



<b>REPORT OF:</b>	<b>DIRECTOR OF HR, LEGAL &amp; GOVERNANCE</b>
	<b>DIRECTOR OF FINANCE &amp; CUSTOMER SERVICES</b>
<b>TO:</b>	<b>COUNCIL FORUM</b>
<b>ON:</b>	<b>18<sup>th</sup> JULY 2019</b>

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**SUBJECT: CONSTITUTION & PAY POLICY UPDATE 2019/20**

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## **1. PURPOSE OF THE REPORT**

- 1.1 To advise the Council that the Constitution has been updated to reflect changes to the Portfolios and Chief Officer structure of the Council following decisions made throughout 2018/19 and at the Annual Council in May 2019.
- 1.2 To note that the Constitution has also been updated by the Monitoring Officer and Section 151 Officer (as appropriate) under their delegated responsibilities to ensure continued compliance with legislation and also where appropriate to improve clarity and ease of reference.
- 1.3 To agree specific updates to the Constitution as set out in this report.
- 1.4 To advise printed copies of the Constitution (with proposed changes tracked) are available in the main Group rooms following publication of this Agenda.
- 1.5 To advise that the Pay Policy 2019/20 has now been updated to include Trades Union Facility Time information.
- 1.6 To advise that the proposed updated Constitution and Pay Policy Documents will be published and publicly available on the Council's website following this meeting subject to the approval of the Council.

## **2. RECOMMENDATIONS**

The Council is asked to:

- I. Approve the revised Council Constitution from July 2019 for adoption and publication on the Council's website.
- II. Note the update to the Pay Policy for 2019/20 for publication on the Council's website.

## **3. CONSTITUTION UPDATE**

The Constitution was last updated in May 2018.

The Constitution is a key document setting out the governance framework of the Council. From time to time the constitution needs to be updated to reflect changes in legislation, resolutions passed by Council, portfolio changes made by the Leader, and changes made to the Council management structure and delegations.

The Monitoring Officer has also reviewed and updated generally the Constitution to ensure continued compliance with legislation and the opportunity has also been taken to generally update presentation and provide clarity as appropriate. The Section 151 Officer has similarly also updated Section 6 - Code of Corporate Governance, Section 7- the Financial Procedure rules and Section 8 - Contract and Procurement Procedure rules to provide improved clarity and explanation as appropriate and updated approval values/arrangements as set out below.

The main changes/updates proposed are summarised as followed:

### **PART 3**

- **Section 3 Planning and Highways Committee**  
Clarification of the application of responsibilities regarding the issue of enforcement notices, stop notices, planning contravention notices breach of condition notices, building preservation notices, any other subsequent actions under Part VII or the Town and Country planning Act 1990 (or equivalent replacement or re-enactment) including section 178 of that Act and to authorise applications for injunctions in respect of breaches of planning control and listed buildings.
- **Section 9 Audit & Governance Committee**  
Confirmed reporting arrangements through to Full Council.
- **Section 10 Advisory & Consultative Groups**  
Confirmed Local Joint Consultative Committee arrangements.
- **Section 12 Other Committees of the Council**  
Updated to reflect the model disciplinary procedure and guidance produced by the LGA and ALACE through the JNC for Chief Executives and the merger of the Chief Executive Employment Committee and the Chief Officer Employment Committee into one new Committee.
- **Section 15 (and throughout) Portfolios for Executive Members**  
Updated to reflect the revised portfolios and executive members' responsibilities.
- **Section 16 (and throughout) Officer Scheme of Delegation**  
Updated to reflect changes made to the council management structure and updated delegations, including responsibilities for issuing of legal notices, and application of latest legislation.
- **Section 17 Proper Officer Provisions**  
Updated to reflect changes made to the council management structure and updated delegations.

### **PART 4**

- **Section 1 Council Procedure Rules**  
Introduction of flow chart to reflect process for handling motions.
- **Section 7 Financial Procedure Rules**  
As part of our continuous review of financial processes and procedures, improvements have been identified to provide more clarity to Officers and Members around the approvals and reporting requirements, with regard to incurring expenditure and entering into contracts, over and above those approvals given at Finance Council each year in respect of both the revenue budget and the capital programme. The table below summarises the approvals and reporting requirements contained within the revised Constitution's narrative in respect of this as follows;

