



Annual Council

8 May 2017

Subject: Annual Review of the Constitution

Report by:

Monitoring Officer

Contact Officer:

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Purpose / Summary:

The purpose of the report is to recommend to Council the proposed amendments to the Constitution, following consideration by the Governance and Audit Committee at its meeting on 18 April 2017.

RECOMMENDATION(S):

- (a) That Members note the outcome of the annual review.**
- (b) That the amendments detailed in paragraphs 2.6 to 2.13, and at Appendices 1 and 3 of the report, and the revised Constitution chapters as appended (Appendices 4-6) be approved for immediate implementation.**
- (c) That the amendments detailed at Appendix 2 of the report, as already approved by Council/Committee, be noted.**
- (d) That the Challenge and Improvement Committee new section on Oversight Commissioning and the Operating Methodology as set out in paragraph 2.10 and Appendix 7 be approved for inclusion.**
- (e) That the review of Planning Protocols as recommended to Council by the Governance and Audit Committee as set out in paragraph 2.11 and Appendix 8, be approved.**
- (f) Given the Council's increased Commercial activity it is suggested that the Constitution contain a separate section to deal specifically with the Council's Trading Companies, this to be compiled and developed for presentation within the Annual Review in 2018.**

IMPLICATIONS

Legal: The Council is required by law to prepare, and keep up to date, the Constitution.

Financial: FIN 4-18 Costs to be met from existing budgets

There are only very limited financial implications as a result of making amendments to the constitution, these costs can be met from existing budgets. These relate to the resources needed to make changes to electronic records and to the limited printing costs of producing amended pages for paper copies of the Constitution.

Staffing: The Constitution sets out the manner in which staffing matters should be dealt with.

Equality and Diversity including Human Rights : None arising from this report.

Risk Assessment: Failure to amend the constitution to reflect changes could lead to a risk of legal challenge and reputational risk for the Council.

Climate Related Risks and Opportunities : None arising from this report.

Title and Location of any Background Papers used in the preparation of this report:

Accessed through WLDC website "[Meetings, agendas, minutes and reports](#)"

[Constitution of the Council | West Lindsey](#)

[Local Authorities \(Standing Orders\) \(England\) \(Amendment\) Regulations 2015](#)

[Localism Act 2011](#)

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1 Introduction

- 1.1 The Council is required by law to prepare and keep up to date a Constitution which explains how the Council operates, how decisions are made and the procedures which are to be followed to ensure that these are efficient, transparent and accountable to local people.
- 1.2 Article 14 of the Constitution stipulates how such a review should be conducted namely:
 - a) by observing meetings of different parts of the Member and officer structure;
 - b) by undertaking an audit trail of a sample of decisions
 - c) by recording and analysing issues raised with Monitoring Officer by Members, officers, the public and other stakeholders; and
 - d) by comparing practices in this authority with those in comparable authorities, or national examples of best practice.
- 1.3 As a comprehensive review of the Constitution was undertaken in 2011 and in light of a number of mid-year changes having being made, a number of amendments are being proposed as detailed at Section 2 and appendices 1 and 3 of the report.
- 1.4 Several minor changes have been made throughout Parts III, IV and V, hence the inclusion of those revised chapters with those changes tracked, appended to the report.
- 1.5 The Constitution Review submitted to Annual Council in 2016 approved that the Monitoring Officer in consultation with the Chairman of the Governance and Audit Committee be granted delegated authority to make any required housekeeping amendments to relevant sections of the Constitution, and also that the Governance and Audit Committee be delegated to make any changes to the Financial and Contract Procedure Rules between Annual Councils.

2. Proposed Amendments

- 2.1 In line with a duty to annually review the Constitution, and having undertaken the process set out above, the following additions/amendments are proposed to come into immediate effect.
- 2.2 The table at Appendix 1 sets out the main proposed amendments for consideration along with the rationale for each.
- 2.3 The table at Appendix 2 sets out those amendments agreed by Council/Committee during the year, for noting.
- 2.4 The table at Appendix 3 sets out those amendments proposed to the Financial Procedure Rules and Contract Procedure Rules.

2.5 Appendix 4 comprises Part III of the Constitution in which the **Local Code of Governance** has been replaced according to CIPFA guidance.

2.5.1 CIPFA had previously set out six principles of good governance which were:

1. Engaging with local people and other stakeholders to ensure robust public accountability.
2. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
3. Members and officers working together to achieve a common purpose, with clearly defined functions and roles.
4. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of behaviour and conduct.
5. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.
6. Developing the capacity and capability of members and officers to be effective.

2.5.2 CIPFA (2016) has now detailed seven principles of good governance as set out:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capability including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency reporting and audit to deliver effective accountability.

2.5.3 Principles one and two, permeate implementation of principles three to seven. Good governance is dynamic in nature and the Council as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

As part of the review of the Council's Local Code of Corporate Governance, an assessment has been made of the behaviours and actions we have in place to demonstrate good governance in practice.

2.6 **Minutes of Committee Meetings.** The Constitution Part V Rules of Procedure page 2 currently states that the agenda of an ordinary

meeting of the Council includes the minutes of all Committee meetings that have been previously circulated since the previous meeting.

2.6.1 It is suggested that this requirement is an outdated practice. Research amongst other authorities shows that few other Councils now include this with their agendas. Since becoming paperless, all Councillors receive all minutes of committees by email as soon as they are published, and all documents are available in perpetuity on the Council's website. Therefore in the interests of cost and efficiency it is recommended that this practice cease.

Remove

~~l) receive the minutes of committees which have been previously circulated~~

2.7 It is recommended that the Director of Resources be delegated to authorise short term **cashflow loans to subsidiary companies** to a maximum of £25k (in line with financial procedure rules).

