

REPORT TO: Executive Board

DATE: 10th April 2008

REPORTING OFFICER: Strategic Director - Corporate and Policy

SUBJECT: Annual Review of Constitution

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to seek the approval of the Council to a number of changes to the Constitution.

2.0 RECOMMENDATION:

2.1 That Council be recommended to approve the changes to the Constitution as set out in the amended version enclosed herewith.

3.0 BACKGROUND

3.1 A revised version of the Constitution is enclosed (see disc) for Members' consideration. The revised version picks up the changes to the Council's working arrangements that have taken place during the year, as well as other changes which will hopefully assist the Council to operate more effectively.

3.2 The proposals for change have been considered by the Chief Executive and the Executive Board Member for Corporate Services in accordance with Article 16.02. Apart from the purely technical changes, the proposed amendments that are considered to be of significance are listed in Appendix 1 to this report.

4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS

4.1 Implications of the Local Government and Improvement in Health Act 2007 have been considered. However, no further amendments, over and above those already outlined in the revised version circulated, are required at the present time.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 **Children and Young People in Halton** – none.

5.2 **Employment, Learning and Skills in Halton** – none.

5.3 **A Healthy Halton** – none.

5.4 **A Safer Halton** – none.

5.5 **Halton's Urban Renewal** – none.

6.0 RISK ANALYSIS

6.1 The Council needs to ensure that its Constitution is regularly updated so that it continues to support efficient, transparent and accountable decision making by the authority.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.

Appendix 1 – Proposed Significant Changes to the Constitution

Chapter 1

- Membership of the Standards Committee has been expanded to include an additional independent representative and another Parish Council representative. This change is in accordance with a recommendation from the last meeting of the Standards Committee to deal with the new local filter requirements.
- The management structure has been amended to reflect in-year changes. (This has also been done at Chapter 7.)

Chapter 4 – Standing Orders Relating to Finance

Section 5.1 – Capital Control

There have been some amendments in this section to clarify and strengthen the arrangements in regard to overspends on capital schemes. The revisions create the following requirements:

- Virements within a programme can only be approved by the Operational Director – Financial Services (up to £250K) or Executive Board/ Executive Board Sub-Committee (>£250K).
- Strategic Directors must report to Executive Board/Executive Board Sub-Committee where the total cost of an individual scheme is forecast to overspend by 5% (subject to a minimum of £25,000). The report will explain how the overspend is to be dealt with.

Section 6.7 – Grants, Subsidies and Agency Reimbursements

This section has been strengthened by introducing two new requirements:

- All projects requiring, or in receipt of, external funding should be registered on Bidtrack, which is a database maintained by the External Funding Division. This arrangement was previously agreed by Management Team.
- Documentation held in support of external funding claims must be retained in accordance with guidance issued by the Operational Director – Financial Services or the Head of External Funding. This is to ensure that the Council has satisfactory documentation to support claims when they are reviewed by external auditors.

Section 8.2 – Ordering

The requirements in respect of receipting goods on the ledger have been tightened up. The revision makes a requirement for goods to be marked as received on the system within 24 hours of receipt. This change is intended to speed up the process of paying invoices.

Chapter 4 – Procurement Standing Orders

Glossary – definitions

Added definition of matrix – ie method by which tenders or expressions of interest are assessed.

PART 1 – INTRODUCTION (applies to all contracts)

- 1.16 Changes made to stress the importance of Operational Directors checking that this method of direct purchasing is actually permitted under the Procurement Regulations 2006.
- 1.27 Providing a link with the rules in the Finance Standing Orders.
- 1.28-1.29 Grouping references to bonds in one place – not new wording.
- 1.30 Tenders in general to be awarded on basis of the Most Economically Advantageous. Increased responsiveness to quality issues. Lowest tender not always the most advantageous. Where tenders are not the lowest, Operational Directors still have to report the circumstances to the Executive Board. Note - there is a general duty on Operational Directors to contain expenditure within approved budget.

PART 2 - Contracts of £1M plus

- 2.5(c) Allowing Operational Directors to select Tenderers to be invited to tender from national or regional approved lists other than Constructionline (principally works contracts). Extending the powers to non-works contracts.
- 2.6(c) Requiring advertising of contract opportunities to be advertised on the Council's procurement webpages on the internet. Increasing transparency and accountability. Helping comply with fundamental principles of EWU Treaties. See also 3.1 for contracts £50k-£1m.
- 2.10(d) (e) Ensuring an evidence trail to show in detail how Tenderers are selected.
- 2.10(f) Removing unnecessary administrative requirement.
- 2.14(d) Now covered by Part 1 of the Procurement Standing Orders and removing automatic default requirement for a Bond for a contract over £5M. Operational Director still required to assess risk and if bond is correct response to risk then Operational Director can specify bond.
- 2.17 Removing duplication with Finance Standing Orders.

PART 3 – Contracts £50k-£1M

3.9–3.10 Removing duplication – now covered by Part 1.

PART 4 – Contracts £0-50K

4.1 To permit Operational Directors to invite quotes or expressions of interest via Supply2.gov procurement service.

PART 6 – EU-based Procurement Rules

6.2 Reflecting changes in the law.

6.4 Reflecting new EU threshold figures.

6.15A Indicating that a wider range of procurement methods are now permitted under the Procurement Regulations 2006.

Appendix 4

- The powers and duties of the Executive Board have been extended to receive and respond to external audit reports (this is in addition to the powers of the Business Efficiency Board).
- Functions under the scrutiny of the Children and Young People Policy and Performance Board (PPB) have been extended to include the Safeguarding Board in line with discussions at the last Children and Young People PPB meeting.
- The Scheme of Delegation has been updated generally in line with Council resolutions throughout the year and to reflect any in-year changes that have occurred.

Appendix 5

- Standing Orders relating to the Conduct of Council business have been amended to reflect the opportunity for 2 Executive Board members to sit on Business Efficiency Board (NB the amendment first enables this to happen if so required).