

REPORT TO: Executive Board

DATE: 16 April 2026

REPORTING OFFICER: Director – Legal and Democratic Services

PORTFOLIO: Corporate Services

SUBJECT: Annual Review of Constitution 2026

WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to ask the Board to seek the approval of the Council to a number of changes to the Constitution.

2.0 RECOMMENDATION: That Executive Board recommends Council to approve the changes to the Constitution including the matters set out in Appendix 1.

3.0 BACKGROUND

3.1 The revised version of the Constitution picks up the changes to the Council's working arrangements that have taken place during the year, as well as other changes which are intended to assist the Council to operate more effectively.

3.2 The proposals for change have been considered by the Chief Executive and the Portfolio Holder for Corporate Services in accordance with Article 16.02. Apart from the purely technical changes, the proposed amendments that are considered to be of particular significance are listed in Appendix A to this report.

4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS

4.1 All legislative changes have been considered. However, no further amendments, over and above those already outlined, are required at the present time. Any other required changes during the period 2026/27 will be the subject of further reports when dates and details are available.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The changes proposed are designed to support the continued delivery of the Council's priorities.

6.0 RISK ANALYSIS

- 6.1 The Council needs to ensure that its Constitution is regularly updated so that it continues to support efficient, transparent and accountable decision-making by the authority.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 None.

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 There are no implications.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.

Appendix 1

Proposed Significant Changes to the Constitution

Finance Standing Orders

Para 4.1.2 The Director - Finance shall prepare each year a Financial Strategy covering a period of up to **five** years, which shall include forecasts of both spending needs and available resources. **(increased from three years)**

Para 5.2.1 (final paragraph) - The Director - Finance shall monitor the Council's overall budget and report thereon **regularly** to the Executive Board. **(replacing quarterly reporting)**

Para 5.2.2.3 - When potential overspends ~~impacting on current and future year budgets cannot be virement is not allowed~~ **are driven by new service responsibilities or excessive service demand increases**, an application for a contribution from the contingency budget may be necessary. **(amended wording)**

Para 6.4.2 – Add **Head of Procurement** to the certification list for cheques bank transfer etc. **Also, change job title of 'Head of Audit, Procurement and Operational Finance' to 'Head of Audit and Operational Finance'. The job title changes need making throughout the document.**

Para 6.4.3 - All cheque stationery shall be ordered and controlled by the Director - Finance who shall make proper arrangements for its safe custody. – **DELETE as cheque stationery is no longer ordered.**

Para 9.1.2 - To be added - **With regard to services provided by the MOT, Service and Repair Centre, authority to approve annually the fees and charges for these services is delegated to the Director of Planning and Transportation, in consultation with the relevant Executive Board Portfolio Holder.**

In section 6.4.2 include the Head of Procurement as an additional bank signatory.

6.2 INTERNAL AUDIT

6.2.1 Internal Audit Charter

- (a) Section 151 of the Local Government Finance Act requires that 'every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'. The Council has designated this statutory responsibility to the Director - Finance. As such, the Director- Finance is the statutory officer responsible for

ensuring that the Council's internal audit arrangements conform to the ~~Public Sector Internal Audit Standards~~ **Global Internal Audit Standards in the UK Public Sector**, which represent mandatory proper practice for internal audit in local government. ~~(replacing Public Sector Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector)~~

- (b) ~~The Public Sector Internal Audit Standards~~ **The Global Internal Audit Standards in the UK Public Sector** require that the purpose, authority and responsibility of the internal audit activity are formally defined in an internal audit charter. The provisions contained within Section 6.2 of Finance Standing Orders shall therefore constitute the Council's Internal Audit Charter. ~~(replacing Public Sector Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector)~~

6.2.2 Definitions

~~The Public Sector Internal Audit Standards~~ **The Global Internal Audit Standards in the UK Public Sector** require that the following terms be defined in respect of the internal audit function: ~~(replacing Public Sector Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector)~~

Chief Audit Executive:	The Head of Audit, Procurement & Operational Finance. The Head of Audit and Operational Finance (change job title of 'Head of Audit, Procurement and Operational Finance' to 'Head of Audit and Operational Finance')
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6.2.4 Core Principles for the Professional Practice of Internal Auditing

~~The Public Sector Internal Audit Standards outline ten core principles for the provision of an effective internal audit:~~

