

Item No. 5.	Classification: Open	Date: May 21 2008	Meeting Name: Council Assembly
Report title:		Constitutional Review	
Ward(s) or groups affected:		All	
From:		Strategic Director of Legal and Democratic Services	

RECOMMENDATIONS

That the recommendations of the constitutional steering panel set out in this report on changes to the constitution be agreed:

1. Part 1 – Introduction to Southwark’s Constitution (*see paragraph 32*)
2. Part 2 – Articles (*see paragraphs 33 – 36*)
 - Part 3 – Responsibility for Functions (renamed ‘Who takes decisions?’) (*see paragraphs 37 - 57*):
3. Part 3A – Matters reserved to council assembly (*see paragraph 37*)
4. Part 3B – Executive roles and functions (*see paragraph 38*)
5. Part 3C – Matters reserved to the executive for collective decision making (*see paragraphs 39-41*)
6. Part 3E: Matters reserved to executive committees (*see paragraphs 42-43*)
7. Part 3F – Matters reserved to the planning committee (*see paragraphs 44-47*)
8. Part 3J: Matters reserved to disciplinary appeals committee (*see paragraph 48*)
9. Part 3N: Urgency committee (*see paragraphs 49-50*)
10. Part 3Q and 3R: Local act and Local choice functions (*see paragraphs 51-52*)
11. Part 3S: Appointments to outside bodies (*see paragraphs 53-57*)
 - Part 4 – Rules (*see paragraphs 58 – 69*)
12. Council assembly procedure rules (*see paragraphs 58-62*)
13. Access to information procedure rules (*see paragraph 63*)
14. Budget and policy framework procedure rules (*see paragraph 64*)
15. Overview & scrutiny procedure rules (*see paragraph 65*)
16. Contract standing orders (*see paragraphs 66- 69*)
17. Financial standing orders (*see paragraphs 66 - 69*)
18. Part 7 – Other Information (*see paragraph 72*)
19. That council assembly agree all the other changes to the constitution as set out in appendices 1 - 12.
20. That officers be authorised to undertake any consequential and cross referencing changes arising from the review of the constitution (*see paragraph 73*)

BACKGROUND INFORMATION

Comprehensive Constitutional Review 2008-09 - objectives

21. On July 19 2007 the constitutional steering panel (CSP) agreed the objectives and work programme for the constitutional review for 2008-09.

22. The constitutional steering panel agreed to undertake a comprehensive review of the constitution and in doing so sought to make the constitution:
- **Accessible** to all those who need to use it to understand their rights and obligations under it.
 - **Efficient:** supporting effective decision-making so that the business of the council can be delivered in line with best practice on corporate governance.
 - **Inclusive:** so that decision-making is open and transparent and involves local communities.

Process

23. The CSP agreed that the framework for the review should be broken down into key areas as follows:

Table: Framework for review – Key Areas

Key Area	Issue
1.	<ul style="list-style-type: none"> • Part 3 of the Constitution – Who takes decisions • Financial Governance • Area Committees
2.	<ul style="list-style-type: none"> • Overall format and Structure • Procedure rules • Member Officer Protocol • Communications Code
3.	<ul style="list-style-type: none"> • Issues arising from the Local Government and Public Involvement in Health Act – Cross-cutting theme • Conduct Issues • Local Filter • Partnership working

24. At the same time CSP had to consider the impact of a number of other linked projects, for example:
- Creating a code of corporate governance
 - Modernising decision making
 - Adapting standards committee practice to the new “local filter”
 - Work being done on the financial governance of partnerships.

The review also took into account external influences such as the Local Government and Public Involvement in Health Act. Officers will report back on this and partnership working as part of the next constitutional review.

25. In recommending the content of the constitution, officers advised CSP on what information is required by statute to be decided by council assembly and what can be left to decision of others. Examples of the former include the establishment of council committees and the agreement of procedure rules for

meetings. Examples of the latter include the list of chief officers, decision making structure, glossary etc. In other areas the council has scope to determine locally the appropriate decision maker allowing the constitution to be updated without taking all matters to council assembly.

26. On November 7 2007 CSP considered a report on financial governance which sought to clarify the roles of council assembly and the executive. These changes have been incorporated into the relevant new sections of the constitution.