2.7.1 Add to Part IV page 29 under Director of Resources, Responsibility for Functions:-

To authorise short term cashflow loans to subsidiary companies to a maximum of £25k.

2.8 **Calling of Meetings.** The Chief Executive currently has the authority in the event of insufficient business or other unforeseen circumstances to cancel a meeting of the Council, a committee, sub-committee etc.

2.8.1 It is suggested that where the amount of business dictates, and where the matters are not urgent to warrant extraordinary meetings, the Chief Executive's authority be extended to allow for further meetings to be held, in addition to those set out in the timetable.

2.8.2 Add to Part IV, page 26, para 10

In the event of insufficient business to warrant calling a meeting or other unforeseen circumstance, to cancel or postpone a meeting of the Council, a committee, sub-committee etc. **or, where business dictates that a meeting, not already set out in the timetable, be required to be held, that meeting be called, in consultation with the relevant Chairman.**

2.8.3 Add Part IV, page 26, para 11

In the interest of avoiding 'double handling' by Committees and to speed up the implementation of decisions, the Chief Executive, in consultation with the Chairmen of the Prosperous Communities, Corporate Policy and Resources, and Challenge and Improvement Committees, be given the authority to submit an item of business directly to full Council for consideration.

2.9 **Licensing and Regulatory Committee**

2.9.1 Legal advice has been received which suggests that Licensing and Regulatory functions should be carried out by two separate Committees of the Council, and hearings for the two separate functions continue to be heard by the existing Sub-Committees, each with a different 'parent'.

2.9.2 Therefore it is proposed that there be established:-

- a) a Licensing Act 2003 Committee to deal with alcohol, entertainment, late night refreshment and gambling matters including the initial formation of policies etc.; with
 - a Licensing Act 2003 Sub-Committee to hear any applications in relation to the above, as per Appendix 1 Delegation of Functions contained within Licensing Act 2003 Statement of Policy and Appendix 1 Proposed Scheme of Delegations contained within the Gambling Act 2005 Statement of Principles.

- b) a Regulatory Committee to deal with taxis, zoos, sex shops, animal breeding, boarding, skin piercing, scrap metal, caravan sites (insert complete list) including the initial formation of policies etc.; with
 - a Regulatory Sub-Committee to hear all applications not delegated to officers including the review of any licences

2.9.3 It is recommended that the two parent committees comprise the same (12) Members, with the same Chairman and Vice Chairman, and the timetable be organised with the four scheduled meetings as currently set, and these be available for either Committee. If business dictates that both Committees were required to sit, these could be run consecutively on the same date.

It is recommended that each of the Sub-Committees comprise three Members (plus one reserve) drawn from the parent Committee, as is currently the practice for the Licensing Sub-Committee. The two Sub-Committees would be convened as and when required, as per current practice.

The Revised Terms of Reference from Part IV of the Constitution are set out at Appendix 5.

2.10 **Challenge and Improvement Oversight Commissions.** The additional text below to be incorporated into paragraph 16, page 29, Part V, Rules of Procedure, within the Constitution, as set out in Appendix 6.

16. Part of the role of the Challenge and Improvement Committee is to provide support to the two policy committees by holding commissions on specific areas as requested by those committees.

To commence a commission: -

- the Prosperous Communities Committee and/or the Corporate Policy and Resources Committee will agree the purpose, scope and terms of reference of a commission and make a formal request via the Chair of Challenge and Improvement (by formal report) that a commission is established to investigate in detail a particular issue from a national, regional, sub-regional and local perspective.
- The proposed report and terms of reference for a commission should be agreed with the Chair of Challenge and Improvement Committee prior to being submitted to the commissioning policy committee for agreement.'
- In undertaking such a commission, the Challenge and Improvement Committee may hold inquiries and investigate options for future direction in policy development. They may appoint advisers and assessors to assist in this process. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address it on any matter under consideration and may pay to any advisers, assessors and witnesses a reasonable fee and expenses for doing so, as specified in the Constitutional operating procedures.
- if a budget is required this will need to be agreed by the commissioning Committee.
- The Challenge and Improvement Committee will report back their findings to the Commissioning Policy Committee.

2.10.1 A footnote be added to the Terms of Reference page for Challenge and Improvement Committee to say the committee has a full operating procedure. The operating procedure to be included as an appendix to the constitution (attached to this report as Appendix 7).

2.11 Planning Protocols

2.11.1 The Governance and Audit Committee, at its meeting on 14 March 2017, gave consideration to a review of Planning Protocols and Delegations. The ensuing minute is set out below.

77 REVIEW OF PLANNING PROTOCOLS AND DELEGATIONS (GA.55 16/17)

Consideration was given to a report which set out proposed revisions to the current protocols and Scheme of Delegation relating to the operation of the Planning Committee, for subsequent approval by Full Council.

This work had been undertaken following a formal request by the Governance and Audit Committee at their meeting on 17 January 2017 and a commitment given at Annual Council in May 2016. Members of both the Governance and Audit Committee and the Planning Committee had been engaged via a workshop.

The purpose of the workshop had been to explore the current arrangements and to discuss where potential amendments were needed, to either;

- a) capture any working practices that were not currently set out within either the Council's Constitution or within existing Protocols, and;
- b) identify any parts of the Constitution or Protocols that needed to be reviewed to bring them up-to-date since the last comprehensive review was undertaken in 2011.

A Summary of proposed changes to the 'Local Code of Conduct for Councillors and Officers dealing with Planning Matters' protocol was detailed in Table 1 (Section 3.3 of the report).

A summary of the recommended additions to the guidance 'Public Participation at Planning Committee Meetings' was detailed in Table 2 (Section 4.5 of the report)

The report also recommended a Constitutional Amendment to the Scheme of Delegation, to reflect the introduction of Neighbourhood Plans (at either an official draft stage or "made" as a consideration.

