

**CORPORATE GOVERNANCE COMMITTEE - 11 SEPTEMBER 2007**  
**CONSTITUTION COMMITTEE – 13 SEPTEMBER 2007**

**REPORT OF THE CHIEF EXECUTIVE**

**REVIEW AND REVISION OF THE CONSTITUTION AND**  
**AUTHORISATION OF OFFICERS**

**Purpose**

1. The purpose of this report is to recommend changes to the Constitution as part of this year's annual review and to amend the list of officers authorised to act on behalf of the Chief Executive in respect of proper officer functions and certain other delegated powers.

**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 or, in the case of the Financial Procedure Rules and Contract Procedure Rules, the recommendations of the Corporate Governance Committee.
3. 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.
4. The Constitution has been reviewed on an annual basis every year since it came into effect in June 2001. This report sets out the results of the latest review.
5. Unlike previous years, where reviews have tended to result in a number of relatively minor changes, the opportunity has been taken this year to undertake a more radical reform of certain aspects of the Constitution. This reflects the way in which the County Council's procedures are evolving to meet the challenges of the future and particularly for the Council to operate more efficiently.

6. The most notable changes proposed are to facilitate implementation of the Council's new Procurement Strategy. This Strategy, which provides a common framework within which all of the Authority's procurement activity is managed, was approved by the Cabinet in December 2006. Its main objectives relate to the following:-
- managing procurement strategically and using a highly skilled team of procurement professionals;
  - securing and sustaining successful partnerships with both commercial bodies and public sector organisations;
  - making best use of information and communications technology to reduce the cost of the procurement process and to improve the quality and timeliness of procurement information;
  - building a diverse, innovative and competitive supply base, which delivers value for money and improved service quality.
7. The proposed changes to the Constitution are set out in the Appendices to this report as follows:-
- Appendix 1 – detailed proposals and explanations (other than Contract Procedure Rules).
- Appendix 2 – the proposed revised Contract Procedure Rules.
- Appendix 3 – the proposed revised Standard Financial Instructions (with tracked changes for ease of reference).
8. In a number of cases the proposals will remove the need for the Cabinet to determine matters which might be regarded as of a routine and technical nature but are nevertheless necessary at the moment to comply with the regulatory framework. For example, it is no longer proposed that the Cabinet should be required in future to approve the acceptance of tenders above a certain level, standing lists of contractors and the extension and novation of contracts. This it is believed can be justified because the new arrangements put in place other provisions to protect the Council's interests, such as the introduction of "Category Managers". Importantly, the arrangements will still provide for elected members to take decisions on major issues and or where proposals are under consideration which do not conform with the Council's current policies.

### **Summary of Main Changes**

9. The most significant changes are as follows:-

(i) **Power to incur revenue expenditure**

At present Chief Officers only have the power to incur revenue expenditure on non-staffing items up to £50,000. Anything above that requires the approval of the Director of Resources who may decide that it requires the

approval of the Cabinet. It is now being proposed that Chief Officers be authorised to approve any expenditure which is within the approved budget subject to any conditions specified by the Director of Corporate Resources. These may involve reference to the Executive where this is considered to be appropriate.

(ii) Acceptance of Tenders

Chief Officers currently have the power to accept tenders not exceeding £1,250,000 per contract. It is now being proposed that Chief Officers be empowered to accept tenders of any amount subject to compliance with the various provisions of the proposed new Contract Procedure Rules.

(iii) Budget and Policy Framework Procedure Rules and Standard Financial Instructions

Changes to the virement arrangements to enable Chief Officers to vire across budget heads provided the overall budget is not exceeded, subject to certain conditions specified in the Standard Financial Instructions. The current arrangements are believed to be out of date and inefficient.

(iv) Executive Procedure Rules

Changes to the working definition of key decisions in relation to the definition of significant expenditure or savings, the current arrangements having proved to be difficult to operate in practice.

(v) Standard Financial Instructions

Substantial changes are proposed consistent with the new financial management arrangements of the Council and the proposed new Contract Procedure Rules. The Corporate Governance Committee has the power to agree changes to the Standard Financial Instructions but in this case it is proposed to put these to the full Council given the links to proposed changes to other aspects of the Constitution now being considered.

(vi) Contract Procedure Rules

A completely new set of Rules is being proposed in order to implement the Council's procurement strategy.

10. Employee Code of Conduct

The various components of this Code were the subject of consultation with trade unions and the approval of both the Employment Committee and Standards Committee some time ago. The Standards Committee at its meeting on 18 June 2007 agreed that these matters should be drawn together in the form of a comprehensive code subject to further consultations taking place with trade unions. The trade unions have asked for more time to consider their comments and it is therefore proposed that

the Code should be approved with the proviso that the County Solicitor is authorised to make any necessary amendments subsequently in the light of any representations received.

### **Authorisation of Officers**

11. The County Council is required by various statutes to designate an officer as the "proper officer" to be responsible for particular duties. These duties are mainly exercisable by the Chief Executive and County Solicitor, who also have other delegated powers, for example to enter into contracts and seal documents. In relation to these powers the County Council has authorised a number of other officers to act on behalf of the Chief Executive and the County Solicitor. This list now requires updating to reflect the present structure and titles within the Chief Executive's Department. The details are set out in the recommendation which appears below.

### **Equal Opportunities Implications**

12. None.

### **Recommendation**

13. That the County Council be recommended:-
  - (a) to approve the proposed changes to the Constitution as set out in the Appendices to this report;
  - (b) to authorise the County Solicitor to make any necessary amendments to the Employee Code of Conduct in the light of any representations received from the trade unions;
  - (c) to agree that those changes relating to new contract procedures be implemented with effect from 1st January, 2008 in order to enable the necessary guidance and training to be provided to staff on the operation of the new procedures in the meantime;
  - (d) to agree in respect of the proper officer functions and other delegated powers and functions allocated to the Chief Executive and County Solicitor, that the following officers be authorised to act:-

County Solicitor (in own right and on behalf of Chief Executive)  
Assistant Chief Executive (Community Planning)  
Head of Democratic Services and Administration  
Head of Legal Services  
Head of Partnerships and Diversity  
Head of Public Relations  
Head of Youth Justice and Safer Communities

### **Background Papers**

The Constitution of Leicestershire County Council.

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

None.

### **Officer to Contact**

David Pitt – Head of Democratic Services and Administration

☎ – 0116 305 6034

Email – [dpitt@leics.gov.uk](mailto:dpitt@leics.gov.uk)