



Report of the Assistant Chief Executive (Corporate Governance)

Council

Date: 9th April 2008

Subject: Recommendations of the Corporate Governance and Audit Committee – Amendments to the Constitution

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 Purpose Of This Report

1.1 This report presents to Council a number of recommendations of the Corporate Governance and Audit (CGA) Committee for amendments to the constitution.

2.0 Background Information

2.1 The CGA Committee is authorised under its terms of reference to consider proposals to amend the constitution, and to make recommendations to full Council on such proposals.

2.2 At its meeting on the 19th March the Committee received two reports making recommendations for amendments to the constitution. These reports and full supporting documentation / appendices are attached at appendix one and two to this report.

3.0 Main Issues

Responsibility for approving the Local Area Agreement

3.1 Functions under the Local Government and Public Involvement in Health Act 2007 which relate to local area agreements are local choice functions.¹

¹ Paragraph 1.3 of the report attached at appendix one states that regulations specifying functions under the Local Government and Public Involvement in Health Act 2007 which relate to local area agreements as local choice functions will shortly be issued. These regulations came into force on the 1st April.

- 3.2 Attached at appendix one is the report the Committee received proposing an amendment to Part 3, Section 1 of the constitution which sets out how responsibility for each local choice function is allocated.
- 3.3 Further to the detail set out in the report it was the resolution of the Committee to recommend to Council that Part 3, Section 1 of the constitution be amended to allocate the following functions under the Local Government and Public Involvement in Health Act 2007 which relate to local area agreements, to the Executive:
- the duty to prepare and submit a draft of a local area agreement (section 106);
 - the revision and addition of targets (section 110);
 - designated targets: revision proposals (section 111); and
 - duty to publish information about the local area agreement (section 113).

Substitution Arrangements for the Corporate Governance and Audit Committee

- 3.4 Set out in appendix two are proposals to establish substitution arrangements for the CGA Committee to reduce the risk of inquorate meetings. As is consistent with substitution arrangements for other Committees it is proposed that a defined pool of substitutes is established.
- 3.5 The Committee resolved, therefore, to recommend to full Council an addition to Council Procedure Rule 26, stating:

“In relation to the Corporate Governance and Audit Committee, the Council shall appoint substitute members via nominations from party Whips. Each Whip shall nominate one substitute for each member that sits on the Committee. Whips may not nominate any members that would be excluded from full membership under the provisions of Article 9 of the Constitution.”

Membership of the Corporate Governance and Audit Committee

- 3.6 In addition the Committee propose to recommend to Council an amendment to the Constitution relating to the Membership of the Committee.
- 3.7 Having considered national best practice guidance on the membership of audit committees (which stresses the need for independence from other committees) the Committee are minded to preclude from membership of the committee *any member who is appointed to Chair a Committee of Council*².
- 3.8 However, following feedback from Group Leaders and advice from the Monitoring Officer the Chair of the Committee proposes that this recommendation be deferred until such time as the Committee has been able to reconsider the implications of this proposal.

4.0 Implications for Council Policy and Governance

- 4.1 Establishing substitution arrangements for the Committee strengthens the Council's governance arrangements by reducing the risk that meetings may be inquorate.

² Except for the Chair of the Corporate Governance and Audit Committee.

5.0 Legal and Resource Implications

- 5.1 In relation to appendix one, the authority has to determine the responsibility for local choice functions, in accordance with the provisions of the Local Government Act 2000.
- 5.2 There are no legal and resource implications in relation to the amendments to the CGA substitution arrangements, nor are there any such implications with regard to the deferment of the proposed amendments to the rules regarding the membership of the CGA Committee.

6.0 Recommendations

- 6.1 Council is recommended to approve the following amendments:
- that Part 3, Section 1 of the constitution be amended to allocate the following functions under the Local Government and Public Involvement in Health Act 2007 which relate to local area agreements, to the Executive:
 - the duty to prepare and submit a draft of a local area agreement (section 106);
 - the revision and addition of targets (section 110);
 - designated targets: revision proposals (section 111); and
 - duty to publish information about the local area agreement (section 113);
 - that an extra paragraph is added to Council Procedure Rules 26 stating:

“In relation to the Corporate Governance and Audit Committee, the Council shall appoint substitute members via nominations from party Whips. Each Whip shall nominate one substitute for each member that sits on the Committee. Whips may not nominate any members that would be excluded from full membership under the provisions of Article 9 of the Constitution.”