

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Constitution Task Group**
held on Friday, 16th December, 2011 at Committee Suite 2/3 - Westfields,
Middlewich Road, Sandbach, CW11 1HZ

PRESENT

Councillors D Marren, G Morris and P Whiteley

In attendance

Councillor M Jones, Cabinet Member for Resources
Councillor P Groves, Cabinet Support Member for Resources

Officers

Lisa Quinn, Director of Finance and Business Services
Christine Mann, Finance Manager
Paul Jones, Democratic Services Team Manager
Paul Mountford, Democratic Services Officer

1 APPOINTMENT OF CHAIRMAN

RESOLVED

That Councillor D Marren be appointed Chairman of the Task Group.

Councillor Marren in the chair

2 DECLARATIONS OF INTEREST

No interests were declared.

3 FINANCE PROCEDURE RULES

The Constitution Committee at its meeting on 17th November 2011, in considering progress with its review of the Constitution, had appointed a Task Group of five members to consider and advise on detailed changes to the Finance Procedure Rules.

It was intended that a report on the Finance Procedure Rules would be taken to the Committee's meeting on 26th January 2012 with a view to making recommendations to Council on 23rd February. The Task Group was therefore asked to consider the proposed amendments to the Finance Procedure Rules.

Councillor M Jones, Cabinet Member for Resources, welcomed the Task Group's consideration of the draft Finance Procedure Rules and explained briefly the nature and purpose of the proposed changes.

Members had regard to a draft report to the Constitution Committee which explained in more detail the background to and purpose of the proposed changes to the Finance and Contract Procedure Rules. The report sought approval for proposed amendments to the Foreword and Sections A, B, C and D of the Rules, and a recommendation to the Council for their endorsement. Section E (Contract Procedure Rules) had already been approved and Section F would be considered at a later date.

The amendments sought to reflect the recent changes made to the Officer Scheme of Delegation and to improve the alignment of the Finance and Contract Procedure Rules, in terms of wording and content, with other parts of the Constitution. The amendments also took into account updated national best practice recommendations and changes to the way the Council operated. Some minor re-wording had also been undertaken to clarify points which had given rise to interpretational ambiguity and to improve clarity and readability.

The summary of financial responsibilities set out in Section A of the Rules had been redrafted so that the wording aligned with that included in Part 3 of the Constitution which set out the Responsibility for Functions at both Officer and Member level. The overview section of Section B, and regulations B4 to B6, had been updated to reflect recent changes to the Council's strategic planning framework, following the introduction of a revised approach to Business Planning. Regulations C37 to C41 had been updated to reflect the role of the Corporate Landlord. Regulation A19 had also been updated to include reference to recently a published CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

The following specific areas of clarification had also been addressed:

Ring-fenced budgets: an additional sub-paragraph had been added to regulation A31 to explain the nature of ring-fenced budgets and the restrictions that applied to their management.

Schemes of Financial Delegation: regulation A24-A27 had been redrafted with a view to distinguishing more clearly between local Schemes of Delegation, which documented the assignment of functions and general decision-making powers from the Corporate Management Team to Heads of Service and other subordinate officers, and Schemes of Financial Delegation, which were intended to set out approval responsibilities and limits for specific financial and budgetary transactions.

The Task Group considered the draft Finance Procedure Rules and agreed the following amendments:

Foreword, paragraph 2 to read: the Corporate Management Team *must* maintain a written record where decision-making has been delegated to staff.

A.31(b) – the Director of Finance and Business Services to consider providing a clearer definition of a budget head.

B.17 to read: [the Corporate Management Team] *must* also take any action to avoid exceeding their budget allocation.

B.28 to read: A summarised version of the Business Case Template will also be required for all *proposals* over £100,000.

C.7 (failure to comply with Civil and Contract Procedure Rules) – it was suggested that this should include reference to the possibility of disciplinary action. The Director of Finance and Business Services undertook to include an appropriate wording in the Foreword which would be consistent with the Officer Code of Conduct.

C.46 (asset disposal/write-off) – it was suggested that a time constraint should be placed on disposals/write-offs. The Director commented that there could be legitimate reasons for delaying a disposal/write-off; she undertook to include an appropriate form of wording in the Foreword.

D.13 (monitoring and reporting on the level of outstanding debt) – this should refer to *quarterly* and outturn reports.

RESOLVED

That subject to the amendments agreed by the Task Group, the draft Finance Procedure Rules be recommended to the Constitution Committee for approval by Council.

The meeting commenced at 10.45 am and concluded at 11.50 am

Councillor D Marren (Chairman)