Debate ensued and in response to a question from the Visiting Member, it was confirmed that paragraph 6.5 of the Local Code of Conduct for Councillors and Officers dealing with Planning Matters, did not refer or relate to Neighbourhood Plans.

Regarding public participation dual hatters, would not be permitted additional time and would need to make the capacity in which they were attending clear at registration.

The External Auditor suggested that any references to the Audit Commission within the document should be amended in light of the organisation's demise.

On that basis it was

RESOLVED to RECOMMEND TO COUNCIL that the updates and revisions to the protocols for operation of the Planning Committee (including revisions to the delegation

arrangements set out in the Constitution) set out in in report GA.55 16/17 be approved, including:

- a) The two additions to the Local 'Code of Conduct' Protocol, set out in paragraph 3.3 of the report, to add clarity to the role of Members in certain planning appeals and to reflect Member involvement in pre-application advice.
- b) The five recommended additions to the 'Public participation at Planning Committee Meetings' protocol, as set out in paragraph 4.5 of the report. These propose setting a maximum time limit for all speakers at Planning Committee of five minutes, a requirement for all speakers to follow the same process for registering in advance to speak, and to make clear in what capacity a visiting member is speaking (Parish Councillor (or on behalf of the Parish Council), Ward Member or County Councillor).
- c) The proposed addition to the Council's Constitution to take account of any conflicts with draft and made (adopted) Neighbourhood Plans in determining planning applications, as set out at paragraph 3.7 of the report.

2.11.2 The report and its appendices are attached to this report at Appendix 8.

2.12 The **Challenge and Improvement Operating Methodology** (as requested to be included in the review at Annual Council 2016) is appended to the report at Appendix 7.

2.13 The **Governance Review** (as requested to be included in the review at Annual Council 2016) is the subject of a separate report on the Annual Council agenda. However this does recommend two changes to the Constitution at paragraph 5.3 of the report.

2.13.1 "5.3 Changes to the Constitution within the current governance model will where possible be used to deliver the priorities established during this work. This will include:

- Clarity on the ability to call additional meetings where business makes it necessary: and
- Clarity on the ability to take some decisions directly to full Council to avoid double handling and to speed up implementation."

These matters are included above in paragraph 2.8.

3. Recommendations

- (a) That Members note the outcome of the annual review.
- (b) That the amendments detailed in paragraphs 2.6 to 2.9, and at Appendix 1 of the report, and the revised Constitution chapters as appended (Appendices 3-6) be approved for immediate implementation.
- (c) That the amendments detailed at Appendix 2 of the report, as already approved by Council/Committee, be noted.
- (d) That the Challenge and Improvement Committee new section on Oversight Commissioning as set out in paragraph 2.10 and Appendices 6 and 7 be approved for inclusion.
- (e) That the review of Planning Protocols as recommended to Council by the Governance and Audit Committee as set out in paragraph 2.11 and Appendix 8, be approved.

List of Appendices

- 1 Table of proposed minor amendments
- 2 Amendments already agreed in-year
- 3 Financial and Contract Procedure Rules amendments
- 4 Part III Codes and Protocols
- 5 Part IV Responsibility for Functions
- 6 Part V Rules of Procedure
- 7 Challenge and Improvement Operating Methodology
- 8 Planning Protocols
- 9 Part VII Management Structure

Ref	Section /Page Ref	Amendment required	Reason for Amendment
1	Part III para 15.1	<p>Additional wording</p> <p>Relations with the media need to be handled with care to ensure the Council's position on any issue is represented properly. Day to day contact with the press and media will normally be handled by the Communications Team, together with the appropriate Committee Chairman, Leader and relevant officers, and where appropriate, the relevant Ward Member.</p>	To ensure local Member involvement
2	Part III Pages 17-23	Replace Local Code of Governance with revised version attached at Appendix 3	CIPFA (2016) revised principles of good governance as set out in the report.
3	Part IV page 1 para 1	<p>Add to Council functions under budgetary and policy framework list</p> <ul style="list-style-type: none"> • Pay Policy Statement 	Financial Services Manager advice
4	Part IV Page 10	Amend i) Scrap Yard Registrations to Scrap Metal Licences (2013 Act)	Updated legislation

Ref	Section /Page Ref	Amendment required	Reason for Amendment
5	Part IV pages 27 and 29	<p>Remove any references to Mortgages as the Council does not have any</p> <ul style="list-style-type: none"> • To accept interest only payments in respect of outstanding mortgage loans where not to do so would cause undue hardship; such arrangements to run for a period of one year at a time, until the property is sold or until the mortgagor is no longer in receipt of income support benefit, whichever is the sooner • To agree Building Society variations to mortgage of property subject to “Right to Buy” provisions. • To postpone the discount charge for all organisations specified by Section 156 of the Housing Act 1985 and any other financial organisation where the mortgagor account has not been conducted satisfactory. <p>(Limits on delegation: Following consultation with the Chairman or Vice-Chairman of the Prosperous Communities Committee).</p> <ul style="list-style-type: none"> • To approve the transfer of mortgaged property in circumstances covered by the exempt provisions of the Housing Act 1985 or as a result of family circumstances. 	Financial Services Manager advice
6	Part IV Page 25	<p>Chief Executive</p> <p>1. To exercise overall responsibility for corporate management and operational issues within existing budgets</p>	Additional wording requested by Financial Services Manager

