

Wolverhampton City Council

OPEN ITEM

SPECIAL ADVISORY GROUP STANDARDS COMMITTEE

Date **12 November 2010**
18 November 2010

Originating Service Group(s) **CUSTOMER & SHARED SERVICES / OFFICE OF THE CHIEF EXECUTIVE**

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Title/Subject Matter **REVISION OF THE CONSTITUTION 2010/2011 - NOVEMBER 2010**

RECOMMENDATION

That the proposed amendments to the Constitution, indicated in the report, be endorsed for consideration at full Council on 15 December 2010.

1.0 PURPOSE OF REPORT

- 1.1 To report mid year revisions to the May 2010 edition of the Council's Constitution and to request these be endorsed for consideration at the next meeting of full Council on 15 December 2010.

2.0 BACKGROUND

- 2.1 The Constitution Review Group, comprising the officers that co-ordinate the review of the Constitution on an ongoing basis, has met four times since the last annual review of the Constitution which was approved by Annual Council on 19 May 2010. The revisions detailed in paragraph 3 below have been referred to the Group since May 2010 for consideration with a view for inclusion in the Constitution.
- 2.2 The Group has recently reviewed the Contract Procedure Rules in the Constitution. The outcome of this review is the subject of a separate report to this meeting of the Special Advisory Group and of the Standards Committee.
- 2.3 The Council has authorised a limited delegation to the Chief Legal Officer to make minor amendments to the Constitution. This report details the amendments that have been made in accordance with this delegation to the Chief Legal Officer. It also recommends inserting this delegation into the Constitution as detailed in paragraph 3 below.
- 2.4 When conducting the annual review of the Constitution, it is the convention to place a copy of the Constitution, with the amendments highlighted, in the Members' Rooms. To enable Members to have sight of the amendments to the Constitution set out in this report, a copy of the May 2010 Constitution revised as detailed in this report has been deposited in the Members' Rooms.

3. RECOMMENDED CHANGES TO THE CONSTITUTION

3.1 Delegation to Make Minor Editorial and Other Amendments

- 3.1.1 Constitution Part 3/73 (Delegations to Director for Customer and Shared Services).

On 17 December 2008 Council delegated the Chief Legal Officer "to make minor editorial and other amendments to the Councils Constitution consequential to legislative changes and subject to consultation with the 3 Group Leaders". This delegation will now be inserted into the Constitution stating it is a delegation of the Chief Legal Officer authorised by Council.

3.2 Minor Amendments Delegated to the Chief Legal Officer

- 3.2.1 Constitution Part 3/86 (Delegations to the Director for Sustainable Communities).

To revise the numbering starting at part 3/86. There are currently two delegations to the Director for Sustainable Communities marked H18. The revision will ensure there is one delegation H18 with subsequent delegations up to part 3/101 re-numbered to accommodate this revision.

- 3.2.2 Constitution Part 3/83 - 101 and other references throughout.

A revision to amend the Director for Sustainable Communities' job title to Director for Regeneration and Environment as provided for in a report to the Cabinet dated 7 January 2009.

3.3 **Revisions Co-ordinated through the Constitution Review Group**

3.3.1 Constitution Part 5/32 (Code of Practice for Employees - Travel, Subsistence, Hospitality and Gifts) and Constitution Part 5/51 – Protocol for Member/Officer Relationships.

In view of the costs of training, which comprises a cost for the event itself, travel costs and sometimes overnight accommodation, it is proposed to insert provisions into the Constitution to restrict and monitor attendance at conferences as detailed in paragraph 3.3.2 below. The Leaders' Business Management Group has also agreed that these provisions should apply to Members.

It is proposed to insert these provisions to the Protocol for Member Officer Relationships at Section 20.

