

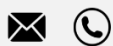


Cabinet

Report for:	Cabinet
Title of report:	Constitution update
Date:	23 rd April 2024
Report on behalf of:	Councillor Michela Capozzi, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Amended version of Part 2, Part 3 and Part 4 of the Constitution Amended version of the Financial Regulations
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	SLT – Strategic Leadership Team

Report Author / Responsible Officer

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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need
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	<p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
Wards affected	All
Purpose of the report:	<ol style="list-style-type: none"> 1. To seek approval to agree Part 2, 3 and 4 of Constitution. 2. To seek approval to amend the Council's Financial Regulations as set out in the body of the report.
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> 1. That Cabinet recommends that Council agree the amendments to Part 2, 3 and 4 of the Constitution as referenced in the report and annexed to this report. 2. That Cabinet recommends that Council agree the amendments to the Council's Financial Regulations as highlighted in the report in section 3 and annexed to this report.
Period for post policy/project review:	The Constitution is kept under continuous review by the Monitoring Officer and updates are proposed to Cabinet when required.

1 Introduction

- 1.1 The Monitoring Officer is under a continuous duty to review the Constitution to ensure that it is up to date and provides an appropriate governance framework for all Council decision making.
- 1.2 Proposals for change may be prompted not only by formal internal reviews, but also by the Monitoring Officer, the Cabinet, other Members or officers and by public opinion.
- 1.3 The changes proposed in this report result primarily as a result of the change of the role of the Chief Housing Officer to Strategic Director, Housing and Property Services and the subsequent creation and restructure of the Housing and Property Services directorate.
- 1.4 The changes also reflect the change in the Deputy Chief Executive function, which is now divided between the five Strategic Directors on a rolling basis.
- 1.5 Changes are also proposed to the Council's Financial Regulations as explained in section 3.

2 Leadership Team Restructure

- 2.1 The restructure of the Council's Strategic Leadership Team is now complete and is operational. The Constitution has therefore been reviewed to ensure that relevant job titles have been reviewed and functions are allocated to the correct post holder or Councillor.
- 2.2 There have been various changes to the Constitution made throughout the year to reflect other changes agreed by Cabinet and Council, such as the agreed delegations with regard to Suitable Areas of Natural Green Space (SANG) and specific changes introduced by new legislation, such as the Building Act 2023.
- 2.3 It is good practice and meets constitutional requirements for the Council to readopt the constitution at least annually and therefore Part 2 (Articles of the Constitution), Part 3 (Responsibility for Functions) and Part 4 (Rules of Procedure) are presented for approval.

3 Update to the Financial Regulations

- 3.1 The Council's Financial Regulations form part of the Constitution and are reviewed periodically to ensure that they remain relevant throughout any structural or operational changes within the Council, as well as legislative changes and relevant best practice guidance.
- 3.2 The Financial Regulations, including recommended updates, are annexed to this report. Details of the recommended changes to the current approved Regulations are set out below.
- 3.3 It is recommended that the Financial Regulations are updated throughout to reflect changes in Portfolio Holder titles.

3.4 Financial Regulation 1, paragraph 1.2 - the Section 151 Officer

It is recommended that the Council's Financial Regulations explicitly state the interchangeable nature of the roles of Section 151 Officer and Deputy Section 151 Officer for the purpose of the Financial Regulations. The Chief Finance Officer is the Council's Section 151 Officer and is accountable to the Council for the financial regulations. The Head of Financial Services is the Council's Deputy Section 151 Officer. Where the Financial Regulations refer to the 'Section 151 Officer' this refers to either the 'Section 151 Officer' or the 'Deputy Section 151 Officer'.

This change is an update to the existing regulations to follow best practice to ensure if unexpected events happen. The Deputy S151 Officer has the ability to take on the responsibilities of the S151 Officer.

3.5 Annexe E Section 4: Debt write-off and credit write-on procedures and limits and Schedule of Authorisations, items 6 and 7.

Where unclaimed credits are held within the Council's accounts, they may be considered for writing on.

Where a debt owed to the Council remains unpaid it may be necessary for the debt to be written off. The cost of undertaking recovery proceedings can be expensive and given the low value of some debts, it may not be economic to commence such action.

It is recommended that the following amendments to debt write on and write off thresholds are made in order to facilitate timely write on and write off of Council debt:

- A de minimus of £1,000 for Section 151 Officer approval is introduced for all write ons. There is currently no de minimus in place.
- The threshold for Portfolio Holder Corporate and Commercial services approval on debt write off be raised from £20,000 to £50,000.

3.6 Annex D Regulation D.4. Scheme of Delegation

It is recommended that the Unit 4 Business World approval limit for the Strategic Director Housing and Property Services be increased from £1m to £3m. This approval limit relates to the approval of transactions in the Council's financial system. The recommendation will ensure that the Strategic Director for Housing and Property Services is able to approve large value payments relating to key service contracts such as new build contractors and ongoing housing stock repairs and maintenance. These payments frequently require approval by the s151 Officer or Chief Executive due to their value. This change will ensure financial transaction approvals are undertaken by the appropriate strategic lead for Housing and Property services.

3.7 Annex F Section 1 Disposals of Assets (including Stocks and Stores)

It is recommended that approval limits relating to the disposal of Council assets are brought in line with the Council's Housing and Property Services Acquisitions (Right to Buy; Buy Back) and Disposals Policy, approved by Cabinet in February 2024. This would increase the threshold for Cabinet approvals for land disposals from £500k to £750k. It is proposed that all disposals of land valued above £15k but below £750k be authorised by the Chief Finance Officer in consultation with the

Portfolio Holder for Corporate and Commercial Services. Where such a disposal relates to assets held by the Council's Housing Revenue Account:

- The Strategic Director Housing and Property Service will notify the Chief Finance Officer of their support for the disposal and
- The Chief Finance Officer will, in addition, seek approval for the disposal from the Portfolio Holder for Housing and Property Services.

4 Options and alternatives considered

No other options are considered relevant as the changes are required to ensure that the Council can operate with the appropriate delegations in place.

5 Consultation

There has been consultation with the Council's Strategic Leadership Team, Corporate Leadership Team and senior Cabinet Members to ensure that the appropriate delegations are in place to enable the Council to operate effectively.

6 Financial and value for money implications:

The scheme of delegation in Part 3 of the Constitution and the Financial Regulations provides a framework for effective and compliant decision making and should help to ensure that decisions are taken at the right level and therefore improve the efficient running of Council services.

7 Legal Implications

The scheme of delegation in Part 3 of the Constitution and the Financial Regulations ensure that decisions are made by the correct Committee, Councillor or Officer according to the function being discharged. Failure to have an effective and up to date Constitution in place could lead to legal challenge.

8 Risk implications:

Failure to have an effective and up to date Constitution in place could lead to legal challenge and/or operational challenges as Members, Officers and the public will not be clear how, or by whom, decisions should be taken.

10 Equalities, Community Impact and Human Rights:

There are no Equalities, Community Impact or Human Rights implications arising from this report.

11 Sustainability implications.

There are no sustainability implications arising from this report.

12 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no implications arising from this report.

13 Statutory Comments

Monitoring Officer:

The Constitution provides a framework for effective decision making and should ensure that officers act within their appointed delegations and therefore minimise legal challenge.

Deputy S151:

The proposed changes will help support appropriate, timely and efficient execution of financial processes within the Council.

14 Conclusions:

The changes proposed in this report are required to ensure that the Council has an appropriate framework in place to facilitate effective decision making and remain agile to enable it to deliver the Council's priorities. The recommendations in the header of this report are therefore presented to Cabinet for referral to Council for final approval.