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**Review of the Constitution Including Scheme of Delegations**

Relevant Portfolio Holder	Councillor K. May, Leader and Cabinet Member for Strategic Partnerships, Economic Development and Enabling
Portfolio Holder Consulted	
Relevant Assistant Director	Claire Felton, Assistant Director of Legal, Democratic and Procurement Services
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Wards Affected	All wards
Ward Councillor(s) consulted	N/A
Relevant Council Priority	Sustainability
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. RECOMMENDATIONS**

**Council is asked to RESOLVE that:-**

- 1) The current version of the Scheme of Delegations, as attached at Appendix 1, be adopted;**
- 2) The proposed new delegations for Community Services highlighted in track changes in Appendix 2 be approved;**
- 3) The updated Contract Procedure Rules, as attached at Appendix 3 be approved;**
- 4) The updated Financial Procedure Rules, as attached at Appendix 4 be approved;**
- 5) An update to the Scheme of Members' Allowances 2026/27, to incorporate reference to Members' eligibility to join the Local Government Pension Scheme, as detailed at Appendix 5, be approved;**
- 6) The Committee Terms of Reference for the Shareholders Committee, as detailed at Appendix 6, be updated to reflect the proposed membership of 5 rather than 4 members on the Committee.**

**2. BACKGROUND**

- 2.1 The Council is required to review its scheme of delegations on an annual basis. This report presents the current scheme for noting.
- 2.2 This report also details the outcomes of the latest meeting of the Constitution Review Working Group (CRWG), held on 28<sup>th</sup> April 2026, at which various changes to the Council's constitution were discussed and recommended.
- 2.3 Members are invited to consider the background to the recommendations proposed by the CRWG and to determine whether to endorse the group's recommendations.

**3. OPERATIONAL ISSUES**

Scheme of Delegations

- 3.1 The Council's Constitution currently requires that the Officer Scheme of Delegations be approved by Members at the Annual Meeting of the Council.
- 3.2 The Officer Scheme of Delegations is the part of the Constitution that gives authority for certain decisions to be delegated from Council, the Executive (Cabinet) or other Committees to certain specified officers. It sets out the decisions which are delegated by Council to officers and the decisions which are delegated by the Executive / Leader to officers. In relation to certain regulatory decisions, the delegation is from Council to the relevant Committee, namely the Planning Committee or Licensing Committee.
- 3.3 The Scheme of Delegations is regularly altered and updated to reflect changes in the operation of the Council, such as changes to officer job titles, and changes to legislation. Changes have been made by the Monitoring Officer in accordance with the delegation that currently exists to amend the scheme to reflect changes in legislation, job titles and the reallocation of functions.

- 3.4 There have been numerous changes to job titles in particular in the areas of Housing and Community Services and Regeneration. A further change is that the new title of the Section 151 Officer is “Director of Finance”. In some sections, officers have therefore changed the generic term of “Assistant Directors” to “Directors” to cover this change of job title.
- 3.5 Deputisation arrangements for the Chief Executive are currently under review and the post of Deputy Chief Executive has therefore been retained for now. As the scheme allows for delegations to be passed up (as well as down), this means that for the time being any delegations made solely to the Deputy Chief Executive would be exercised by the Chief Executive, with those assigned to the Section 151 Officer remaining in place.
- 3.6 Members are asked to note that the existing delegations for Planning Enforcement and Envirocrime have been re-organised and transferred to a new section of the Regulatory Services delegations. This is to reflect the formal transfer of certain planning enforcement and enviro-crime functions to Worcestershire Regulatory Services (WRS) in January 2024.
- 3.7 The Assistant Director for Community and Housing Services wishes to request the following amendments to the scheme:-
- Changes to the existing wording for CCTV/ Lifeline in relation to the ability of managers to make applications for tenders for additional services.
  - Formally adding a new delegation on Climate Change and Biodiversity which is one of the areas for which this service area is responsible.
  - Formally adding a new delegation regarding the operation of Burt and Shopmobility.
- 3.8 These proposed changes are highlighted in track changes in Appendix 2.
- 3.9 Any changes to delegations agreed by Members during the 2025/26 municipal year have been added to the scheme. The exceptions to this are any proposed changes that may have been endorsed by Cabinet in April but which still require approval by Council. Subject to approval, these delegations will need to be added later in the year.

- 3.10 More detailed updating work on the Scheme of Delegations will be scheduled in for 2026/27. In particular, the creation of the post of Assistant Director for Regeneration and Property needs to be reflected by those delegations (previously shared amongst other Assistant Directors) being brought together in one part of the scheme.

