISTINE DOOLEY
Monitoring Officer

Staff Contact: **Christine Dooley**
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Background Papers
Email correspondence

Notification No. 31

Date 14th March 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	83	Delete 3.7	Organisational Change
Part 3 Section 3	120-123	<ul style="list-style-type: none">➤ Delete reference to Interim Director of Adult Social Services➤ Move powers to Group Director Children's Services➤ Move 3.7.1 Head of Adult Social Services to new paragraph 3.5.6	Organisational Change
Part 3 Section 3	93	Insert 3.5.6 Head of Adult Social Services in paragraph 3.5	Organisational Change



MEETING	DATE	ITEM
STANDARDS COMMITTEE	6 May 2008	7
GOVERNANCE COMMITTEE	7 May 2008	

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: THE STANDARDS COMMITTEE (ENGLAND) REGULATIONS 2008

SUMMARY

The Regulations were made on 14 April and come into force on 8 May.

The Regulations make provisions for dealing with complaints by the Council's Standards Committee.

The previous requirement to direct complaints to the Standards Board for England in the first instance is superseded by these Regulations.

RECOMMENDATION

To the Standards Committee

1. For noting and to consider whether the committee wishes to make any recommendations to Governance Committee

To the Governance Committee

1. For noting
2. To consider any recommendations of the Standards Committee (to be reported at the meeting)

3. To consider whether to RECOMMEND to the Council that the number of Independent Members of the Standards Committee should be increased to 3 and the total membership of Committee to 12.

REPORT DETAIL

1. The Standards Committee (England) Regulations 2008 were laid before Parliament on 17 April and come into force on 8 May.
2. These are the long awaited Regulations under the Local Government and Public Involvement in Health Act 2007 which enable people to make a written allegation to the Standards Committee that a member or co-opted member (or former member or co-optee) has failed to comply with the Members' Code of Conduct. Complaints will now come direct to this Council's Standards Committee rather than to the Standards Board for England. There is an ability to refer a complaint to the Board's Adjudication Panel if the Standards Committee determine that the action it could take against a member, should a finding be made, would be insufficient i.e. it would require more than suspension for a period of six months (The Standard Committee's power has been increased from three by these Regulations).
3. The Regulations hold no particular surprises:
 - a. Standards Committee must consist of at least 25% independent members and no more than one Cabinet member (as now)
 - b. Standards Committee must establish Sub-Committees, each chaired by an Independent Member:
 - i. To undertake the initial assessment of the allegation (the so called "first sieve")
 - ii. A **differently** constituted sub-committee, chaired by a **different** Independent Member to review decisions to take no action when requested by any party to the complaint.
 - c. Standards Committee may decide to establish sub-committees to consider reports or hold hearings, which **must** also be chaired by an Independent Member.
 - d. At least 3 members must be present at any meeting or sub-committee for its duration which must also include at least one elected member of the Council.
4. It is, however, permissible for any of the Members/Independent Member who sat on either the initial sift or any review to be sit on the actual hearing.

5. Nonetheless Members will wish to consider increasing Independent Members by one and the Standards Committee by three Councillors. This will maintain the 25% and give a pool of nine councillors and three Independents from which to draw two members and one Independent to deal with the first sieve and two different members and one different Independent Member to deal with any review of a decision. This will then provide a greater pool of Members, (one Independent and six members) from which to draw any hearings Sub-Committee and/or to provide a safety net should any Members or Independent Member not be available.
6. Further guidance is due to be issued by the Standards Board for England before the meetings are due and this will be reported orally at the meetings. The expectation is that there will be an inescapable obligation to ensure that any initial sift is undertaken within 20 days of receipt of the complaint, meaning that Standards Hearings Sub-Committees will need to be diarised monthly and then cancelled if not required. Information on performance indicators must also be reported to the Standards Board on time taken on decision making etc. The expectation is that this will be done on a quarterly basis.
7. **If the Committees are minded to increase the number of Independent Members and the Committee the latter cannot be done prior to the former as there must be 25% of Independent Members. The Monitoring Officer's view is that if the number of Independent Members are not increased by one then the Council could be in a vulnerable position. Independent Members cannot be recruited without there being an advertisement and an appointment process by Council. If one of the current Independent Members were to resign or be unavailable for a period of time then the Council would not meet its performance indicators and would be acting contrary to any Guidance as it would not be possible to deal with any complaints within the timescales. The Standards Board now has intervention powers which it will exercise as a last resort.**
8. As an alternative it is now possible to have joint Standards Committees with another local authority. The Monitoring Officer has not yet explored this with adjoining boroughs but could do so if members wished.
9. Other matters covered by the Regulations include;
 - a. A Council must have regard to Standards Board guidance in making appointments of Independent Members
 - b. Where a Sub-committee of Standards Committee is considering an allegation (the first sieve) or a review of a decision, there is no public right of access to the meetings or the documents.
 - c. The Sub-committee is required to produce a written summary of its consideration of those matters, which is to be made available to the public. In other circumstances the usual rules of access are applicable.