Ref	Section /Page Ref	Amendment required	Reason for Amendment
7	Part IV Pages 27-41	A number of revisions have been made to the roles and responsibilities at Director level (as set out in appendix 5)	To accommodate the recent changes in management.
8	Part IV pages 30-32	Amend Food Hygiene (England) Regulations 2006 2013 The Official Feed and Food Control (England) Regulations 2005 2009 Food and Environmental Protection Act 1985 Add Food Information Regulations 2014 Sunbeds (Regulation) Act 2010 Anti-social Behaviour Act 2003 To be removed Water Act 1989	Updated legislation
9	Part IV pages 30-32	To be included Local Land charges Act 1975 Land Charges Rules 1977 Breeding of Dogs Act 1991 Breeding and Sale of Dogs (Welfare Act) 1999 Christmas Day (Trading) Act 2004 Remove Rag Flock and Filling Act 1951 Motor Salvage Operator Regulations 2002 Dogs Fouling of Land 1996	Licensing Team Manager advice
10	Part IV pages 30-31	To be included	As advised by Lincs Legal Services

Ref	Section /Page Ref	Amendment required	Reason for Amendment
		<p>House to House Collections Act 1939 National Assistance Acts 1948 and 1951 Hypnotism Act 1952 Scrap Metal Dealers Act 2013 Riding Establishments Acts 1964 & 1970 Dangerous Dogs Act 1991 Noise and Statutory Nuisance Act 1993 Police Reform Act 2002</p> <p>Remove</p> <p>Local Government Act 1972 s101 Small society lotteries</p>	
11	<p>Part IV Page 3 Para 6</p> <p>Pages 27-29</p> <p>Pages 42-53</p>	<p>add “Information Assurance” to the bulleted list.</p> <p>(Director of Resources) – add “To carry out the role of Senior Information Risk Owner (SIRO) in accordance with Local Public Services Data Handling Guidelines (Fourth Edition (Revised)), sign Information Sharing Agreements, and determine and respond to requests under the Data protection Act 1998”.</p> <p>Scheme of Management – Corporate Delegations: Sect 11 (Authorisations)</p> <p>Add, (and limit to CE/Directors and CFO)</p> <p>Certified Compliance</p> <ul style="list-style-type: none"> • PCI-DSS • PSN • Plus any other information governance standards as 	<p>Recommended by the Information Governance Officer</p>

Ref	Section /Page Ref	Amendment required	Reason for Amendment
		may be announced in due course	
12	Part IV Page 28	<p>• To reduce sundry debts to a nominal figure for cases subject to bankruptcy, liquidation or administration order proceedings</p> <p>Amend to:</p> <ul style="list-style-type: none"> • To write down sundry debts for cases subject to bankruptcy, liquidation or administration order proceedings <p>• To write down Non-Domestic Rate and Council Tax outstanding to a nominal value of £11 in respect of each arrears case which is subject to formal bankruptcy or liquidation claims.</p> <p>Amend to:</p> <ul style="list-style-type: none"> • To write down Non-Domestic Rate and Council Tax outstanding in respect of each arrears case which is subject to formal bankruptcy or liquidation claims. <p>Add:</p> <ul style="list-style-type: none"> • To authorise applications for national non-domestic rate relief up to £5,000 on hardship grounds in accordance with Section 49 of the LGFA 1988 and the Council's approved criteria. • To determine applications for national non-domestic rate discretionary relief in accordance with Section 47 of the LGFA 1988 and where the application accords with the Council's approved policy framework. • To determine applications, in accordance with the Local Government Finance Act 1992 as amended by the Local 	Email from Revenues Team Manager

Ref	Section /Page Ref	Amendment required	Reason for Amendment
		Government Finance Act 2003 Section 76, for Council Tax Section 13A Discretionary Relief .	
13	Part V page 1, para 1.3 d	Receive nominations of Councillors to serve on each Committee and Outside Body (where vacancies exist).	Clarification
14	Part V Page 6	Questions (to Council) 9.6 Supplemental Question A questioner will be allowed to ask one brief, relevant supplemental question after the reply to the original question at the Chairman's discretion.	Clarification
15	Part IV Page 17	Chief Officer Employment Rules Independent Disciplinary Panel Para 3 Add new c The role of the Panel is to commission an impartial individual with the right skills and expertise to carry out an investigation.	HR and OD Team Manager
16	Part IV Various pages	Those Committees where training is required to be undertaken, suggested wording Any Member wishing to serve or substitute on this Sub/Committee must have undertaken such training as deemed appropriate by the Monitoring Officer, and as a minimum, within the previous two years of the date of the meeting.	clarification
17	Part IV Page 3	In addition to recommending fees and charges to Council on an annual basis, CP&R has the delegation to change individual fees and charges where the Authority needs to respond to market changes or changes to the cost base.	To recognise the authority's commercial approach to income generation where appropriate

Ref	Section /Page Ref	Amendment required	Reason for Amendment
18	Part VII	Revised Management Structure attached at Appendix 9	

Changes already agreed by Council/Committee

Ref	Section /Page Ref	Amendment required	Reason for Amendment
19	<p data-bbox="258 651 474 724">Part IV page 3 para 10</p> <p data-bbox="258 1203 443 1276">Part IV page 29</p> <p data-bbox="258 1341 275 1365">“</p>	<p data-bbox="504 399 751 423">RESOLVED that:</p> <ul style="list-style-type: none"> <li data-bbox="548 431 1461 578">a) the proposed group structure for trading companies (the trading arm) to facilitate the return of profits to the Council which can be used to ensure the sustainable delivery of front line services, be approved; <li data-bbox="548 578 1472 724">b) authority be delegated to the Corporate Policy and Resources Committee for approval of annual business plans and accounts for the Group Holding Company and its individual subsidiaries; <li data-bbox="548 724 1451 797">c) the Shareholder Agreement for the Group Holding Company and its associated subsidiaries be approved; <li data-bbox="548 797 1423 870">d) the Articles of Association for the Group Holding Company and its associated subsidiaries be approved; <li data-bbox="548 870 1440 1049">e) the nomination of the Commercial Director as Company Director and Chief Executive as Non-Executive Director for the Group Holding Company (WLDC Trading Ltd) and its Sure Staff subsidiaries (Sure Staff Lincs Ltd and WLDC Staffing Services Ltd) be approved; <li data-bbox="548 1049 1440 1162">f) the nomination of the S151 Officer, (the Director of Resources) as the Council’s Shareholder representative be approved; and <li data-bbox="548 1162 1457 1308">g) That Council authority be delegated to the Council’s Section 151 Officer and the appointed Director of the SureStaff subsidiaries to agree the format and content of a Resourcing Agreement for the supply of services by the Council. 	Council meeting 10 October 2016