**TABLE 1 – Budget Approval Reporting Requirements – Revenue and Capital**

<b>BUDGET APPROVAL REPORTING REQUIREMENTS</b>				
	<b>&lt;£5,000</b>	<b>£5,001 – £80,000</b>	<b>£80,001 – £250,000</b>	<b>&gt;£250,000</b>
<p><b>REVENUE</b></p> <p>Where Budget Approval has been obtained at Finance Council, and therefore budget provision is already included for the expenditure/income within the respective portfolio budget;</p> <p>In-Year budget increases must be subject to preparation of a detailed and fully costed business case that is reviewed, approved and decisions published;</p> <p>Increases in fees and charges for public services to be applied (usually with effect from 1<sup>st</sup> January each year), where the this will generate an increase in income;</p>	<p>N/A</p> <p>Approval by the Chief Officer - Informal Chief Officer Decision requiring notification by the relevant Chief Officer to the Director of Finance and Customer Services</p> <p>Chief Officer Decision Report, in consultation with the relevant portfolio Executive Member</p>	<p>N/A</p> <p>Approval by the Chief Officer – published Chief Officer Decision Report required, in consultation with the Director of Finance and Customer Services</p> <p>Chief Officer Decision Report in consultation with the relevant portfolio Executive Member</p>	<p>N/A</p> <p>Approval by the Executive Member – published Executive Member Decision Report, in consultation with the Executive Member for Finance and Resources and the Director of Finance and Customer Services (Re Property see up Para G5 Financial regulations – i.e. £500K)</p> <p>Executive Member Decision Report</p>	<p>N/A</p> <p>Approval by the Executive Board Decision Report (Key Decision), in consultation with the Executive Member for Finance and Governance (Re Property see up Para G5 Financial regulations – i.e. £500K)</p> <p>Executive Board Decision Report</p>
<p><b>All of the above will be reported to the Executive Board in the Corporate Revenue Monitoring Report following the decision</b></p>				
<p><b>Where the decision above will lead to procurement of goods/services, the published decision report should refer to the procurement route (see below) and state who will make the decision to award the contract.</b></p>				

	<£25,000	£25,001 – £80,000	£80,001 – £250,000	>£250,000
<p><b>CAPITAL</b> (£10k de minimus limit for classification as capital) Where budget provision for the project/scheme has been included within the Capital Programme approved at Finance Council</p>	N/A	N/A	N/A	N/A
<p>For requests for new projects/schemes to be added to the Capital Programme during the financial year, detailed and fully costed business cases must be prepared that are reviewed and approved as follows; (Note - Approval from the Exec Member for Digital and Customer Services is required for schemes funded from the Corporate IT Capital Reserve and from the Exec Member Finance and Resources if funded from the Corporate Property and Accommodation Reserve)</p>	Approval by the Chief Officer – published Chief Officer Decision Report in consultation with Director of Finance and Customer Services	Approval by the Chief Officer – published Chief Officer Decision Report, in consultation with Executive Member for Finance and Governance and Director of Finance and Customer Services	Approval by the Executive Member – published Executive Member Decision Report, in consultation with Executive Member for Finance and Governance and Director of Finance and Customer Services	Executive Board Decision Report, in consultation with the Executive Member for Finance and Governance
<p>For increases to the capital budget for existing projects/schemes within the capital programme (Note – Approval required if funding is required from Corporate IT Capital Reserve and Corporate Property and Accommodation Reserve as above)</p>	Approval by the Chief Officer - Informal Chief Officer Decision requiring notification by the relevant Chief Officer to the Director of Finance and Customer Services	Approval by the Chief Officer – published Chief Officer Decision Report required, in consultation with the Director of Finance and Customer Services	Approval by the Executive Member – published Executive Member Decision Report, in consultation with the Executive Member for Finance and Resources and the Director of Finance and Customer Services	Approval by the Executive Board Decision Report (Key Decision), in consultation with the Executive Member for Finance and Governance
<p>All of the above will be reported to the Executive Board in the Corporate Capital Monitoring Report following the decision As for Revenue, the published decision report should refer to the procurement route (see below) and state who will make the decision to award the contract (Officer, Exec Member, Exec Board)).</p>				

- **Section 8 Contracts and Procurement Procedure Rules**

As in Section 7 above, part of our continuous review of financial processes and procedures, improvements have been identified to provide more clarity to Officers and Members around the

approvals and reporting requirements, with regard to incurring expenditure and entering into contracts, over and above those approvals given at Finance Council each year in respect of both the revenue budget and the capital programme. The table below summarises the approvals and reporting requirements contained within the revised Constitution's narrative in respect of this as follows;

