

**MINUTES OF A MEETING OF THE  
GOVERNANCE COMMITTEE  
Havering Town Hall  
11 May 2011 (7.30pm – 8.15pm)**

**Present:**

**COUNCILLORS:**

**Conservative Group** Michael White (in the Chair), Becky Bennett, Robert Benham, Osman Dervish, Steven Kelly, Eric Munday and Roger Ramsey

**Residents' Group** Clarence Barrett and Ray Morgon

**Labour Group** Keith Darvill

**Independent Residents' Group** +Michael Deon Burton

+ Councillor Michael Deon Burton for Councillor Jeffrey Tucker

All decisions were taken with no votes against.

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

**44 MINUTES**

The minutes of the meeting held on 16 March 2011 were agreed as a correct record and signed by the Chairman.

**45 FUTURE OF LOCAL PUBLIC AUDIT – GOVERNMENT CONSULTATION**

The Head of Finance and Procurement provided Members with a summary of the consultative document produced by the Secretary of State for Communities and Local Government concerning the future of local public audit which came about after the abolition of the Audit Commission. The proposals concerned the make-up, scope and authority of audit committees.

Members expressed astonishment at the proposals contained within the document and across the Groups, there was agreement that they were, by and large, unworkable in their current format. Members also considered that the draft response, as presented to them, was too weak and did not adequately reflect the strength of feeling about those proposals.

The principal areas of contention were those relating to the appointment of Independent Persons to Chair and fill the Audit Committee, the appointment periods proposed (which, at five years did not reflect council cycles and the apparent restriction placed on the appointment of external auditors which,

Members felt, was too prescriptive and limited choice to the few major practices and ignored the possibility of appointing local firms.

It was observed by more than one Member that the proposals looked as though – instead of saving money, they could cost the Authority a good deal more than the current procedures. Some Members who had served on the Audit Committee found some of the inferences in the document offensive as the wording suggested that elected Councillors were not proper persons to oversee the audit process.

**RESOLVED:**

1. To note the Government's consultation document "The Future of Local Public Audit" and to authorise the Head of Finance and Procurement to present their comments on it.
2. To authorise the Head of Finance and Procurement to amend the Council's draft response to the consultation to reflect the Committee's concerns as expressed.
3. To delegate to the Cabinet Member for Value authority to approve the final version of the Council's response.
4. To note that this report was being referred to the Audit Committee for its information and comment.

**46 MONITORING OFFICER'S REPORT No 7 - AMENDMENTS TO THE CONSTITUTION**

The Committee was reminded that the Constitution authorised 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.

It was now noted that, in accordance with those provisions, the Monitoring Officer had made a number of changes, set out in Appendix 1 to these minutes, and that this had been the first reasonable opportunity of reporting those changes.

**47 URGENT BUSINESS – CHANGES TO THE ARRANGEMENTS CONCERNING ILLEGAL MONEY LENDING**

The Acting Monitoring Officer/Assistant Chief Executive reminded Members that some 18 months previously (October 2009), a report had been presented to it concerning illegal money-lending and the Committee recommended to Council that the borough should work in partnership with other neighbouring boroughs under Tower Hamlets to pool resources to investigate and prosecute such instances of illegal money-lending within the boundaries of the partnering boroughs.

He then reported that since April this local arrangement had been superseded

and that a national body had replaced the local arrangement and authority needed to be transferred to Birmingham. This was a matter of some urgency and he invited the Committee to present a report to Council.

**RESOLVED to RECOMMEND to the Council:**

1. In pursuance of Section 101(1)(b) of the Local Government Act 1972, Section 19 of the Local Government Act 2000 and Regulation 7 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000, delegates to Birmingham City Council:
  - (A) Enforcement of Parts III and IV of the Consumer Credit Act 1974, and
  - (B) The enforcement functions and powers under Parts XI and XII of the Consumer Credit Act 1974, and
  - (C) The power of prosecution under section 222 of the Local Government Act 1972

All in connection with money-lending or the activities of money lenders and/or their agents and associates, and the laundering of the proceeds of illegal money-lending.

2. Agrees that Part 3, Section 2.3 of the Constitution (functions exercised by another authority on behalf of this authority) be amended accordingly
3. Authorises the Acting Assistant Chief Executive to agree the terms of the delegation agreement with Birmingham City Council.
4. Agrees that the Council will enter into a joint Cross Border Working Protocol with Birmingham City Council in respect of illegal money lending.
5. Notes the exercise by the Chief Executive of her powers within Part 3, Section 3.1.8 of the Council's Constitution temporarily to delegate the above powers to Birmingham City Council to allow an investigation to proceed prior to this meeting.

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**CHAIRMAN**  
**2 June 2011**