Ref	Section /Page Ref	Amendment required	Reason for Amendment
20	Part IV page 26 para 18	<p>RESOLVED that:</p> <ul style="list-style-type: none"> a) The nomination of the Chief Executive as Company Director of WLDC Trading Ltd and its Sure Staff subsidiaries (Sure Staff Lincs Ltd and WLDC Staffing Services Ltd) be approved; b) The nomination of the Financial Services Manager as Company Secretary of WLDC Trading Ltd and its Sure Staff subsidiaries (Sure Staff Lincs Ltd and WLDC Staffing Services Ltd) be approved; and c) These roles be added to the responsibilities of the officers involved, in the Council's Constitution. 	
21	Part IV page 2 para 23	<p>RESOLVED: that the Council accepts Public Sector Audit Appointments' (PSAA) invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2018.</p> <ul style="list-style-type: none"> • And refer to Council for the approval of the Terms of Reference 	Council meeting 14 November 2016 Recommended to Council by Governance and Audit.
22		<p>65 MEMBER CHAMPIONS</p> <p>Consideration was given to a report which sought to formalise the previously informal arrangements relating to Member Champions ensuring the roles were permitted to claim expenses in accordance with the Councils Members Allowance Scheme.</p> <p>A number of key points in relation to the Member Champion roles was detailed in Section 1.5 of the report and were drawn to Members' attention.</p> <p>RESOLVED to RECOMMEND TO COUNCIL that:</p>	Governance and Audit Committee 17 January 2017

Ref	Section /Page Ref	Amendment required	Reason for Amendment
	Part IV Page 3 And Part VI Page 10	(a) the Constitution be amended to formalise the roles of Member Champions; and thus to enable travel and subsistence claims to be made for attendance at meetings and events by Members in their capacity as Member Champions, as is set out for representation on Outside Bodies; and (b) the responsibility for appointing Member Champions be included in the roles for committees.	

CHANGES TO FINANCIAL PROCEDURE RULES – MARCH 2017

Ref	Section/Page Ref	Amendment required	Reason for Amendment
23	General Throughout the document	Changed title of Commercial Director to Economic & Commercial Growth Director	Reflects new title
24	Throughout the document	Changed title throughout of Anti-fraud and Anti-Corruption and Money Laundering Policy	Reflects correct title
25	Throughout the document	Various Minor formatting, typing amendments and minor changes	Either for clarification or to provide additional information, which are of no consequence in terms of changing the substance of the original rules.
26	Introduction Page 30	Added clarification on meaning of Chief Officers at 2.3. For the purpose of these rules any reference to Chief Officers means the Council's Chief Executive and Directors.	Clarification
27	Part One - Context Page 32	Added at 3.2 a further key element 3.2 Accounting Policies are approved annually by the Governance and Audit Committee prior to the production of the Statement of Accounts	Update
28	Page 33	Replaced legislation in 5.2 by more recent legislation Local Audit and Accountability Act 2014 and the National Audits Office Code of Audit Practice.	Update
29	Section 6. Page 33-37	Various Aligned roles and responsibilities of committees to be consistent with the Responsibility of Functions within Part IV.	Consistency

Ref	Section/Page Ref	Amendment required	Reason for Amendment
30	Page 35	6.4 Added "Accounts and Audit Regulations 2015"	Update
31	Regulation 1. Page 41	Amended Corporate Plan section to remove reference to CE having responsibility to be consistent with Responsibility for Functions section. 1.3.1 The Council approves a five year Corporate Plan that contains the priorities that the Council will focus on over the term of the plan	Consistency
32	Regulation 2 Page 45	<p>Rewrite of Regulation 2</p> <p>2.2.4 The Council operates a three year Business Planning process to deliver its priorities. As part of this process all services produce their own Service Business Plans. These plans will include projects that are expected to be delivered over the next three financial years. Some of these projects may require capital resources in order that they can be delivered.</p> <p>2.2.5 As part of the annual budget process Financial Services will collate all projects as included within the Business Plans. A ranking process is then used in order to determine a projects priority for progression and funding. This ranking is based on the scoring outcome from the completed outline business cases using guidance as approved by the Chief Finance Officer from time to time.</p> <p>2.2.6 Projects will then go forward for inclusion within the Councils Capital Budget. Approval of a capital budget does not automatically</p>	To reflect current practices and the Business Planning process.