Consultation

27. In order to achieve the outcomes listed in paragraph 9, the review involved those who need to use the constitution. This was achieved in the following ways:
 - (a) Involving members by representation of party groups on the Constitutional Steering Panel and through the party organization.
 - (b) Seeking views of particular groupings of members and individual members affected by the review by way of interviewing the chairs of committees and chairs of community councils.
 - (c) Involving officers through the constitutional working group, an officer meeting which brings together all those working on related issues across the council.
 - (d) Officer survey.
 - (e) Focus groups/workshops for officers particularly involved in aspects of the constitution.

Overall Format and Structure

28. One of the main objectives of the review was to ensure that the constitution is easily understood and user friendly. In order to achieve this, CSP considered the following key areas for improvement:
 - (a) Physical appearance of the constitution.
 - (b) Ability to find information and the layout.
 - (c) Clarity.
29. During the course of the year officers have reported regularly to the constitutional steering panel on the changes. On March 12 2008 the constitutional steering panel (CSP) decided on a series of principles to the overall format and structure of the new constitution for 2008-09. These have been applied to the draft constitution. These are as follows:
 - (a) Extended summary embracing some of information in articles and including more lay person's language.
 - (b) Reduced number of articles by consolidating and avoiding duplication.
 - (c) Remove duplication e.g. where roles and functions of community and planning matters is repeated in Part 3.
 - (d) Move the role and functions of meetings into Part 3 of the constitution.
 - (e) Combine terms of reference and matters reserved in Part 3.
 - (f) Include all meeting bodies in the constitution in Part 3, currently some e.g. pensions, CSP, voluntary bodies panel are located elsewhere.

- (g) Include information specially required by statute.
- (h) Reorder so there is a more logical flow and order.
- (i) More usable binders with loose leaf pages and dividers.

KEY ISSUES FOR CONSIDERATION

Introduction

30. This report constitutes the annual report on the constitution. All constitutional issues have first been considered by the constitutional steering panel.
31. The report sets out the main key issues and changes arising from the constitutional review. The draft constitution is set out in appendices 1 – 11. due to the size of the document the appendices have been circulated as a separate Supplemental Agenda No. 1. Changes are shown as follows:
- additions (shown as underlined);
 - deletions (shown with a strike through);
 - comments (added to explain reason for main changes).

Part 1 – Introduction to Southwark Council’s Constitution

32. As one of the chief aims of the review is to make the constitution more understandable and accessible it was felt that the existing summary of the constitution should be redrafted as it is often the first point of contact for the public and others. The rewrite seeks to give a clearer and more general outline of the constitution. In reviewing the summary officers looked at those of other London boroughs. The revised introduction to the constitution is attached as appendix 1 to this report.

Recommendation 1 – Part 1 : Introduction to Southwark Council’s Constitution

That the revised introduction to the constitution be agreed (see appendix 1)
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Part 2 – Articles

33. The current articles contain a few anomalies, such as the duplication of procedural advice that can be found elsewhere in the constitution, a description of roles and functions that should be incorporated in Part 3 and a few descriptive list that would be better placed elsewhere (names of executive and ward members). The report to CSP on April 22 sought to streamline the articles thereby focusing them on explaining the power and duties allocated to the council. The key changes include:
- Removing duplicating of procedural advice that can be found elsewhere in the constitution;
 - Moving roles and functions for committees into Part 3;
 - Including information useful to the public in the summary;
 - The purpose and principles on which the constitution is based included in expanded Article 1, which includes new clause on changes to the constitution.

Other specific changes to articles 1, 7 and 12 are set out below:

Article 1 – Changes to the Constitution

34. An updated clause sets out who can change the constitution based on what is required by statute to be decided by council assembly (e.g. establishment of council committees and the procedure rules) and what can be left to decision of others (e.g. includes the list of chief officers, decision making structure, protocols, glossary etc). In other areas the council has scope to determine locally the appropriate decision maker allowing the constitution to be updated without taking all matters to council assembly.

Article 7 – The Executive

35. New rule to give the leader discretion to make changes to the membership of executive committees during the course of the municipal year, using a notification process similar to that for replacing executive members or changing their portfolios.

