

Title of Report:	Amendments to Part 1, 2, 10 and 11 of the Council's Constitution
Report to be considered by:	Council
Date of Meeting:	17 May 2011
Forward Plan Ref:	C2104

Purpose of Report: To consider the amendments to Parts 1,2,10 and 11 of the Constitution following review of the sections of the Constitution by the Finance and Governance Group.

Recommended Action: To approve the revisions to Parts 1, 2, 10 and 11 of the Constitution.

Reason for decision to be taken: To ensure that the Council has established a constitution that is in accordance with statutory requirements / good practice and that there are processes in place ensuring the effective management and maintenance of the Constitution in accordance with good practice guidelines (e.g. CIPFA / SOLACE Code of practice for Corporate Governance)

Other options considered: None

Key background documentation: The Local Government Act 2000 (Constitution) (England) Direction 2000

The proposals will also help achieve the following Council Plan Themes:	
<input checked="" type="checkbox"/>	CPT12 - Including Everyone
<input checked="" type="checkbox"/>	CPT13 - Value for Money
<input checked="" type="checkbox"/>	CPT14 - Effective People
<input checked="" type="checkbox"/>	CPT15 - Putting Customers First
The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by: Ensuring that the Constitution is up to date and applies with legislation	

Portfolio Member Details	
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Date Portfolio Member agreed report:	07 April 2011

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Implications

Policy:	Will include changes to the Constitution
Financial:	None – will be undertaken within existing resources
Personnel:	None
Legal/Procurement:	Will include changes to the Constitution
Property:	None
Risk Management:	None
Equalities Impact Assessment:	Stage one EIA completed
Corporate Board's Recommendation:	Corporate Board supported the changes and requested that a version of the report containing tracked changes be provided to Members.

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input checked="" type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Commission or associated		<input type="checkbox"/>
Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>

Executive Summary

1. Introduction

- 1.1 Following an internal audit of the Management of the Constitution in 2010 it was noted that one of the responsibilities of the Finance and Governance Group is to have ownership of the Council's Constitution. The content of the Local Code of Corporate Governance says that there will be an annual review of the operation of the Constitution.
- 1.2 A timetable has now been established for the Finance and Governance Group to review individual sections of the Constitution and a number of Officers have been involved in revising specific parts of the Constitution. To date Parts 1,2, 10 and 11 of the Constitution have been reviewed and amended. Full Council will be asked to ratify these amendments at the meeting on the 17 May 2011.

2. Proposals

- 2.1 That the amendments to Parts 1,2, 10 and 11 of the Council's Constitution are approved in order to ensure that the Council has established a constitution that is in accordance with statutory requirements / good practice and that there are processes in place ensuring the effective management and maintenance of the Constitution in accordance with good practice guidelines (e.g. CIPFA / SOLACE Code of Corporate Governance)

3. Conclusion

- 3.1 The report is a required update, due to the changes in service areas, governance arrangements and changes to legislation and good practice guidelines.

Executive Report

4. Introduction

- 4.1 The internal audit review of the Constitution made a number recommendations to enhance the management of the Constitution including:
- (1) that the Governance Group should establish a process to review the content and application of the Constitution on an annual basis in accordance with the requirements of the Council's Local Code of Corporate Governance.
 - (2) that members of the Governance Group are allocated responsibility for maintaining specific Articles and Rules of the Constitution
 - (3) that the Governance Group should monitor progress of proposed amendments to the Constitution to ensure that they are appropriately approved and published.
- 4.2 A timetable was established for the Finance and Governance Group to review individual sections of the Constitution and relevant Officers have been allocated responsibility for maintaining specific parts of the Constitution. Given the wide ranging nature of the Constitution a number of officers have contributed to the review of each part.
- 4.3 To date Parts 1,2, 10 and 11 of the Constitution have been reviewed and amended. The review has been comprehensive and has led to a significant rewriting of sections of the Constitution. This is largely because no formal review process has been in place previously and a number of significant changes have been made in the way the Council's procedures operate. A good example of this is the implementation of the Agresso accounting system which has changed the processes around the ordering and paying for goods and services.
- 4.4 Full Council will be asked to ratify these amendments at the meeting on the 17 May 2011 2011.

5. Outline of the main changes

- 5.1 Part 1 – Summary and Explanation
- (1) Revised Scrutiny arrangements have been put in place;
 - (2) The terms of reference of the Personnel Committee have been amended to reflect the Committee's role in reviewing and approving Health and Safety policies and procedures.
- 5.2 Part 2 – Articles of the Constitution
- (1) Revised Scrutiny arrangements have been put in place,
 - (2) The terms of reference of the Personnel Committee have been amended to reflect the Committee's role in reviewing and approving Health and Safety policies and procedures.
- 5.3 Part 10 – Budget and Policy Framework Rules of Procedure
- (1) The limits on Virement have been increased to allow greater flexibility
- 5.4 Part 11 – Financial Rules of Procedure

- (1) The Accounts and Audit Regulations have been amended to introduce new requirements that there should be an annual review of both the Council's System of Internal Control and System of Internal Audit.
- (2) The role of the Governance and Audit Committee in receiving regular reports from the Chief Internal Auditor on the outcomes of internal audit work has been included.
- (3) Changes in the way internal audit work and report on their work has been included.
- (4) The way underspends / overspends are handled at year end has been amended to reflect the latest accounting requirements.
- (5) Reference to virements has been removed, as these are no longer required. Heads of Service are expected to manage budgets to the bottom line.
- (6) Reference to contracts has largely been removed as these issues sit more effectively within the Contracts Rules of Procedure. (currently being revised)
- (7) Ordering and income collection procedures have changed due to the implementation of the Agresso system, so significant changes have been made to ensure the rules reflect these.
- (8) Changes have been made to reflect the use of the Webrisk system for insurance claims and incident reporting.

6. Conclusion

- 6.1 Given the wide ranging nature of the changes made, particularly to Part 11, the Committee are asked to review the documents as a whole, rather than to focus on changes made.

Appendices

Appendix A – Part 1 of the Constitution
Appendix B - Part 2 of the Constitution
Appendix C - Part 10 of the Constitution
Appendix D - Part 11 of the Constitution

Consultees

Local Stakeholders: Not consulted

Officers Consulted: Finance and Governance Group

Trade Union: Not consulted