- d. A Standards Committee is required to publicise the address or addresses to which written allegations or misconduct should be sent and to keep published details up to date.
 - e. A Sub-committee of Standards may direct the Monitoring Officer to take steps other than carry out an investigation. For example, to arrange for a Member to attend a training course, to engage in a process of conciliation or to take other steps as appear appropriate. The Monitoring Officer must report back to the Sub-committee.
 - f. The Regulations make provision for the Sub-committee of Standards Committee to direct the Monitoring Officer to carry out an investigation into an allegation that a member or co-optee (or former member or co-optee) has failed to comply with the Members' Code of Conduct.
 - g. The Monitoring Officer may refer the matter back to the Standards Committee for reconsideration in certain circumstances e.g. receipt of new evidence, death, illness or resignation.
 - h. When a report is received from the Monitoring Officer the Standards Committee must make one of the following findings:
 - i. That it accepts the Monitoring Officer's findings that there has been no failure to comply with the Code
 - ii. That the matter should be considered at a hearing
 - iii. That the matter should be referred to the Adjudication Panel for England for determination (should the sanction of suspension be 6 months not be considered to be sufficient)
10. At a hearing by a Standards Committee a member may present evidence orally or in writing and may be represented personally, or by Counsel, a solicitor, or with the committee's consent by any other representative. Witnesses may be called by either side but the Standards Committee may place a limit on the number if it considers the number to be unreasonable.
11. Information at the time of writing this report is awaited on Standards Board Guidance and the Performance Indicators.

Financial Implications and risk:

Independent Members of the Standards Committee are currently paid at the rate set out in the Members' Allowance Scheme 2008 which is £117 per meeting and £240 per meeting for the Chairman. Currently there are two independent members who attend 4-5 meetings per annum. Although meetings will need to be diarised monthly it is possible that these might be cancelled if there are not complaints to be considered. An increase in meetings and the addition of one further Independent Member could cost a maximum of £5,214. If in 2008/09, the additional costs could not be met from existing budgets (an increase in costs will be dependant on the

number of meetings held), an application to Contingency would need to be made. Longer term however, this would need to be considered as part of the 2009/10 MTFS process.

HR Implications and risk:

Recruitment of Independent Members is subject to detailed Regulations and must follow an advertisement in one or more newspapers circulating in the area. There is a qualification criteria for Independent members of the Standards Committee and an appointment must be made by Council. A recent advertisement has been placed in both the Romford Recorder and Living which combined an advert for Independent Members for School Appeals, Hearings Panels and the Standards Committee, should members be minded to consider a further appointment.

Legal Implications and risk:

The Regulations come into effect on 8th May. The Council is currently compliant with the Regulations but there is no leeway. Members of the Standards Committee will need to be available to attend more meetings than previously and a different Independent Member must Chair each Sub-committee to deal with the initial sift and any application for review. There is a serious risk of non compliance should either of the two Independent Members not be available within what is now short timescales. This will mean that the Council is at risk of not complying with the Guidance and/or of failing the performance indicators, which among other things would inevitable impact adversely on the Council's CPA score.

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CHERYL COPPELL
Chief Executive

Background Papers List

None



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	7 MAY 2008	8

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: APPOINTMENT OF INDEPENDENT MEMBER TO STANDARDS COMMITTEE

SUMMARY

This report complements the report elsewhere on this agenda (and jointly to the Standards Committee) about the principle of appointing an additional Independent Member of the Standards Committee. It will need to be considered only if the Committee accept a suggestion that an additional Independent Member be appointed.

The Committee are reminded that the Local Government Act 2000 requires the Council to appoint a Standards Committee, at least 25% of whom must be Independent Members.

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

RECOMMENDATIONS

- 1 That the procedure outlined in the report for appointing a further Independent Member to serve on the Standards Committee for a four year term commencing as soon as possible, be approved.