Article 12 – Functions of the finance director

36. That the paragraphs on treasury management, cap and trading schemes, risk management, fraud and audit management be included within the financial standing orders and that those on the pensions advisory panel be included within article 8 (Regulatory and other committees) or in part 3 of the constitution, with reference being made to the finance director's responsibilities in relation to pensions in the financial standing orders as well.

Recommendation 2 – Articles

That the revised articles of the constitution be agreed (see appendix 2)

Part 3 – Responsibility for Functions (renamed 'Who takes decisions?')

Part 3A – Matters reserved to council assembly

37. On comparing the articles and responsibility for functions section of the constitution CSP agreed to recommend the following amendments suggested by officers (together with a recommendation on the housing strategy):

(1) Previous wording in Article 4 (council assembly) and Part 3A have been merged to remove duplication.

(2) The policy framework has been updated as follows:

- **Corporate Strategy** – Titled updated to remove reference to “best value performance plan”.
- **Crime and disorder Reduction Strategy** - Crime and disorder reduction partnerships (CDRPs) are no longer required to produce 3 year crime and disorder strategies. The new legislation requires each CDRP to develop a three year rolling plan and an annual strategic assessment.
- **Planning policies** - renamed in line with development plan

framework.

- **Neighbourhood Renewal Strategy** – No longer required as neighbourhood renewal fund does not exist.
- **Capital Investment Strategy** – Renamed “Treasury Management Strategy”.
- **Housing Strategy** – Recommendation from CSP that this be an executive responsibility.

(3) Budget – The definition of the budget has been updated as follows (words in underlined are new):

‘The budget includes the allocation of financial resources to different services and projects, proposed contingency funds including reserves and balances, the council tax base, setting the council tax and decisions relating to the control of the council’s borrowing requirement, ~~the control of its capital expenditure~~ the control of its treasury management strategy and the setting of virement limits.’

The capital investment strategy (including prudential borrowing arrangements)’ is to be given a more appropriate title replacing it with ‘Treasury management strategy (including prudential borrowing arrangements)’ in the section listing the plans and policies which form the policy framework in part 3A.

Recommendation 3 – Part 3A: Council Assembly

That the changes to Part 3A be agreed (see appendix 3)

Part 3B – Executive Roles and Functions

38. CSP agreed to recommend the following amendments suggested by officers:

- ‘Capital strategy and programme’ be inserted under Medium term financial strategy in the list of plans and strategies to be approved by the executive in part 3B.
- That ‘Medium term financial strategy’ be amended to say ‘Medium term financial strategy, including Housing Revenue Account’.
- The local area agreement, housing strategy and statement of community involvement to add to the list of plans and strategies.

Officers are continuing to review the list and will provide a further update for the meeting if necessary.

Recommendation 4 – Part 3B: Executive Roles and Functions

That the changes to Part 3B be agreed (see appendix 3)

Part 3C – Matters reserved to the executive for collective decision making

39. There are number of areas to update with reference to decision making. The main changes are set out below:
40. Education – Clauses on statutory decisions e.g. to close schools and approval of schools admissions policies and co-ordinated admissions have been updated to reflect the current position.
41. Planning – Reference included to final approval of supplemental planning documents to clarify responsibility for the planning policy decisions. The constitution already included references under council assembly and planning committee but does not deal with the executive.

Note: In respect of education and planning, consequential changes have been made to IDM decision making clarifying existing arrangements.

Recommendation 5 – Part 3C: Matters reserved to the executive for collective decision making

That the changes to Part 3C be agreed (see appendix 3)

Part 3E: Matters reserved to Executive Committees

42. The Major Projects Board was established last year and it was subsequently confirmed that the MPB has the power within the role and functions delegated to it to decide all matters reserved to the executive.
43. It is suggested that its role in relation to “Allocate and agree resources, use of resources for each major project, within the financial parameters for each project set by the executive” (clause 8 in current constitution), be reworded to make it clearer that its role is subject to limits set by the executive. The meaning is unaltered. The revised sentence would read:

“Within the financial parameters for each project set by the executive, allocate and agree resources for each major project.”

Recommendation 6 – Matters Reserved to Executive Committees

That the parameters for each project set by the executive be reordered as followed:

“Within the financial parameters for each project set by the executive, allocate and agree resources for each major project.”