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		<p>give approval that the project can then progress. Projects are required to follow a further approval process and shall be progressed in accordance with the Approved Code of Practice 2 Programme/Project Management Methodology.</p>	
3	Regulation 3 Page 51	<p>Expansion of para 3.5.8 to provide more comprehensive guidance on financial implications on committee reports and the requirement of 5 working days' notice of forward plan deadlines for Financial Services to agree the financial implication. Chief Officers will ensure that all reports to Members or the Corporate Leadership Team are seen by the Chief Finance Officer, evidenced and contain clear and accurate financial implications. These will include but are not limited to:</p> <ul style="list-style-type: none"> • the revenue budget impact in the current and future years • how the proposal will be funded and the need for any additional budget approvals • any capital expenditure and how this will be financed • identification of financial risks and how these will be managed 	Provided more guidance
3	Page 53	<p>Para 3.6.6 added the requirement for salary virements to also have approval by Corporate Leadership Team</p> <p>Within a Cost Centre:</p> <ul style="list-style-type: none"> • No limit within a defined cost centre. Chief Officers must agree in advance with the Accountant responsible for that service area. • Virements cannot be made from non-controllable budgets such as Central Support Recharges and Capital charges. • Virements from salary budgets can only be actioned during the current financial year. Any permanent change to salary budgets 	Reflects current agreed process

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		will be seen as a change to the Council's establishment requiring compliance with the Human Resources procedure rules and approval by the Corporate Leadership Team	
3	Page 58	<p>Updated 3.11.6 to reflect current categories of earmarked reserves</p> <p>Earmarked reserves will generally fall into the following categories:</p> <ul style="list-style-type: none"> • Budget Smoothing • Service Investment • Budget Volatility • Time limited programmes and projects; • To meet specific risks of a non-insurable nature or self-insured risks; • To carry forward under spending (or overspending) as a ring fenced amount. 	To reflect current position
3	Regulation 5 Page 65	<p>Amended 5.2.5</p> <p>Any suspected irregularities should be reported to the Chief Finance Officer who will decide whether an allegation warrants an investigation and on the best way to do this."</p>	As contained in the Anti-fraud, Corruption and Money Laundering Policy.
3	Page 65	<p>Moved the Money laundering section to 5.2.6 and 5.2.7.</p> <p>See section 5.2</p>	To reflect that money laundering is now included within the Anti-Fraud and Corruption policy
3	Page 66	The following provisions have been added to 5.4	To reflect the

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		<p>5.4.1.1 Before considering any acquisition or disposal of land and buildings reference to and adherence to the Council's Acquisition and Disposal Policy is required.</p> <p>5.4.1.2 In all cases (acquisition or disposal) a robust business case document must be produced prior to any acquisition or disposal.</p> <p>5.4.1.3 Disposals for less than best consideration where the market value is greater than £10,000 must be approved by the Corporate Policy and Resources Committee. Disposals for less than best consideration where the market value is less than £10,000 can be approved by the Chief Officer.</p> <p>5.4.1.4 Disposals that are of public interest must be approved by the Corporate Policy & Resources Committee</p> <p>5.4.1.5 In all cases of disposal at less than market value the approval of the Secretary of State will be required unless a General Disposal Consent is available.</p> <p>Save for the exceptions above the following limits will apply:-</p>	<p>requirements of the Councils Acquisition and Disposal Policy, S123 Local Government Act 1972 and to ensure transparency and that the Council receives value for money.</p>
3	Page 67	<p>Rearranged wording of 5.4.1.9</p> <p>In all cases, acquisitions and disposals of areas of open space or land in the nature of open space, if there is significant public interest in the preservation of the same, are subject to reference to Corporate Policy and Resources Committee by the appropriate Chief Officer.</p>	<p>In order to make more sense.</p>
4	Page 71	<p>Added at 5.4.33 a new requirement for completion certificates to be obtained for property disposals.</p> <p>As part of the disposal process Completion Certificates must be obtained</p>	<p>Reflects the need to provide external audit evidence.</p>

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		from the lawyers and passed to the Chief Finance Officer.	
4	Page 71	<p>At 5.4.34</p> <p>Added a further key control:</p> <ul style="list-style-type: none"> • Assets are disposed of in accordance with the Acquisition and Disposal Policy; 	Reflects approved policy
4	Page 71	<p>At 5.4.40</p> <p>Replaced “Statement of Accounts” with “closure of accounts”</p> <p>A report must be submitted at least annually by the relevant Chief Officer to the Chief Finance Officer, who will report annually on the overall level of write-offs as part of the closure of the accounts process.</p>	Write offs are not required to be disclosed within the Statement of Accounts but are required to be disclosed to external audit as part of the final accounts working papers.
4	Page 72	<p>Amended 5.5.1</p> <p>Regular meetings shall take place between the Chief Finance Officer and Human Resources (Payroll) to ensure that all records in relation to this Establishment List reconcile.</p>	For clarification and to reflect current practice
4	Regulation 6 Page 82	<p>Added at para 6.6.8</p> <p>Any proposed purchase of IT software must be approved by the Corporate Systems Group and have an approved budget in place prior to ordering.”</p>	To reflect current approved process

Ref	Section/Page Ref	Amendment required	Reason for Amendment
4	Page 82-85	Revised Section 6.6 Ordering and 6.7 Paying for Goods See draft Financial Procedure Rules	To reflect electronic purchasing and payment for goods and services
4	Page 85	At 6.8.2 added reference to the iTrent system for recording expenses and annual leave All expense claims are to be entered onto the iTrent system or submitted to Human Resources by the fifth working day of the month for inclusion in that month's payroll	To reflect current practice.
4	Page 86	At 6.8.9 changed the date for expense claims to be presented for payment from the 10 th April to 5 th April Each claim must be promptly submitted for payment and must be presented on a form clearly detailing the expenditure incurred, supported by VAT receipts where applicable, dated, coded, and signed by the claimant and counter signed by the appropriate authorising officer. Promptly is defined as monthly for large transactional or high value claims, or quarterly for small transactional or low value claims. All claims relating to a previous financial year must be presented to payroll for payment by the 5th April each year.	To reflect payroll deadlines.
48	Page 90	INCOME AND CASH HANDLING: Insert 6.10.19 All Direct Debit payments will be processed in accordance with the Direct Debit Guarantee in accordance with advice from the Council's sponsoring bank. 6.10.20 All cash payments will be processed in accordance with Payment	As requested by the Council's Information Governance and Systems Development Officer.

