

**CONSTITUTION COMMITTEE – 8 SEPTEMBER 2005**

**REPORT OF THE CHIEF EXECUTIVE**

**REVIEW AND REVISION OF THE CONSTITUTION**

**Purpose**

1. The purpose of this report is to recommend further changes to the County Council's Constitution in the light of experience.

**Background**

2. Article 15 of the County Council's Constitution gives the Chief Executive a duty to monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect. It requires that changes to the document should only be approved by the full County Council after consideration of the proposal by the Chief Executive and the Constitution Committee. In the case of everything except the Meeting Procedure Rules the final decision on changes can be made at a single meeting of the County Council. However, in the case of the Meeting Procedure Rules any motion to add, to vary or revoke Standing Orders must, having been proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.
3. The Constitution has been reviewed on an annual basis, this report being the result of the fourth review which has taken place since it came into effect in June 2001. As with previous reviews it proposes a number of relatively minor changes, mainly responding to developments which have occurred recently and experience in operating what are still relatively new ways of working. The most significant of the amendments proposed relates to the establishment of an Audit Committee.
4. The detailed proposals resulting from the present review are set out in Appendix A to this report together with an explanation as to why it is considered that change is necessary.
5. The Government has recently made a statutory instrument the effect of which is to require children's services authorities to prepare, consult upon, publish and review a children and young persons plan and to grant exemptions from this requirement for authorities which are categorised as "excellent" under the CPA. As a consequence of the new plan and

other provisions relating to the relaxation of controls, the legal requirement to produce a number of other plans has been removed. However, it is not proposed to amend the Constitution at this stage because careful thought will need to be given as to what plans the County Council should continue to produce and what if any of these should form part of the Council's Policy Framework. This it is felt should be done in the context of the wide range of measures which will need to be pursued as part of the implementation of the Children Act 2004 some of which may involve changes to other elements of the Council's Constitution.

### **Corporate Governance**

6. The County Council has always placed importance on maintaining high standards in relation to its corporate governance arrangements and keeping pace with good practice. This can be demonstrated by the adoption by the Council in 2003 of a Code of Corporate Governance based as guidance issued by CIPFA/SOLACE (entitled "A Keystone for Community Governance") and, in 2004, the approval of a Risk Management Strategy and Policy Statement.
7. Some authorities responded to CIPFA advice by establishing specific audit committees because that was the mechanism through which they felt they could best ensure that corporate governance issues were being addressed. However, the County Council was not alone in deciding to continue to discharge these functions through its existing mechanisms.
8. The establishment of some form of "audit committee" is however, now becoming the norm in local government and regarded as "best practice". Indeed, CIPFA has recently produced a position statement which provides helpful guidance and stresses the importance of authorities having audit committees which are not part of the Council's executive or scrutiny functions. It is expected that CIPFA will be putting forward a case shortly that it should become a mandatory requirement upon authorities to have some form of "audit committee".
9. Officers have taken the opportunity of this year's annual review of the Constitution to examine this matter further, in the light of these developments and have concluded that, whilst the Council's existing arrangements are satisfactory, it would be appropriate to establish a "Corporate Governance Committee" to demonstrate to all concerned the Council's continuing commitment towards following the principles it has laid down in its Code of Corporate Governance.
10. With regard to membership of the proposed Committee, it is believed to be important to recognise the part which the executive and scrutiny functions play in the process and the need for links to exist at member level between these bodies. Accordingly it is being proposed that:-

- (a) the Chairman of the Resources Scrutiny Committee (or any subsequent successor body) be ex-officio a member of the new Committee;
- (b) there should be representation from the Executive on the Committee (either a Cabinet Member or Cabinet Support Member) but the number should be limited to one member and this should not be the Leader of the Council;
- (c) the Lead Member(s) of the Cabinet responsible for resources, performance management and risk management should attend meetings of the Committee in an observer/advisory capacity unless appointed under paragraph (b) above;
- (d) the Chairman should not be a member of the Executive or a Cabinet Support Member.

### **Equal Opportunities Implications**

None.

### **Recommendation**

That the County Council be recommended to approve the proposed changes to the Constitution as set out in Appendix A to this report.

### **Background Papers**

The Constitution of Leicestershire County Council.

### **Circulation under Sensitive Issues Procedure**

None.

### **Officer to Contact**

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