

REPORT TO	ON
Governance Committee	25 July 2018



September 2017

TITLE	REPORT OF
Review of Constitution Part 2P Finance, Contracts and Legal Matters – (formerly Article 15)	Interim Monitoring Officer

1. PURPOSE OF THE REPORT

- 1.1 At their meeting on the 1ST February 2017, the Governance Committee resolved to review the Council's Constitution.
- 1.2 This particular part of the Constitution (formerly Article 15) was considered by the Governance Committee at its meeting on the 29th of May.

2. RECOMMENDATIONS

- 2.1 That Governance Committee approve the draft Part 2P – Finance, Contracts and Legal Matters (formerly Article 15) at Appendix B.

3. CORPORATE PRIORITIES

The report relates to the following corporate priorities:

Excellence and Financial Sustainability	X
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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4. BACKGROUND TO THE REPORT

- 4.1 All Councils are required to have a written Constitution which sets out the Council's internal governance arrangements, approved procedures and protocols. As part of the Corporate Governance Action Plan 2016/17 Members of the Governance Committee agreed to carry out a thorough review of the Constitution in order to ensure that the Constitution is as clear as possible, completely up to date and fit for purpose.

4.2 Members agreed to adopt the following “House Style” to ensure the Constitution was an easily accessible document:

- Use of plain english
- Clarity of expression
- Consistency of terminology
- Streamlining and simplification of sections
- Improvement of interactive links to allow ease of access within the document itself.

4.3 The existing Article 15 – Finance, Contracts and Legal Matters is set out at Appendix A.

4.4 The amended Article 15 – Finance , Contracts and Legal Matters (renumbered as Part 2P to ensure consistency with the overall numbering of the October 2017 published version of the Constitution), is set out at Appendix B.

4.5 The purpose of this part of the Constitution is to explain how contracts entered into by the Council need to be documented and signed dependent on their value. The review has been light touch, this Part of the Constitution is essentially robust and fit for purpose. The proposed changes are set out in paragraph 5 below.

5.0 Part 2P Finance, Contracts and Legal Matters

5.1 The amended Part 2P Finance, Contracts and Legal Matters, at Appendix B includes the following key changes:

Paragraph	Content	Justification
General Paragraph numbers are now 1 through to 5, replacing 15.01 through to 15. 05.	Paragraph numbers are now 1 through to 5, replacing 15.01 through to 15.05.	Simplify numbering
Paragraph 4	<p>Paragraph 4 Authentication of Documents</p> <p>The second subparagraph has been amended to read as follows:</p> <p>“Any contract entered into on behalf of the Council in the course of the discharge of an executive function shall be made in writing. Where the value does not exceed £20,000 (calculated in accordance with the Contract Procedure Rules set out in Part 4H of this constitution) this can be the purchase Order. Any contract exceeding £20,000 (calculated in accordance with the Contract Procedure Rules set out in Part 4H of this constitution) must either be signed by at least two appropriate officers of the Council or made under the common seal of the Council attested by at least one officer.”</p>	The original wording did not require contracts under £20,000 in value to be in writing, The new wording clarifies that all contracts must be in writing and clarifies that for contracts under £20,000 in value, this can be a purchase order which is referred to in the Contract Procedure Rules at Part 4H of the Constitution.

6.1 Comments of the Statutory Finance Officer

There are no financial implications arising directly from this report.

6.2 Comments of the Monitoring Officer

Every Council is required to have a written Constitution which is regularly reviewed and kept up to date.

Other implications:	
▶ Risk	There are no specific risk implications arising from this report
▶ Equality & Diversity	There are no specific equality implications arising from this report
▶ HR & Organisational Development	There are no specific HR implications arising from this report
▶ Property & Asset Management	There are no specific Property or asset management implications arising from this report
▶ ICT / Technology	There are no specific ICT implications arising from this report

7. BACKGROUND PAPERS

None

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