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		Card Industry - Data Security Standard (PCI-DSS) requirements.	
4	Page 93	ded 6.13.2 Holders of P-cards agree to abide by the Procurement Card Policy and use the P-card in accordance with the Procurement Card User Guide.	Reflects the existence of a policy and user guide.
5	Page 93	Added a key control at 6.13.2 <ul style="list-style-type: none"> Use is governed by a Procurement Card Policy and a Procurement Card User Guide. 	Reflects policy and user guide control
5	Regulation 7 new	Added new section 7.4 on Council acting as the Accountable Body See draft Financial procedure Rules	Was not covered.
5	new	Added new section 7.6 Local Authority Companies See draft Financial procedure Rules	Was not covered
5	FPR Appendix 1 Page 102	Added Governance and Audit Committee column to the Summary of Financial Responsibilities table plus various other changes Various – see Appendix 1 of the FPR	To reflect items in rules that were previously not included
5	FPR Appendix 2 Page 105	Changed retention of documents Appendix 2 See Appendix 2 of the FPR	To align with new draft retentions policy. Provides a more comprehensive list but is still consistent with existing list which are

Ref	Section/Page Ref	Amendment required	Reason for Amendment
			included.
55	FPR Appendix 4 Page 112	Added to the note on Acquisitions or disposals of land or buildings Chief Officers (including the Chief Finance Officer) may authorise acquisitions and disposals (including leases or easements where the annual rent multiplied by the length of the lease does not exceed that figure assuming that the rent is not increased on review) which is an approved item in the approved Capital Programme but within the constraints of Financial Procedure Rule 5.4	To reflect the requirements of 5.4
56	Page 112	Added to the note on Acquisitions or disposals of land or buildings Where market value exceeds £10,000 Asset disposals at less than best consideration to be approved by Corporate Policy & Resources Committee	To reflect the requirements of 5.4
57	Page 112	Added to the note on Acquisitions or disposals of land or buildings Where market value does not exceed £10,000 Asset disposals at less than best consideration to be approved by the Chief Officer.	To reflect the requirements of 5.4
5	new	Added Insurance See Appendix 4 of the FPR	To reflect 5.1.16
5	new	Added Companies & Subsidiaries See Appendix 4 of the FPR	To reflect new section 7.6
CONTRACT PROCEDURE RULES			

Ref	Section/Page Ref	Amendment required	Reason for Amendment
6	Part V Page 114	These Procedure Rules apply to all West Lindsey District Council officers, any persons appointed to work on behalf of the council , and services.	To ensure persons such as consultants and agency staff adhere to WL procurement procedures and thresholds
6	Part V Page 115	Insert revised section to include Exceptions Report	Current exceptions report is not reflecting current spend levels and requirements
6	Part V Page 117	Amend wording of paragraph 1.10 Term contracts, service levels and credits and variation mechanisms . For example parts of the contract may be varied by reference to the then current RPI or other suitable index. Regular reviews shall be undertaken to ensure all requirements of the contracts are being adhered to.	Need to include to ensure management of term contracts has KPI's and performance levels identified

Ref	Section/Page Ref	Amendment required	Reason for Amendment																
6		<p>Insert new paragraph 1.11 The following table shows the financial threshold levels for Procurement Goods and Services</p> <table border="1" data-bbox="506 456 1409 867"> <tr> <td>up to £1000</td> <td>one written estimate/quotation (email included)</td> </tr> <tr> <td>£1001 - £10,000</td> <td>two quotations</td> </tr> <tr> <td>£10001 - £25,000</td> <td>three quotations (simple RfQ)</td> </tr> <tr> <td>£25,001 - £75,000</td> <td>three quotations (detailed RfQ)</td> </tr> <tr> <td>£75,001 - £164,176</td> <td>four quotations (detailed RfQ)</td> </tr> <tr> <td>over £164,176</td> <td>full EU tender process (ITT)</td> </tr> </table> <p>Works contracts As above until</p> <table border="1" data-bbox="506 992 1409 1057"> <tr> <td>£164,176 - £4,104,394</td> <td>Five quotations or by advertisement</td> </tr> <tr> <td>Over £4,104,394</td> <td>full EU tender process (ITT)</td> </tr> </table>	up to £1000	one written estimate/quotation (email included)	£1001 - £10,000	two quotations	£10001 - £25,000	three quotations (simple RfQ)	£25,001 - £75,000	three quotations (detailed RfQ)	£75,001 - £164,176	four quotations (detailed RfQ)	over £164,176	full EU tender process (ITT)	£164,176 - £4,104,394	Five quotations or by advertisement	Over £4,104,394	full EU tender process (ITT)	Need to identify what documentation will apply
up to £1000	one written estimate/quotation (email included)																		
£1001 - £10,000	two quotations																		
£10001 - £25,000	three quotations (simple RfQ)																		
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Over £4,104,394	full EU tender process (ITT)																		
6	Part V Page 121 Paras 5.2.2 b) c), d) and f)	Change Strategic Lead to Contracts Officer	The SL are not in a position to manage this process with their workloads, therefore revert it to the CO																
6	Part V Page 122	Revised wording The contract must require include evidence that the supplier has all	Not always produced, and should be																