- 2 That the arrangements proposed for selecting applicants and interviewing them be approved.
- 3 That an ad hoc Sub-Committee be established to short list and interview prospective Independent Members, and to identify the nominee for appointment.
- 4 That the Committee consider what recommendation to make to Council as to the length of the term of office of that appointee.

REPORT DETAIL

1 Introduction

- 1.1 The Local Government Act 2000 (“the Act”) requires that each Council appoint a Standards Committee responsible for the maintenance of high standards of conduct among Members. The Act makes no prescription as to the size and general composition of the Committee (beyond specifying that no more than one Member of the Cabinet can be appointed to it and that he/she may not chair it), but requires that at least 25% of its membership should be Independent Members. The political balance rules do not apply to the Standards Committee.
- 1.2 There is no particular qualification for “Independent Member”, apart from the obvious need for them to be genuinely independent (for example, no one who has been a Member or Officer of the Council in the past five years is eligible for appointment), but they need to be sought by public advertisement and to have completed an application form prior to being considered for appointment.
- 1.3 As currently constituted, the Council’s Standards Committee has a membership of eight, of whom two (25%) are Independent Members. Recent legislation requires that the Chairman be an Independent Member and the Council has agreed that the Vice-Chairman should also be an Independent Member.
- 1.4 A separate report being considered at this meeting (which has also been submitted to the Standards Committee, whose views will be reported to this Committee) invites consideration of whether, in view of new legislative obligations, further appointments should be made to the Standards Committee.

2 Procedure for current appointments

- 2.1 As noted above, there is a formal process to be followed for making appointments of Independent Members. In anticipation that it will be agreed that a further appointment be made, applications have already been invited: should it be decided not to proceed in that way, those

concerned will be advised that the Council will not be pursuing the possibility of making an appointment at this time.

- 2.2 Once applications have been invited by advertisement and forms submitted, there is no particular requirement as to the procedure to be adopted and thus the Council is free to proceed as it wishes. Previously, applicants have been initially interviewed by officers and a long-list of candidates prepared. That long-list has then been submitted to Members who have identified a short-list and then interviewed the selected candidates.

3 Proposed procedure

- 3.1 The procedure for making the appointments is proposed as follows.
- 3.1.1 The Monitoring Officer, assisted by the Manager of Committee and Overview & Scrutiny Support, will see all applicants at a preliminary interview (a gradual process over several weeks). This will be intended to gauge the extent of the individual's interest in, and suitability for, appointment. Depending on the outcome of this stage of the exercise, individuals will be identified as being within one of three categories:
- Not suitable for appointment
 - Possibly suitable for appointment
 - Definitely suitable for appointment
- 3.1.2 Those not considered suitable for appointment will be so advised at that point and not considered further. Those in the other two categories will move to the next stage, short-listing by Members.
- 3.1.3 Past experience suggests that short-listing by the full Committee would be a cumbersome process. In 2006, an ad hoc Sub-Committee of three Members was appointed to undertake the task. It is suggested that much the same process be followed this time (the balance being 2:1:0:0).
- 3.1.4 The short-listed applicants will then be invited to attend a meeting with Members for full interview, by the ad hoc Sub-Committee, who would then formulate nominations for endorsement by this Committee and reference to Council, which is the appointing body.

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

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The only **Financial implications** are that Independent Members receive a flat-rate allowance of £117 (£240 in the case of the Chairman) per meeting attended. There are no obvious **financial risks**.

**Cheryl Coppel
Chief Executive**

**Staff Contact: Ian Buckmaster, Manager of Committee and
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Background Papers

There are none



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	7 MAY 2008	9

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: APPOINTMENT OF STATUTORY LEAD MEMBER FOR CHILDREN'S SERVICES

SUMMARY

Section 19 of the Children Act 2004, which requires local authorities to designate one of the number as "Lead Member for Children's Services", was brought into effect on 21 March 2008. The Council is, accordingly, now obliged to make such an appointment. This is the first meeting of the Committee, and the Annual Meeting of Council on 21 May will be the first Council meeting, since the legislation was brought into force at which the making of an appointment could be considered.

This report is submitted accordingly.

RECOMMENDATION

That the Committee **RECOMMEND** to Council:

- 1 That the Cabinet Member for Children's Services be designated as statutory Lead Member for Children's Services.
- 2 That the Assistant Chief Executive, Legal & Democratic Services, be authorised to make all necessary consequential adjustments to the Constitution.