**TABLE 2 – Procurement and Contracting Approval and Reporting Requirements**

<b>PROCUREMENT AND CONTRACTING APPROVAL LEVELS</b> (applicable to expenditure included in the Budget and Capital Programme approved by Finance Council AND any subsequent in-year budget variations)					
<p>Any officer wishing to procure goods, services or works that will have a Purchase Order or Contract value of <b>over £80,000 MUST AGREE</b> with the Procurement Lead (which means Service Lead (or their designated deputy) within the Procurement and Contracting Team (Resources and Place portfolios) or Head of Service (or their designated deputy) within the Strategic Commissioning Team (People based portfolios)) <b>PRIOR</b> to beginning the procurement process to determine the procurement and contracting strategy, and the route to procurement to be followed.</p> <p>The 'value' of a contract is the estimated total monetary value over the full duration of the contract, including any extension options, (i.e. <b>it is not</b> the annual value of the contract). Where the duration of a contract is indeterminate, this should be the estimated value of the contract over a period of 4 years.</p>					
	< £500	£501 - £5,000	£5,001 - £80,000	£80,001 – £250,000*	> £250,000*
Procurement Route	Budget holder to ensure value for money is obtained.  Corporate Contracts must be used where available.  Framework agreement may also be used.	Budget holder to ensure value for money - at least one written quotation must be obtained, <b>before</b> a Purchase Order is issued specifying the supplies, services or works to be purchased and setting out the prices and payment terms of payment.  Corporate Contracts must be used where available.  A framework agreement may also be used.	Budget holder to ensure value for money - at least three quotations invited through the Chest (unless otherwise agreed by the Procurement Lead, <b>before</b> a Purchase Order or contract is issued. If only one quote is received, an Officer must seek further quotations or obtain an Exemption from the Rules (Section 8 Contract and Procurement Procedure Rules 13.) If there are known capable local providers, they <b>MUST</b> be invited to quote. Corporate Contracts must be used where available. A framework agreement may also be used.	The procedure must be determined <b>prior</b> to commencing the procurement and must be one of the following; <ul style="list-style-type: none"> <li>• Quotations via the Chest (up to £100k)</li> <li>• Open Procedure</li> <li>• Restricted Procedure</li> <li>• Framework arrangement</li> <li>• Such other procedures as approved by the Procurement Lead</li> </ul> If above EU thresholds (see below) the process must comply with Public Contracts Regulations 2015.	The procedure must be determined <b>prior</b> to commencing the procurement and must be one of the following; <ul style="list-style-type: none"> <li>• Open Procedure</li> <li>• Restricted Procedure</li> <li>• Framework arrangement</li> <li>• Such other procedures as approved by the Procurement Lead</li> </ul> If above EU thresholds (see below) the process must comply with Public Contracts Regulations 2015.
	< £500	£501 - £5,000	£5,001 - £80,000	£80,001 – £250,000*	> £250,000*
Contract Award	Informal Officer Decision	Informal Officer Decision	Informal Officer Decision	Published Officer Decision	Published Officer Decision unless the relevant Executive

<i>(these are minimum requirements and as such, the Procurement Lead may advise that due to the sensitivity of the good/services/works being procure, that a published Officer Decision, or an Executive Member Decision or an Executive Board Decision is required)</i>					Member has requested that they award the decision
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**Note** – the Contract values above which procedures governed by the EU Directives apply, effective from 1<sup>st</sup> January 2018, are as follows;

For supplies and services (including goods and consultancy services) except for services subject to Light Touch Regime:	£181,302
For works:	£4,551,413
For Light Touch Regime Services:	£615,278

- **Section 9 Officer Employment procedure rules**

Updated to reflect the model disciplinary procedure and guidance produced by the LGA and ALACE through the JNC for Chief Executives, and confirmation of role of Chief Executive & Chief Officer Employment Committee.

**PART 5**

- **Protocol on Member to Member relations**

Updated to include new protocol as previously agreed at Policy Council in December 2018.

**PART 6**

- **Members Allowance Scheme**

Updated to apply annual increase in accordance with para 5.2 of the scheme as agreed by Council Forum in May 2018.

**PART 8**

- **Council Staff Structure**

Update to Council's Management Structure.

## **4. PAY POLICY UPDATE**

At their meeting on 25<sup>th</sup> February 2019 the Finance Council approved the 2019/20 Pay policy. However, at that time the full year information for trades union facilities time (2018/19 financial year) was not available. The Pay policy for 2019/20 has now been updated to include this information. The Pay Policy is published on the council's website.

## **5. POLICY IMPLICATIONS**

Constitutions set out the governance framework for local authorities, which provide the foundations for any local authority that aspires to be effective, progressive and successful.

The Pay Policy is revised annually by Finance Council in accordance with Section 38 of the

## **6. FINANCIAL IMPLICATIONS**

None

## **7. LEGAL IMPLICATIONS**

The Local Government Act 2000 requires local authorities to prepare, keep up-to-date and publicise their constitution.

The Pay Policy Statement details the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011

## **8. RESOURCE IMPLICATIONS**

None

## **9. EQUALITY IMPLICATIONS**

The constitution update reflects changes in legislation. It also reflects various resolutions passed at Council, which would have been subject to an equality assessment, if any.

## **10. CONSULTATIONS**

Council Chief/Senior Officers and Members

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Date: 9<sup>th</sup> July 2019

Background Papers: Policy Council 2018  
Finance Council 2019  
Annual Council 2019