Ref	Section/Page Ref	Amendment required	Reason for Amendment																
	Para 5.2.3 e)	the necessary qualifications, insurances and permissions such as waste disposal licence, planning permission etc.																	
6	Part V Page 126 Para 8.1	<p>Revised Figures in table</p> <p>8.1 Expenditure above the contract price should be reported as follows –</p> <table border="1" data-bbox="558 586 1524 932"> <thead> <tr> <th data-bbox="558 586 772 699">Contract Figure £</th> <th data-bbox="772 586 995 699">Director £</th> <th data-bbox="995 586 1241 699">Leadership Team & Chief Finance Officer</th> <th data-bbox="1241 586 1524 699">Committee £</th> </tr> </thead> <tbody> <tr> <td data-bbox="558 699 772 776">Up to 25,000</td> <td data-bbox="772 699 995 776">Up to 5,000</td> <td data-bbox="995 699 1241 776">Over 5,000 to 10,000</td> <td data-bbox="1241 699 1524 776">Over 10,000</td> </tr> <tr> <td data-bbox="558 776 772 852">25,001 to 75,000</td> <td data-bbox="772 776 995 852">Up to 7,000</td> <td data-bbox="995 776 1241 852">Over 7,000 to 12,000</td> <td data-bbox="1241 776 1524 852">Over 12,000</td> </tr> <tr> <td data-bbox="558 852 772 932">75,000 above</td> <td data-bbox="772 852 995 932">Up to 9,000</td> <td data-bbox="995 852 1241 932">Over 9,000 to 15,000</td> <td data-bbox="1241 852 1524 932">Over 15,000</td> </tr> </tbody> </table>	Contract Figure £	Director £	Leadership Team & Chief Finance Officer	Committee £	Up to 25,000	Up to 5,000	Over 5,000 to 10,000	Over 10,000	25,001 to 75,000	Up to 7,000	Over 7,000 to 12,000	Over 12,000	75,000 above	Up to 9,000	Over 9,000 to 15,000	Over 15,000	Felt that contracts costs have risen since this table was last reviewed and feel that the extra spend limit should also be increased
Contract Figure £	Director £	Leadership Team & Chief Finance Officer	Committee £																
Up to 25,000	Up to 5,000	Over 5,000 to 10,000	Over 10,000																
25,001 to 75,000	Up to 7,000	Over 7,000 to 12,000	Over 12,000																
75,000 above	Up to 9,000	Over 9,000 to 15,000	Over 15,000																
6	Part V Page 127 Para 10	<p>Rewritten paragraph 10</p> <p>Rule 10. The Appointment of Consultants to Provide Services:</p> <p>10.1 Where in the opinion of the relevant officer because of the specialist nature of the services required, it is necessary to appoint a consultant to provide the services to the Council the following procedure will be undertaken.</p> <p>10.2 The officer must submit a report to GCLT setting out:</p> <ul style="list-style-type: none"> ▪ The nature of the services for which the 	Requirement to include IR35																

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		<p>appointment of a Consultant is required;</p> <ul style="list-style-type: none"> ▪ The estimated Total Contract Value of the services; ▪ The preferred Procurement route (RfQ, tender, framework) ▪ That no employee of the Council has been identified with the capacity or availability to undertake the services. ▪ Whether IR35 (intermediaries legislation) will apply <p>IR 35 is legislation which comes into force from 6 April 2017 and affects tax and National Insurance contributions relating to appointments whereby consultants are contracted to work through an intermediary.</p> <p>The intermediary can be: a limited company; a service or personal service company; or a partnership</p> <p>Where it is deemed that IR35 will apply, the status check report and cost implications of such appointment must be highlighted in the report. No consultant is to be appointed without confirming if the IR35 rule applies to an engagement.</p> <p>10.3 If GCLT is of the opinion that in the interest of value for money for the provision of the services it is necessary or expedient to secure the appointment of a consultant to provide those</p>	

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		<p>services they shall record that opinion in writing and authorise the officer to engage a consultant using the identified Procurement route.</p> <p>10.4 The estimated Total Contract Value will dictate which Procurement route is applicable (Table shown at 1.11). This should be followed.</p> <p>10.5 An RFQ/Invitation to Tender for the provision of consultancy services must include as a minimum:</p> <ul style="list-style-type: none"> a) a specification for the services; b) a questionnaire seeking details of the applicant's experience in providing similar services; c) the Council's standard contractual terms on which it is intended to appoint the consultant to provide the services; and d) the Award Criteria. <p>10.6 If the officer is of the opinion that the nature of the services required is so specialist that fewer than three Applicants would be able to provide the services the officer must record in writing the reason why the services are so specialist and, subject to the approval of GCLT, may send the invitation to provide the services to one/two Applicant(s) only.</p> <p>10.7 Responses to the invitation to provide the services shall be</p>	

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		<p data-bbox="604 334 1486 545">submitted to the officer by the appointed time and shall be opened by the officer and a representative of the relevant Director. The responses shall be evaluated in accordance with the Award Criteria to ascertain which response is most economically advantageous. The evaluation shall be recorded in writing and the record shall be signed by the officer.</p> <p data-bbox="527 586 1440 651">10.8 The officer will ensure that two satisfactory references have been obtained.</p> <p data-bbox="527 695 1465 911">10.9 The officer shall submit the evaluation report, together with the references, to GCLT and recommend the appointment of the applicant who has submitted the most economically advantageous response. GCLT may accept or reject that recommendation and shall record their reason for doing so in writing and sign and date that record.</p> <p data-bbox="512 967 1528 1073">10.10 Contracts for Consultant appointments must be drawn up by the Finance Manager or appointed representative and must include as a minimum;</p> <ul data-bbox="804 1097 1360 1333" style="list-style-type: none"> ▪ start and end date of contract ▪ specification/requirement ▪ terms and conditions of appointment ▪ IR35 status report (where applicable) ▪ Pricing schedule 	

Ref	Section/Page Ref	Amendment required	Reason for Amendment
		10.11 The original signed contracts for Consultants will be held by the Financial Manager. A copy will also be held by Organisational & Development Services	