



Council 8 November 2017

Further Changes to the Council's Constitution

Purpose of report

Following the Monitoring Officer's annual review, this report proposes changes to the Council's Constitution additional to those noted in the minutes from the September Governance and Audit Committee meeting. These proposed changes relate to Part 4.3 (Financial Regulations) and are intended to reduce the need to refer back to full Council for minor changes between Development Pool and Capital Programme.

1.0 Background

- 1.1 The Monitoring Officer has a responsibility to regularly review the Constitution in the light of the changing context in which the council operates, including changes in legislation. A range of proposed changes was presented to the Governance and Audit Committee in September. The majority were recommended for approval by Council by the Committee.
- 1.2 However, due to the late postal delivery of the papers, the Chairman wished to consult the Chairman of the Finance Sub-Committee before the proposed changes to Parts 4.3 and 4.6 (Procurement) were recommended to Council. This has now been undertaken and, in accordance with the delegation from Governance and Audit Committee, those changes are now presented for approval

2.0 Proposed Changes

- 2.1 The following change is proposed to paragraph 2.4 of Part 4.3 (Financial Rules) in order to reduce the need to refer to Council for minor changes in or between Development Pool and Capital Programme lines
- 2.4. No changes **which result in any additional net expenditure being incurred** may be made to any plans, policies or strategies which make up the budget and policy framework by the policy committee or officer without reference to the full Council (except as outlined in the Virement ~~and~~ **or** Urgency procedures or if the changes are within the agreed Development Pool part of the Capital Programme).
- 2.2 Further minor changes to Part 4.3 are recommended by the CFO to improve clarity and reflect current practice as following:

Reserves

- 4.3.1 The number, type and level of earmarked reserves will be reviewed at least annually to take into account the risks faced by the council. **The level of ear-marked reserves will then be approved by full Council annually** as part of the budget setting process. Use of earmarked reserves, **including authorisation of expenditure**, will be approved by the Chief Finance Officer.
- 4.32 The ~~Council Improvement Reserve is to~~ **Delivering the Corporate Plan Reserve and the Projects & Other Investment Opportunities Reserve** provide for the investment the council requires to deliver transformation projects. The use of these reserves will be on strict criteria linked to a business case and will require sign off by the Chief Finance Officer and Finance Sub Committee.

Scheme of virement

New 5.13 (and subsequent renumbering.)

5.13 The scheme of virement does not apply to reserves created or enhanced utilising underspends identified in the draft out-turn each year (which are agreed by Policy and Resources Committee under their terms of reference)

2.3 Finally, it is proposed to make changes to Part 4.6 – Procurement Rules as follows to improve clarity and ensure consistency of responsibility:

17.10 The officer responsible for signing the contract must have been granted the appropriate authority (see Appendix F) and ensure that the person signing for the other contracting party has the authority to bind it.

Appendix F

Table to be changed as follows

VALUE	METHOD OF COMPLETION	BY
Up to £10,000 (See paragraphs 11.1-11.5)	Signature Use of Purchase Order, or Written Contract for complex requirements	Officer with appropriate authority to enter into a contract. (see paragraph 17.9 10)
Over £10,000 and up to £50,000 (See paragraphs 11.6-11.10)	Signature Use of Purchase Order with specification attached or Written Contract for complex requirements (see paragraph 17.1)	Head of Service (see paragraph 17.9) Finance Manager (as Deputy CFO)
Over £50,000 and up to £250,000 (see paragraphs 11.11-11.19)	Signature on Written Contract (see paragraphs 17.2-17.6)	Head of Service (see paragraph 17.9) Finance Manager (as Deputy CFO)
Over £250,000 and up to £1,000,000 (see paragraphs 11.11-11.19)	Signature on Written Contract (see paragraphs 17.2-17.6)	Chief Executive, and Executive Director and Chief Finance Officer (see paragraph 17.9)
Over £1,000,000 (see paragraphs 11.11-11.19)	Signature on Written Contract (see paragraphs 17.2-17.6)	Chief Executive, and Executive Director and Chief Finance Officer , in consultation with Chair of Policy & Resources (see paragraphs 17.3 and 17.9)

3.0 Equality and diversity issues

3.1 There are no known negative equality and diversity issues arising from this paper.

4.0 Legal implications

4.1 There are no known legal implications arising from the changes proposed in this report.

5.0 Risk management

5.1 There are no known new risks arising from these proposals.

6.0 Resource and Financial implications

6.1 There are no known additional financial implications arising from this report.

7.0 Constitutional Implications

7.1 The proposed change to the Constitution will take effect immediately after the Council if approval is given.

8.0 Customer Service Implications

8.1 There are no specific customer services implications arising from this report.

9.0 Corporate outcomes

9.1 The work reported here contributes to the Corporate Outcome of Effective Management.

10.0 Recommendation

10.1 Council is requested to approve that the Constitution be amended, as set out in section 2.

(Reason: to ensure that the Constitution continues to provide appropriate guidance on council decision making)

Legal	Power: Localism Act 2011				
	Other considerations:				
Background Papers:					
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Date: 24/10/17					
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