Part 3F – Matters reserved to the planning committee

44. The Planning and Compulsory Purchase Act 2004 introduced a new type of plan to control the use and development of land called a Local Development Framework. This replaces the system of unitary development plans that was set up as part of the Town and Country Planning Act 1990. The local development framework may be seen as a folder containing a number of

documents. These documents will be spatial rather than purely land use plans. Traditionally land use planning has focused on regulating and controlling how land is used. Spatial planning through local development frameworks go beyond this to take account of the plans and strategies of other agencies not traditionally involved in the land use planning system but who also have an impact on spatial development. The local development framework contains development plan documents, supplementary planning documents, the statement of community involvement, the annual monitoring report and the local development scheme.

45. The proposed changes to this section of the constitution and other associated changes in Part 3A (Council assembly), Part 3C (Executive), Part 3D (IDM) are seeking to update the references so they are in line with the new development framework.
46. Southwark's planning decisions are usually based on these documents, most of which have been agreed by council assembly. Council assembly approves overall planning policy framework which includes all development plan documents. These documents are independently examined by a planning inspector and now require extensive community involvement. The development plan documents include:
 - A core strategy setting out the vision, objectives and core policies of the local planning authority which is us in our role as a decision maker on planning issues;
 - Site specific allocations of land; Area action plans;
 - Themed documents such as housing or employment (where they contain site allocation policies) ; and
 - A proposals map setting out policies and site allocations pictorially.
47. The executive can also adopt other key planning policy documents such as supplementary planning documents, which provide further detail on the content of development plan documents, and the statement of community involvement which sets out how the council must undertake involvement of persons who have an interest in development in the borough in the exercise of the council's statutory planning functions.

Recommendation 7 – Part 3F – Matters reserved to the planning committee and community councils exercising planning functions

1. That the proposed changes to this section of the constitution and other changes in associated Part 3A (Council assembly), Part 3C (Executive), Part 3D (IDM) be agreed in order to update the references so they are in line with the new development framework.
2. That other changes in Part 3F be agreed (see appendix 3)

Part 3J: Matters Reserved to Disciplinary Appeals Committee

48. The matters reserved to the disciplinary appeals committee (DAC) in the current constitution are quite extensive as they include the procedures that the meeting should follow. CSP agreed to recommend that the matters reserved

should be reduced by extracting the committee procedures and incorporating them into the open report that each meeting receives.

Recommendation 8 – Part 3J: Matters Reserved to Disciplinary Appeals Committee

1. That the matters reserved to DAC's be reduced by extracting the committee procedures and incorporating them into the open report that each DAC meeting receives.
2. That a guidance note on the operation of the committee be published on the council's website.

Part 3N: Urgency Committee

49. Council assembly reconstitutes the urgency committee to function during an interim period between a full municipal election and council assembly. This wording is currently set out in council assembly procedure rule 9 and is included in Part 3 so that the list of committees is comprehensive.
50. In addition to the urgency committee itself, the provisions also include arrangements to deal with planning, licensing and standards issues (complaints against members). In terms of planning and licensing this new section is formalising within the constitution the arrangements used in the last full local elections. The arrangements provide for the consideration of applications and complaints where the time frames are limited by statutory limits or national performance guidelines. This section will ensure the continuity of efficient and expeditious decision making during this period. The arrangement has been extended to standards sub-committees, which will consider complaints against members as part of the local filter, because of the need to comply with statutory time limits. Decision making on these committees is either quasi-judicial in the case of licensing or non-party political in the case of planning and standards.

Recommendation 9 – Part 3N: Urgency Committee

That Part 3N on the urgency committee and sub-committees be agreed (see appendix 3)

Part 3Q and 3R: Local Act and Local Choice Functions

51. This section of the constitution sets out the responsibility for functions and powers that the council gets from Local Acts and functions which are a matter of local choice.
52. Legal officers recommend that the council should retain this section in its current form, as it reflects the Secretary of State's direction with regard to what constitution should contain and also because it sets out clearly who has what responsibilities and functions.

Recommendation 10 – Part 3Q and 3R: Local Act and Local Choice Functions

That the current format of Parts 3Q and 3R be retained.