3.3.2 Insert to the Protocol for Member/Officer Relationships:

21. Attendance at Seminars and Conferences

21.1 *There is presumption that only essential conferences will be attended. The term 'conference' is used to mean any paid for event, including seminars and workshops, attended by a Member or Officer of Wolverhampton City Council.*

21.2 *Essential conferences are to be defined as:*

(i) *Those that meet identified Member or Officer development needs as defined by individual Member or Officer Development Reviews that have been conducted in accordance with established procedures.*

(ii) *Those for which the costs and benefits to the Council have been evaluated.*

21.3 *Attendance at paid for conferences will require prior approval by the responsible budget holder regardless of cost.*

21.4 *The maximum total number of Members and/or Officers attending any individual conference shall be three; but the presumption shall be for one.*

21.5 *One officer may accompany a Member or Members at any individual conference*

21.6 *The presumption shall be that one officer representing Wolverhampton City Council may attend a conference.*

21.7 *Following attendance at any conference a written report shall be prepared by the Member or Officer attending and must include a summary of the key implications for the Council. The report shall*

be submitted to a relevant Committee or Panel of the Council (Members) or Management Team (Officers)”

3.3.3 As a result of the above changes, it is proposed to insert the following consequential amendment into Part 5/32 (Code of Practice for Employees – Travel, Subsistence, Hospitality and Gifts), Section 3 “Course, Seminars and Conferences”:

“3.3 For attendance at Seminars and Conferences see Protocol for Member/ Officer relationships Section 21.”

3.3.4 Constitution part 3/73 (Birmingham International Airport).

To amend section D38 replacing Director for Customer and Shared Services with Chief Financial Officer because this matter falls within the Chief Financial Officer’s responsibilities:

In consultation with the Director for Customer and Shared Services to deal with any matters requiring the consent of the Council as a shareholder in Birmingham Airport, or in relation to matters falling under the Shareholders’ Agreement, which have been recommended by the West Midlands Joint Committee, or the financial and legal advisors to the Joint Committee, and which have no adverse financial impact on the Council or do not prejudice the value of its shareholding in the Airport.

3.3.5 Constitution part 6/4 (Members Travelling and Subsistence Allowance).

To add the following clause:

Members who are required to return to Wolverhampton to attend Council meetings or attend to other Council business while away from home on personal business or in connection with their employment will not normally be reimbursed any travel or subsistence costs by the Council. In exceptional personal, compassionate or other mitigating circumstances, the reimbursement of such travel costs will be considered by the Chief Legal Officer and Chief Financial Officer following consultation with the Political Group Leaders.

3.3.6 Constitution Part 5 (Code of Practice for Employees – Travel, Subsistence, Hospitality and Gifts - Section 7 (Foreign Travel).

To replace the existing text with the following:

In view of the wide range of costs of travel and accommodation in various countries, it is not considered practical to operate a standard allowance system for visits abroad. In these circumstances, reasonable actual expenditure on accommodation, travel and subsistence will be funded/reimbursed subject to a number of conditions as detailed below:

(i) Travel expenses are an issue which receives much scrutiny, and a public expectation exists that requires a demonstration

of modesty, appropriateness and no personal financial benefit or gain.

- (ii) All foreign travel must usually be fully-funded from external sources (by grant etc) and there should be no cost to Council budgets.*
- (iii) Authorisation for the trip must be obtained in advance through a Green Decision report authorised by the responsible Service Director. The report must detail the costs of the trip and the source(s) of external funding. A copy of the report must be sent to the Banking Team within Operational Finance when it has been approved so that they have evidence of authority to make travel arrangements and provide foreign currency for the trip.*
- (iv) If, in exceptional circumstances, it is deemed necessary for the Council to fund or part-fund a foreign trip approval in advance must be obtained from the Cabinet (Resources) Panel.*
- (v) A detailed itinerary must be submitted in advance to the Service Director for every visit made. It should include a request by the officer travelling, for approval if they intend to be accompanied by a relative or friend and/or if they wish to extend the visit for personal reasons;*
- (vi) If the Council is required to book air travel and/or accommodation for the trip, this must be booked in advance through the Council's nominated travel agent unless there is a proven financial benefit to the taxpayer through making use of an alternative booking arrangement;*
- (vii) Priority should be given to purchasing travel tickets and accommodation that represent value for money to the taxpayer after taking into account factors such as the destination and duration/timing of flights;*
- (viii) In addition to the cost of accommodation, meals and internal travel, minor subsistence sums for 'out of pocket expenses' may be claimed but moderation must be exercised at all times when incurring expenditure during a trip;*
- (ix) Where an officer is accompanied by a relative or a friend there should be no additional cost to the taxpayer (including category of room), and the business element of the visit should not be compromised. Also, there must be no financial gain or benefit to the officer;*
- (x) If an officer extends their stay as a result of personal choice, there is a requirement to have an approach to apportioning the costs of the visit that balance the taxpayer's and officer's interests, and demonstrate that the officer is not receiving any benefit in kind. This is done by apportioning of costs based upon nights away, but allowing one night's flexibility for resolving travelling arrangements. By way of example – if someone is away for six nights on a business trip and they*