REPORT DETAIL

1 Introduction

- 1.1 The Children Act 2004 ("the Act") requires that each Council designate a Member to be Lead Member for Children's Services.
- 1.2 The role of the Lead Member is subject to guidance from the Secretary of State, an extract from which is appended. In general terms, the duty of the Lead Member is, in effect, to work with the Director of Children's Service in the performance of his statutory duties under the following legislation:
 - (a) functions conferred on or exercisable by the authority in their capacity as a local education authority;
 - (b) functions conferred on or exercisable by the authority which are social services functions (within the meaning of the Local Authority Social Services Act 1970 (c. 42)), so far as those functions relate to children;
 - (c) the functions conferred on the authority under sections 23C to 24D of the Children Act 1989 (c. 41) (so far as not falling within paragraph (b));
 - (d) the functions conferred on the authority under sections 10 to 12 and 17 of the Act; and
 - (e) any functions exercisable by the authority under section 31 of the Health Act 1999 (c. 8) on behalf of an NHS body (within the meaning of that section), so far as those functions relate to children.

2 Suggested designation

- 2.1 The scope of the duties of the Lead Member as set out in the Act effectively mirrors the portfolio of responsibilities attached to the Cabinet post of Member for Children's Services, albeit that the portfolio is described using different terminology.
- 2.2 It is, therefore, suggested that the Cabinet Member for Children's Services should also be designated as the statutory Lead Member. The designation would be by post rather than by person, so that, should the post holder change, the designation would automatically apply to the incoming Cabinet Member.

3 **Constitution**

- 3.1 If the Committee endorses this approach and the Council agrees to the designation, the Assistant Chief Executive, Legal & Democratic Services, will need to be authorised to make all necessary adjustments to the Constitution to ensure that the designation is given proper effect.

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

The Council has a legal obligation to make the designation. There are no other **legal implications.** There would be a **legal risk** if no designation were made.

**Cheryl Coppel
Chief Executive**

**Staff Contact: Ian Buckmaster, Manager of Committee and
Overview & Scrutiny Support
Telephone: 01708 432431**

Background Papers

There are none

Extract from statutory guidance as to role of Lead Member

3.3 The Lead Member's role mirrors the [Director of Children's Services (DCS)]' role at the local political level. The LM will have:

- a. political accountability for the effectiveness, availability and value for money of all local authority children's services;
- b. leadership within and beyond the local authority to engage and encourage local communities in order to improve children's services, and to ensure that services, both within the local authority and across partner organisations, improve outcomes for all and are organised around children and young people's needs; and
- c. a particular focus, with the DCS, on safeguarding and promoting the welfare of children across all agencies.

3.4 The DCS and LM should establish and maintain a framework for effective working across local authority services. The DCS should, for example, work closely with the DASS to ensure an effective transition between children's and adult services, and joined-up working between the service providers within children's and adult services to meet the needs of communities as a whole.

3.5 The DCS and LM will also work with partners to establish a framework of accountabilities for the effective discharge of their respective responsibilities, and the delivery of services within this framework. They will work with partners to ensure that robust management, reporting, governance, partnership and audit procedures exist to enable services to be delivered effectively, and outcomes for children and young people to be improved.

3.6 In exercising their functions and responsibilities the DCS and LM must have due regard to the local authority's responsibilities to promote equality of opportunity and eliminate discrimination, for example under the Race Relations Act 1976 and the Disability Discrimination Act 1995. They must ensure that, in carrying out its functions, the authority has due regard to the need to eliminate racial discrimination and to promote equality of opportunity and good race relations.



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	7 May 2008	7

SUPPLEMENTARY

S U P P L E M E N T A R Y
REPORT OF THE CHIEF EXECUTIVE

SUBJECT: THE STANDARDS COMMITTEE (ENGLAND) REGULATIONS 2008

The report was considered by the Standards Committee on 6 May: that Committee **RECOMMENDS** as follows:

That, having regard to the likelihood that the workload of the Standards Committee will be greatly increased in consequence of the recent changes in legislation, the Governance Committee **RECOMMEND** to the Council that:

- 1 The number of Independent Members of the Standards Committee be increased to three
- 2 The number of Councillor Members of the Standards Committee be increased to nine (5:2:1:1)
- 3 Separate Sub-Committees of the Standards Committee be established to assess, review and hear complaints, each comprising an Independent Member as Chairman (as required by law) and two Councillors selected without regard to political balance considerations, such Sub-Committees to be appointed as need arises and in accordance with current working practices
- 4 The Assistant Chief Executive, Legal & Democratic Services, be authorised to amend the Constitution as necessary to give effect to these recommendations

CHERYL COPPELL
Chief Executive

Governance Committee, 7 May 2008