Part 3S: Appointments to Outside Bodies

53. Responsibility for appointments and revocation of appointments to outside bodies is a local choice function under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, regulation 3(1), schedule 2, and paragraph 19. Members may decide that the appointments should be made by council assembly, but statutory guidance is that the executive should make appointments to outside bodies in connection with functions which are the responsibility of the executive, and all other appointments should be made by the council assembly, a committee or officer.
54. Southwark's constitution contains the following information in relation to each outside body:
- Name
 - Purpose
 - How often it meets
 - Time of meeting
 - Number of places to be filled
 - General information
 - Who appoints.
55. As this information is set over 12 pages of the constitution officers considered whether all of it is actually required.
56. The Local Government Act 2000 (Constitutions) (England) Direction 2000 sets out what must be included in the constitution. It must include:
- a description of the arrangements the authority has in place for access of the public, members of the authority and officers of the authority to information about the decisions made or to be made by in respect of local authority's functions and activities.
57. Therefore, we are required to publish the information but it is possible that its current format can be amended. A comparative exercise with other constitutions showed that Southwark's present format was reasonably concise. In addition to the information that Southwark supplies some authorities set out the terms of reference of each body, which lengthens the material provided.

Recommendation 11 – Part 3S: Appointments to Outside Bodies

1. That Part 3S be reformatted to include minimum information required by statutory guidance, such as:
 - Name
 - Purpose
 - Number of places to be filled
 - Who appoints.
2. That in year changes to this section of the constitution be delegated to an officer who would be authorised to make any changes.

Part 4 – Rules

Council Assembly Procedure Rules

58. On January 16 2008 CSP considered a report entitled “Review of Southwark’s Constitutional Procedure Rules”, which put forward a number of suggestions for the review of the procedure rules. CSP agreed the most suitable approach was to keep the current procedure rules as they are but arranging the information differently so it is clearer and easier to use.
59. In addition members agreed that the Plain English Campaign (PEC) should be approached to ascertain the cost and time involved in rewriting certain areas of the constitution. The council assembly procedure rules were used as a pilot.
60. The Plain English rewrite of the council assembly rules were submitted to CSP on April 22. The PEC suggestions in some respects were more readable and easier to understand. However, there were a number of edits which if adopted would take away something from either what is actually being explained or change the meaning of what is intended. As a result of these ambiguities CSP agreed that the review should continue beyond annual council to allow officer’s time to fully consider the consequences of the proposed changes.
61. As part of the review of the procedure rules a legal officer met with key users of the constitution and obtained comments and suggestions in respect of the rules. Those comments concerned the format, layout or structure of council assembly procedure rules. These were presented to CSP on 22 April together with specific proposals from the political whips.
62. Therefore at this time the CSP are recommending that council assembly agrees the reordered version of council assembly procedure rules set out in appendix X and a few other changes recommended by CSP on April 22 and May 7 as set out below:
 - (a) CSP agreed reordering of sections so there is a more logical flow and order
 - (b) Suspension of the procedure rules – That the use of the asterisk (*) to identify which rules may not be suspended be replaced.
 - (c) Personal explanation – Clarification that rule applies to both motions and questions.

- (d) Recorded vote - That the recorded vote at 1.18.(4) be called something different to distinguish it from an individual recorded vote listed at 1.18 (5). CSP suggested: 'Roll Call'.
- (e) Executive Statements - That wherever possible executive statements should be in writing, and circulated at the start of the meeting.
- (f) Broadcasting – Suggested that the wording be clearer i.e. so if someone makes a request and the chair agrees then it needs to be announced at the beginning of the meeting by the chair.
- (g) Protocol on investigation and ruling of Standards Board, standards committee and the adjudication panel (appendix 1 to council assembly procedure rules) – It was noted that this section would need to be updated by officers in light of the new arrangements for hearing complaints against members through the local filter.
- (h) Protocol for receipt of members questions, motions and amendments (appendix 2 to council assembly procedure rules) – CSP felt this appendix was no longer required in the constitution as the practice of emailing is now well established. It was recommended that it be maintained as a separate protocol outside of the constitution by officers.

Recommendation 12 – Council Assembly Procedure Rules

1. That the changes recommended by CSP (see points (a) to (g) above be agreed.
2. That the reformatted version incorporating minor changes proposed by officers of the council assembly procedure rules be agreed (see appendix 6).