- ~~- Demonstrates integrity~~
- ~~- Demonstrates competence and due professional care~~
- ~~- Is objective and free from undue influence (independent)~~
- ~~- Aligns with the strategies, objectives and risks of the organisation~~ ~~- Is appropriately positioned and adequately resourced~~
- ~~- Demonstrates quality and continuous improvement~~
- ~~- Communicates effectively~~
- ~~- Provides risk-based assurance~~
- ~~- Is insightful, proactive and future-focused~~

~~Promotes organisational improvement~~

Replace all the above with:-

The Global Internal Audit Standards in the UK Public Sector outline 15 core principles for the provision of an effective internal audit:

- Demonstrate Integrity
- Maintain Objectivity
- Demonstrate Competency
- Exercise Due Professional Care
- Maintain Confidentiality
- Authorised by the Board
- Positioned Independently
- Overseen by the Board
- Plan Strategically
- Manage Resources
- Communicate Effectively
- Enhance Quality
- Plan Engagements Effectively
- Conduct Engagement Work
- Communicate Engagement Results and Monitor Action Plans

6.2.5 Professionalism and Ethics

- (a) Internal audit activity is governed by adherence to the ~~Public Sector Internal Audit Standards~~ **Global Internal Audit Standards in the UK Public Sector**. This guidance constitutes principles of fundamental requirements for the professional practice of internal auditing and for the evaluating the effectiveness of internal audit activity. **(replacing Public Sector Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector)**
- (b) The Chief Audit Executive is responsible for managing the internal audit activity in accordance with the internal audit charter, ~~and the Definition of Internal Auditing the Code of Ethics and the Standards~~. The Chief Audit Executive must hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced. **(Deleted 'and' and 'the Code of Ethics')**
- (c) ~~The Public Sector Internal Audit Standards~~ **The Global Internal Audit Standards in the UK Public Sector** contain a ~~Code of Ethics~~ **standards of ethics and professionalism**, which are mandatory for all persons involved in internal audit activity in the public sector. **(replacing Public Sector**

Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector and amended wording)

6.2.10 Reporting

- (a) The findings and agreed action plans from each internal audit engagement shall be reported to the:
- Appropriate service manager(s)
 - Appropriate Executive Director, Director and Head of Service
 - Director – Finance
 - Chief Executive
 - Portfolio Holder – Corporate Services
 - External Audit

(Added bullet point - Portfolio Holder – Corporate Services)

6.2.11 Quality Assurance & Improvement Programme

- (a) ~~The Public Sector Internal Audit Standards~~ **The Global Internal Audit Standards in the UK Public Sector** require a Quality Assurance & Improvement Programme (QAIP) to be developed and maintained that covers all aspects of internal audit activity. (replacing **Public Sector Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector**)
- (b) The Chief Audit Executive is responsible for ensuring that the QAIP conforms to the requirements of the ~~Public Sector Internal Audit Standards~~ **Global Internal Audit Standards in the UK Public Sector** and provides reasonable assurance to key stakeholders that Internal Audit: (replacing **Public Sector Internal Audit Standards with Global Internal Audit Standards in the UK Public Sector**)

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responsibilities or excessive service demand increases, an application for a contribution from the contingency budget may be necessary. (amended wording)

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Procurement Standing Orders

Page 109 - Para 1.9.2 Acceptance of tender by **Operational Director** - change job title of **Operational Director** to Director. The job title changes need making throughout the document

Page 113 - Para 1.2.4 Officers must consult with the **Head of Audit, Procurement and Operational Finance** - change job title of 'Head of Audit, Procurement and Operational Finance' to 'Head of Procurement. The job title changes need making throughout the document.

Page 118 - Para 1.5.5 – Direct Award – In Special Cases
The contracting authority notifies the market that it intends to award a contract without running a competitive procedure in compliance with the procurement legislation.

Direct Award justifications include:

- (i) the contract is for production of a prototype or otherwise novel goods/services
- (ii) only a single supplier can supply the requirement
- (iii) the procurement is for additional/repeated goods, services or works
- (iv) the contract is for a commodity (e.g. raw materials where tendering in the usual way would not be appropriate)

The contracting authority must publish a Transparency Notice in compliance with procurement legislation before confirming the intention to directly award a contract.

Replace red text above with the text below which provides the list of justifications as set out in Schedule 5 of the PPA23 procurement legislation.

Direct Award justifications include:

- (v) Prototypes and development: the contract is for production of a prototype or otherwise novel goods or services that is designed or developed at the request of the Council.

