

**Report to** Cabinet  
5 February 2014  
**Report of** Executive head of strategy, people and democracy  
**Subject** Constitution review

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**Item**

**6**

### **Purpose**

To consider proposed amendments to the council's constitution which have been recommended by the constitution working party in relation to motions and the audit committee's terms of reference.

### **Recommendation**

To recommend council to:

- (1) adopt the revised article 17 of the constitution – Audit committee (as set out in appendix A)
- (2) amend appendix 1, council and procedure rules to widen the definition used for allowable motions to full council as follows:  
  
“A motion must relate to a council function or, if not, it must affect the city or one of the council's key partners”;

### **Corporate and service priorities**

The report helps to meet the corporate priority Value for money services

### **Financial implications**

There are no direct financial implications of this report.

**Ward/s:** All wards

**Cabinet member:** Councillor Waters – Deputy leader and resources

### **Contact officers**

Russell O'Keefe, Executive head of strategy, people and democracy 01603 212908

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**Background documents :**

None

# Report

## Background

1. At its meeting on 22 March 2011, the council considered changes to the council's constitution and agreed to ask the constitution working party (CWP) to conduct a fundamental review of the constitution.
2. At its meeting on 18 November 2013, CWP resolved to recommend cabinet that council adopts revised terms of reference for the audit committee (Article 17 of the constitution) and changes to the council and committee procedure rules in relation to the definition of motions allowable for debate at full council (appendix 1 of the constitution).

## Audit committee terms of reference

3. The terms of reference for the audit committee had not been reviewed since the committee was established in June 2007. Article 17 sets out the terms of reference for the committee and the procedures. The chief finance officer proposed revised terms of reference for the audit committee to complement the new financial regulations and reflect current good practice.
4. The terms of reference have been edited to reflect the functions of the audit committee. It is proposed that further detail and guidance is provided in the procedural rules for the audit committee.
5. The revised wording for article 17 is attached as appendix A. The CWP noted that the new terms of reference did not affect the powers available to the audit committee but reflected the council's new financial regulations (adopted at council on 26 November 2013) and good practice.
6. Since the CWP meeting on 18 November 2013, the Chartered Institute of Public Finance and Accountancy (CIPFA) has produced new guidance on procedural rules for audit committees which will be considered by audit committee on 11 March 2014. This does not affect the revised terms of reference in appendix A.

## Motions

7. On the 9 September 2013 the constitution working party (CWP) considered proposed guidance for motions to council in line with the provisions within the constitution. Discussion at the meeting particularly focused on the current definition being used for allowable motions namely that:

*“A motion must be about matters for which the council has a responsibility or which particularly affect the city”*

This means that a motion must relate to a council function or, if not, it has to be a matter that either only relates to Norwich or the monitoring officer/head of law and governance is satisfied, affects Norwich significantly more than other cities.

8. Some members of CWP expressed a concern that this definition was too restrictive. In particular there was a concern that this definition means that members are not always able to put forward motions on matters of public policy. Officers were, therefore, asked to bring a report to the next meeting of CWP with options for a different approach.

### ***Proposal***

9. At its meeting on 18 November 2013, the CWP considered two alternative options to the council's current approach. Option 1 was to have no definition and allow motions on any subject. Option 2 was to widen the current definition to allow greater freedom for members to debate issues of public policy etc.
10. The table below sets out the two options considered by CWP and highlights some of the potential advantages and disadvantages of each approach. However, clearly this would depend on how any new approach was applied in practice.

No	Option	Potential advantages	Potential disadvantages
1	To have no definition and allow motions focused on any subject	<ul style="list-style-type: none"> <li>• Would give members the freedom to debate any subject they wish</li> <li>• Would remove the current work by democratic services and the monitoring officer in the lead up to council meetings to advise and negotiate with political groups on whether motions meet a definition</li> </ul>	<ul style="list-style-type: none"> <li>• Could mean that council time and resources are being used to debate issues that don't relate to the council, its functions or the city and there is likely to be no ability to influence eg policy matters in other countries etc.</li> <li>• Potential reputational harm to the council due to the point above.</li> </ul> <p>This would be likely to increase the length of time spent at full council meetings on motions which could impact on the time spent debating substantive agenda items unless restrictions were put on the number of motions.</p>
2	To widen the definition as follows:  <i>"A motion must relate to a council function or, if not, it must .....particularly</i>	<ul style="list-style-type: none"> <li>• This would allow members to debate all matters of public policy that particularly affect the council, the city or one of its key partners eg health policy, education policy etc.</li> </ul>	<ul style="list-style-type: none"> <li>• This could increase the length of time spent at full council meetings on motions which could impact on the time spent debating substantive agenda items unless restrictions were put on the number of motions.</li> </ul>

No	Option	Potential advantages	Potential disadvantages
	<i>affect the city or one of the council's key partners"</i>	Would remove some of the current work by democratic services and the monitoring officer in the lead up to council meetings to advise and negotiate with political groups on whether motions meet the definition	

11. The CWP discounted option 1 as being too wide. It preferred the proposal to widen the definition used for allowable motions as set out in option 2, subject to the removal of the word "particularly".

12. It proposed that council and committee procedure rules, appendix 1 of the constitution, relating to motions and the supporting guidance provided to members, be changed to reflect the amended definition of an allowable motions as:

"A motion must relate to a council function, or, if not, it must affect the city or one of the council's key partners".

Provision to be made in guidance to explain that the purpose of the definition is to enable the council to debate and reach decisions on public policy affecting the council, the city or its key partners and not to discuss issues that it would have little or no ability to influence, including for example, foreign policy matters.

13. Cabinet considers an annual report which lists the council's key partners; however, as the nature of the council's operations changes all the time, the monitoring officer or executive head of strategy, people and democracy will determine whether a motion will affect a "key partner".

14. The CWP also resolved to review the implementation of the changes after one year. As part of this review, it will consider whether the council and committee procedure rules should be revised to include a civic statement motion. It will also consider, at a later meeting after the implementation of a committee management system, the implications of an Early Day Motion system.

15. The CWP did not support any limitation on the number of motions that can be moved at each meeting.

## **ARTICLE 17 – AUDIT COMMITTEE**

### **Membership**

1. Membership of the audit committee shall comprise 8 members appointed by council.
2. The chair of the committee shall be elected by council and the vice-chair shall be appointed by the committee.

### **Terms of reference**

3. The audit committee shall -

(a) undertake the council's financial responsibilities in the manner set out:

- (i) in the council's audit procedure rules as produced from time to time by the chief finance officer; and
- (ii) in the Accounts and Audit Regulations 2011;

(b) consider and approve the annual statement of accounts;

(c) ensure that the financial management of the council is adequate and effective;

(d) ensure that the council has a sound system of internal control which facilitates the effective exercise of the council's functions and which includes arrangements for the management of risk;

(e) review annually the council's system of internal control and agree an Annual Governance Statement for inclusion in the statement of accounts;

(f) ensure that the council has an adequate and effective internal audit function;

(g) have power to make recommendations to cabinet or council on any matter within its remit.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	5 February 2014
<b>Head of service:</b>	Executive head of strategy, people and democracy
<b>Report subject:</b>	Constitution review
<b>Date assessed:</b>	January 2014
<b>Description:</b>	This report proposes amendments to the council's constitution which have been endorsed by the constitution working party as part of its fundamental review of the constitution.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The proposed terms of reference reflect the changes made to the council's financial regulations and ensure best practice.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	