Access to information procedure rules

63. CSP also agreed to recommend the following changes:
- Clauses on urgent decisions which are duplicated in the constitution reviewed so they only appear in the access to information procedure rules. Duplicated in the OSC procedure rules deleted.
 - Clarification of the application of the rules to different meetings by use of Inclusion of additional titles.
 - The protocol on key decisions includes a block of decisions which, although not deemed to be key decisions, are still deemed to have significance and are included in the forward plan. This has caused confusion as to the need to treat them as key decisions in all respects. A minor change is to be recommended with a view to making it clear that they are de facto key decisions. Reports on corporate budget performance and monitoring are to be added to this list as they are included in the forward plan.

Recommendation 13 – Access to Information Procedure Rules

That the changes to the access to information procedure rules outlined above be agreed (see appendix 4)

Budget and policy framework procedure rules

64. That the section on 'Virement' in paragraph 5 of the budget and policy framework and procedure rules be amended as follows:

Sub-paragraphs (a) and (b) be deleted so that this section says
"The rules on virements are set out in full in financial standing orders."

Recommendation 14 – Budget and Policy Framework Procedure Rules

That the changes to the budget and policy framework procedure rules be agreed (see appendix 5).

Overview & Scrutiny Procedure Rules

65. On April 22, CSP considered a report on the overview and scrutiny procedure rules. Officers suggested a number of minor amendments which CSP agreed subject to any comments from the overview and scrutiny committee. The principles behind the proposed amendments are to avoid duplication and overlap, allow some flexibility around the structure (e.g. number and nature of sub-committees). The rules have also been re-ordered so that they have a more logical flow.

Recommendation 15 – Overview & Scrutiny Procedure Rules

That the revised overview & scrutiny procedure rules be agreed see appendix 9).

Contract and Financial Standing Orders

66. The CSP has considered a number of changes to the financial elements of the constitution and on March 12 2008 it considered the financial standing orders (FSOs) and the contract standing orders (CSOs).
67. The FSOs and CSOs are reviewed each year to reflect any statutory or procedural changes. In addition, for 2007/08 a more fundamental review was carried out of the CSOs which included changes to the decision making process, thresholds and structure.
68. Although the current review of FSO's and CSO's has been limited to updating, it should be noted that any changes which may be agreed as part of the constitutional review, particularly in respect of decision making, may have an impact on FSOs and CSOs which would need to be picked up subsequently.
69. The main changes agreed by CSP are summarised in appendix 12.

Recommendation 16 – CSO’s

That the revised Current Standing Orders attached as appendix 10 be agreed.

Recommendation 17 – FSO’s

That the revised Financial Standing Orders attached as appendix 11 be agreed.

Part 6 – Protocols

70. The member officer protocol (together with the communication protocol), are currently under review. Detailed proposals will be reported to a future meeting.
71. CSP on April 22 2008 asked officers to look at the issue of independent member attendance at standards committee. Officers are seeking advice on how best to effect this change and will report back. This will also look at the application of any change to scrutiny co-opted members as this would provide a consistent approach to all non-councillors on committees.

Part 7 – Other Information

72. As a result of the extensive redrafting of the constitution an updated glossary and associated structure charts will need to be produced and these will be circulated as part of the review. In addition article 1.05 has been amended to allow the monitoring officer to make minor changes to the constitution, such as updating the names of individual executive members who are appointed during the course of the year.

Recommendation 18 – Other information

That officers be authorised to update the glossary and associated structure charts.

Consequential Changes

73. As a result of the changes suggested within this report officers will be required to update the constitution. Therefore council assembly is requested to authorise officers to undertake these consequential changes.

Recommendation 19 – Consequential Changes

That officers be authorised to undertake any consequential and cross referencing changes arising from the review of the constitution.

Community Impact Statement

74. There will be no direct impact on local people of adoption of these principles. However, providing for wide involvement of those using the constitution, including the local community where relevant, will enable people to understand the role that they can play in the decision making of the council and how the council will safeguard high standards of conduct amongst members and officers.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director for Legal and Democratic Services