- (vi) Single suppliers – there are three direct award justifications under this heading:
 - (a) artworks: the contract concerns the creation or acquisition of a unique work of art or artistic performance;
 - (b) exclusivity: a particular supplier is in possession of intellectual property or other exclusive rights and there are no reasonable alternatives, which means only the supplier with those rights can deliver the goods, services or works.
 - (c) technical exclusivity: due to an absence of competition for technical reasons, and provided there are no reasonable alternatives, only a particular supplier can supply the goods, services or works required.

- (vii) additional or repeat goods, services or works: There are two direct award justifications under this heading:-
 - (a) the contract concerns the purchase of additional or partial replacement of existing goods, services or works, which are the same or compatible with existing provision.
 - (b) the contract has previously been awarded under a competitive tendering procedure and the tender documents or tender notice set out that the intention was to carry out a subsequent procurement of similar goods, services or works by direct award. The direct award must be made within 5 years of the original contract being awarded.

- (viii) commodity markets: the contract concerns goods purchased on a commodity market

- (ix) Advantageous terms on insolvency: the award of the public contract to a particular supplier will ensure terms particularly advantageous to the contracting authority due to the fact that a supplier (whether or not the one to which the contract is to be awarded) is undergoing insolvency proceedings.

- (x) Urgency: the contract cannot be awarded on the basis of a competitive tendering procedure because the goods, services or works are strictly necessary for reasons of extreme and unavoidable urgency.

- (xi) User choice preference: the contract is for the supply of user choice services where the individual to whom the services are to be supplied (or their carer) have expressed a preference as to who should supply the services, and the Council considers

that it is not in the best interests of individual to award the contract under a competitive procedure.

The contracting authority must publish a Transparency Notice in compliance with procurement legislation before confirming the intention to directly award a contract, except where the contract is for user choice services.

Page 120 - Para 1.8.2 (iii) All panel members and individuals/teams relevant to the procurement of the contract, must sign and date a conflict-of-interest declaration form prior to participating in the procurement process **and at relevant stages throughout the procurement of the contract**. Include new text in green in compliance with the PPA23 procurement legislation requirements for contracting authorities to seek a conflict-of-interest declaration throughout the whole lifecycle of a procurement process.

Page 120 - **New** Para 1.8.2 (iv) **The Head of Procurement will regularly review and revise the conflict assessment throughout the procurement process. After the contract is entered into responsibility for maintaining the conflict assessment will transfer to the client department who will review and revise through to the end of the contract including any pre-determined extension periods**. Include new text in green in compliance with the PPA23 procurement legislation requirements for contracting authorities to maintain a conflict-of-interest assessment throughout the whole lifecycle of a procurement process and after the award of the contract until such a time that the contract expires.

Page 124 – Para 1.11.4 **Signed Contracts**

Contracts with a value not exceeding £1M shall be signed in accordance with Finance Standing Order 3.4.1. Contracts with a value exceeding £1M shall be signed in accordance with the requirements of Article **15.04** of the Council's Constitution. Such contracts must either be signed by an Officer of the Authority at Director level, together with another Officer of the Authority nominated by the said Director, or made under the common seal of the Council attested by the Director (Legal and Democratic Services) or his/her nominee. Replace **15.04** with 13.04

Page 124 – Para 1.11.5 **Common Seal of the Council**

The Common Seal will be affixed to those documents which in the opinion of the Director (Legal and Democratic Services) should be sealed in accordance with the requirements of Article **15.05** of the Council's Constitution. Replace **15.05** with 13.05

Compliant Procurement Routes

Page 131 PPA23 and PCR24 should read are not retrospective and not **retroactive**.

Page 131 Procurement Legislation Value Thresholds **2024/25*** replace with 2026/27.

Page 131 Supplies and Services exclusive of VAT 179,086 replace with 173,100

Page 131 Supplies and Services inclusive of VAT 214,904 replace with 207,720

Page 131 Works exclusive of VAT 4,477,174 replace with 4,327,500

Page 131 Works inclusive of VAT 5,372,609 replace with 5,193,000

Procurement Procedures Table

Page 132 - Up to £25,000 – standing order 3.3 replace with 3.4

Page 132 - £25,000 up to value threshold – standing order 3.2 replace with 3.3

Standing Orders Relating to Duties of Proper Officers and Delegation to Officers

Some minor updates to reflect changes in legislation; areas affected include a number of licenses and numerous new Acts.