

Subject:	Constitution Review		Status:	For Publication	
Report to:	Governance Working Group Council		Date:	19 th January 2017 1 st March 2017	
Report of:	Monitoring Officer		Portfolio Holder:	Legal and Democratic Services	
Key Decision:	No - reserved for Council	Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
Equality Impact Assessment:		Required:	No	Attached:	No
Biodiversity Impact Assessment		Required:	No	Attached:	No
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1.	RECOMMENDATIONS
1.1	<p>That Council amend the Constitution as follows:</p> <p>1. Part 4 Pages 130 Addition to Key Controls (4.47)</p> <p>i) Where a contract includes the receipt of income on behalf of the Council, by the contractor (by way of an agency agreement or similar) the contractual arrangements should not allow netting off, by the contractor, of the contractors expenses, unless Officers can demonstrate an advantage to the Council.</p> <p>2. Part 4 Pages 138 Addition to Key Controls (5.24)</p> <p>d) To ensure the principles of robust project management are followed where appropriate, to include amongst other things: business case, measurable outcomes, governance, and risk management.</p>
1.2	That members note the ongoing work in relation to the changes required to the Council's Constitution in Part 4 Contract Procedure Rules Section.

2. PURPOSE OF REPORT

- 2.1 To consider changes to the Constitution as detailed in Appendix A with regards to recommendations, which came about as a result of the March 2016 Rossendale Improvement Plan.
- 2.2 To inform members of the ongoing work in relation to changes to the Contract Procedure Rules as a result of the March 2016 Rossendale Improvement Plan.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following of the Council's corporate priorities:
- Responsive Value for Money Services: This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation in this report involve risk considerations as set out below:
- Failure to maintain and follow an up-to-date Constitution risks legal proceedings being taken against the Council, and risks members of the community being dissatisfied with the action of the Council.

5. BACKGROUND AND OPTIONS

- 5.1 Following the publication (Dec 2015) of the Internal Audit Report into the HCA Empty Homes scheme the Council, amongst other things, responded with its response to the report and later followed this up with a Rossendale Improvement Action plan. Within this action plan were a number of suggested changes to the Council's Constitution to ensure a more robust approach to both contract management and project management.
- 5.2 Recommendation 1.1.1 which prohibits any netting off within a contract ensures that income and expenditure within a contract, agency agreement or similar are clearly identifiable and controlled separately by Council officers.
- 5.3 Recommendation 1.1.2 reminds officers of one of the key controls and considerations which should be undertaken, amongst others, being that robust project management principles. A lack of such principles were evident in the original management of the HCA Empty Homes scheme.
- 5.4 In addition to the above changes, the Rossendale Improvement Plan March 2016 also notes other areas for improvement which will require Constitutional change. These amendments will be completed on an ongoing basis and will continue to come before Governance Working Group and Full Council as each section is revised and amended.
- 5.5 Members are asked to note the ongoing work for future meetings.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 There are no material financial implications arising from the report.

7. MONITORING OFFICER

- 7.1 All legal implications are commented upon in the body of the report.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 Consultation with Statutory Officers, Legal Officers, Committee and Member Services and the Governance Working Group.

9. CONCLUSION

- 9.1 The Council is required by law to implement a Constitution and it is in the interests of the Council to regularly review and update the document.

Background Papers

Document	Place of Inspection
The Constitution of the Council	www.rossendale.gov.uk/constitution

Part 4 Pages 130

Addition to Key Controls (4.47)

- i) Where a contract includes the receipt of income on behalf of the Council, by the contractor (by way of an agency agreement or similar) the contractual arrangements should not allow netting off, by the contractor, of the contractors expenses, unless Officers can demonstrate an advantage to the Council.

Part 4 Pages 138

Addition to Key Controls (5.24)

- d) To ensure the principles of robust project management are followed where appropriate, to include amongst other things: business case, measurable outcomes, governance, and risk management.