75. This comment advises council assembly of the legal procedure relating to changes to the council's constitution.
76. Section 37 of the Local Government Act 2000 requires the council to "prepare and keep up-to-date" a constitution. Statutory guidance from the Department for Communities and Local Government states that constitutions "should be drafted as a flexible document" but leaves it up to local authorities to determine how the constitution is to be changed. It is also recognised that council constitutions cannot cover every eventuality.
77. Article 15.03(a) of Southwark's constitution states that changes to the constitution "will only be approved by the council assembly after consideration of the proposal by constitutional steering panel".
78. Council assembly may approve any amendment to the constitution where the issue in general has previously been considered by the constitutional steering panel. Further, there is a distinction between changes to the constitution which clarify existing roles and functions and those which raise completely new matters which have not been considered in accordance with Article 15.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Reports and Minutes of the Constitutional Steering Panel	Constitutional Team, Town Hall, Peckham Road, London SE5 8UB	Lesley John 020 7525 7228
Summary of Main Changes – Report to Constitutional Steering Panel on May 7 2008	Constitutional Team, Town Hall, Peckham Road, London SE5 8UB	Lesley John 020 7525 7228

APPENDICES

Notes:

1. Appendices 1-11 setting out the draft constitution have been circulated separately in Supplemental Agenda No.1 because of the size of the documents.
2. Appendix 12 is attached to this report.

No.	Title
Appendix 1	Part 1 –Southwark Constitution – Introduction
Appendix 2	Part 2 - Articles
Appendix 3	Part 3 – Who takes decisions?
Appendix 4	Access to Information procedure rules
Appendix 5	Budget and policy framework procedure rules
Appendix 6	Council assembly procedure rules
Appendix 7	Committee and community council procedure rules
Appendix 8	Executive procedure rules
Appendix 9	Overview and scrutiny committee
Appendix 10	Contract standing orders
Appendix 11	Financial standing orders
Appendix 12	Summary of main changes to contract standing orders and financial standing orders

AUDIT TRAIL

Lead Officer	Graham Love, Head of Democratic Services	
Report Author	Lesley John, Constitutional Officer Ian Millichap, Constitutional Team Manager	
Version	Final	
Dated	May 9 2008	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director for Legal and Democratic Services	Lead officer	Yes
Finance Director	No	No
Executive Member	N/a	N/a
Date final report sent to Constitutional/Community Council/Scrutiny Team	May 9 2008	

APPENDIX 12

SUMMARY OF CHANGES AGREED BY CONSTITUTIONAL STEERING PANEL TO FINANCIAL STANDING ORDER AND CONTRACT STANDING ORDERS

Financial standing orders

Introduction

1. New paragraph to cover authority to agree minor changes to FSOs as set out in article 1, with definition of 'minor change' in the glossary.

Section 1 Financial administration

2. New (f) Treasury management, (g) Cap and trading schemes and (j) Risk management – transferred in from article 12.04 Functions of the finance director.
3. New (h) Companies in which the council has an interest – new section to cover need to ensure that the finance director and strategic director of legal and democratic services are involved at an early stage in discussions about the establishment of such companies.
4. Fees and charges (i) – section deleted to remove duplication with Medium Term Financial Strategy.
5. Debt write offs (j) – section deleted to remove duplication with part 3 of the constitution and schemes of delegation.

Section 3 Preparation of the revenue budget

6. Strategic director's responsibilities (b) – updated to reflect current arrangements by making explicit responsibilities relating to fees and charges.

Contract standing orders

Section 2 General Principles

7. Authority to act in line with scheme of management (2.7) – amended to make clear the hierarchy of decision makers for procurement.
8. Changes to CSOs (2.9) – amended to define 'minor changes'.

Section 3 Particular types of contract

9. Framework/schedule of rates contracts (3.3) – new section 3.3.2 to clarify procedural requirements relating to use of framework contracts set up by a third party.

Section 4 Approvals processes

10. Overview of procurement process (4.1) – new section 4.1.3 to clarify procedural requirements relating to proposals to bring a service back in-house.
11. Decision on contract award (4.5) – Gateway 2 – new section 4.5.3 to clarify reporting and approval processes for planned contract extensions.
12. Retrospective approvals (4.7) – new section to clarify procedures to be followed in event that a contract has been entered into other than in compliance with CSOs.

Section 5 Requirements to obtain tenders or quotes

13. Contracts from £5,000 to £74,999 (5.2) – amended to clarify record keeping requirements in relation to alternative action taken.

Section 6 Tender procedure

14. Exceptions to usual tender procedures (6.2) – section moved to end to clarify that it applies to whole of section 6.