extend the trip for personal reasons to nine nights, then they would pay 2/9ths of the air fare and all of their expenses for the extended stay: hotel, meals, travel etc;

- (xi) Special flight deals requiring longer stays, but offering cost savings should be cleared with the Service Director and justified on the basis of offering a significant cost-saving;*
- (xii) The Council's Risk Management and Insurance Team must be contacted with regard to arranging travel insurance.*
- (xiii) Within seven days of returning the officer must complete a detailed financial summary for the trip and a reconciliation of the foreign currency advanced and expenditure incurred. The summary together with supporting receipts and surplus currency/travellers' cheques must be submitted to the Banking Team.*

3.3.7 Constitution Part 2/16 – Article 10 – Area Structures – Local Neighbourhood Partnerships.

Insert into paragraph 10.2, delegations to the Local Strategic Partnership (LSP) as agreed by Cabinet on 14 July 2010.

“In addition, following the report to Cabinet dated 14 July 2010, the LSP Board has the following delegations:

Authority is delegated to the LSP Board to approve expenditure and/or savings plans for any funding that is allocated to the LSP to manage by the Council, including the approval of payment of grants to individuals and/or external bodies.

Authority is delegated to the LSP Board to approve expenditure and/or savings plans for any funding received from outside of the Council where the Council is then given responsibility for spending those monies by the LSP.

Financial updates will be provided by the LSP within future quarterly revenue budget monitoring reports to Cabinet (Resources) Panel and these updates will be developed with support from the Council's Finance Department.”

3.3.8 Constitution Part 4/70 – Financial Procedure Rules.

Insert new paragraph (g) into paragraph 1 “Virements”

“(g) the virement does not relate to the payment of grants to any outside organisation or individual.”

3.3.9 Constitution Part 4/71 – Financial Procedure Rules.

Insert new section after “Accounting”

“Revenue Contributions to Capital Outlay (RCCOs)”

1. *No person shall commit to the use of revenue resources to finance capital expenditure, nor make an entry in the accounts to reflect such use, without the prior and specific approval of the Chief Financial Officer.*
2. *In the above paragraph, ‘revenue resources’ include amounts that are held in reserves, having been previously transferred from a revenue account.”*

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from this report, although the amendments to the Constitution will strengthen the Council’s governance arrangements. The ultimate aim of this is to improve the Council’s ability to secure the best possible outcomes from available resources, and to be able to demonstrate that it has done so.

[DM/27102010/R]

5. LEGAL IMPLICATIONS

- 5.1 The Council is required by section 37 of the Local Government Act 2000 to have a Constitution which is kept up to date and which contains a copy of the Authority’s standing orders relating to meetings and contracts, a copy of the Authority’s Member’s Code of Conduct and any other such information as the Secretary of State may direct.

[FD/18112010/C]

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from this report.

Schedule Of Background Papers

File GP 30/21 held in Legal Services.

Reports to Council Standards Committee and Special Advisory Group regarding to the Constitution 2000-2010.