Contract Procedure Rules

- 3.11 The current Contract Procedure Rules were adopted in 2016 and are grounded in EU procurement law and the Public Contracts Regulations 2015. Since then, the UK has introduced a new statutory procurement framework through the Procurement Act 2023, which applies to most public procurements commenced from 24th February 2025. To ensure legal compliance and good governance, the Council's Contract Procedure rules must be updated.
- 3.12 Thresholds and Competition: A new compliance trigger at £30,000 (inclusive of VAT) has been introduced in the 2026 rules, requiring officers to comply with statutory duties under Part 6 of the Procurement Act 2023. The historic focus on "quotes versus tenders" has been replaced with a clearer statutory compliance model which is required to comply with the Procurement Act 2023.
- 3.13 The updated Contract Procedure Rules strengthen the Council's ability to deliver public benefit, including supporting Small and Medium Sized Enterprises (SMEs) and voluntary and community sector organisations. The rules provide that below-threshold procurements may, in defined circumstances, be reserved for specific supplier groups, subject to approval and a documented rationale.
- 3.14 Waivers and Exemptions: The updated Contract Procedure Rules clearly distinguish between statutory exemptions under Schedule 2 of the Procurement Act 2023 and waivers. Waivers are expressly prohibited for procurements above the World Trade Organisation/ Government Procurement Agreement (WTO/GPA) threshold, reducing legal and audit risk. This change is necessary to comply with the Procurement Act 2023.
- 3.15 Governance and Decision-Making: The updated rules more clearly link procurement decisions to the Council's Scheme of Delegation and Key Decision thresholds (currently £200,000). Requirements for contract sealing and risk management are also strengthened as required under the Procurement Act 2023.

Financial Procedure Rules

- 3.16 The Financial Procedure Rules form a key part of the Council's Constitution and provide the framework within which all financial activity must operate. Since their last full review in 2017, there have been significant changes in:
- Organisation structures and management responsibilities
  - Financial systems and digital processes
  - Legislative and regulatory requirements
  - Best practice in financial governance and control
- 3.17 The Financial Procedure Rules have undergone a comprehensive review to ensure they remain fit for purpose, reflect current organisational structures, support effective financial control and align with updated legislation, best practice and ways of working.
- 3.18 The revised rules do not represent a fundamental change in financial governance, but instead:
- Clarify responsibilities and delegations
  - Strengthen controls and accountability
  - Update terminology, thresholds and processes
  - Introduce new sections where operational or regulatory gaps existed
- 3.19 Governance, Roles and Terminology:
- Key changes include that references to Directors and Heads of Service have been updated to reflect the current structure, including Assistant Director and Corporate / Senior Leadership Teams.
  - There has been clearer articulation of Section 151 and Deputy Section 151 Officer responsibilities. The rules now explicitly identify the Section 151 Officer as Chief Financial Officer.
  - The Assistant Director of Finance and Customer Services is now explicitly identified as the Deputy Section 151 Officer.
  - There are also enhanced arrangements around escalation, sign off and contingency arrangements.
  - Clearer links are made between the Council's constitution, financial governance, the Scheme of Delegation and Audit, Standards and Governance Committee oversight.

3.20 New and Expanded Policy Areas:

- Several new standalone sections have been included since 2017.
- A section on VAT has been added. This formalises responsibilities for VAT advice, compliance, invoicing and recovery. It clarifies the requirements around valid VAT invoices and HMRC liaison and provides explicit controls to reduce financial risk and penalties.
- A new section on trading accounts introduces governance and financial controls for Council trading activities. It requires annual budgets, medium-term forecasts and performance monitoring to be produced and aligns traded services with the same standards as core Council services.
- Revised debt write off thresholds and authorisations have been added which increase delegation limits. Clearer separation between officer level, Section 151 and Executive approvals have been introduced and formal recording and reporting requirements have been strengthened. There is also explicit provision for recovery of legal fees and interest and the section has been aligned with the corporate debt recovery policy.
- Funding bids require formal Section 151 Officer / Deputy Section 151 Officer sign off.
- Additional controls for accountable bodies and third-party arrangements with sign off by the Section 151 Officer.
- All material grant claims, funding returns or requests for draw-down of external funding shall be submitted under arrangements approved by the Section 151 Officer.
- Assistant Directors shall provide annual assurance statements to the Section 151 Officer confirming the adequacy and effectiveness of financial controls within their areas of responsibility, to support the Annual Governance Statement.
- Where Members choose to proceed with a course of action contrary to, or materially increasing risk beyond, the advice of the Section 151 Officer, this shall be explicitly recorded in the relevant decision report.

3.21 Budget Management and Virements:

- Virement thresholds have been significantly updated to reflect modern budget management processes, with increased lower and upper limits for officer approved virements. There has also been explicit prohibition on aggregation to bypass approval

thresholds, and clear reporting requirements for high value virements to Cabinet.

- Clear differentiation has been made between virements, budget adjustments and supplementary estimates.
- These changes improve flexibility while maintaining Member oversight of material financial movements.

**3.22 Asset Management and Disposals:**

- Clearer capital and asset governance has been introduced with strengthening of business cases and alignment with the capital programme and the Medium Term Financial Plan.
- New disposal thresholds have been brought in with Cabinet approval required for disposals over specified values and clearer rules for disposals below market value.
- Enhanced reporting of surplus assets has been introduced, with earlier notification and stronger oversight of property decisions.

**3.23 Procurement, Payments and Government Procurement Cards:**

- Updated banking and procurement card arrangements have been put in place. These reflect the change in banking provider and provide stronger controls over card usage, coding, reconciliation and cash withdrawals. There are also explicit disciplinary consequences for misuse.
- Modernised payment controls have been utilised with greater use of electronic systems, clear controls around direct debits, prepayments and feeder systems and reinforced requirements to pay invoices within statutory timeframes.

**3.24 Audit, Risk and Fraud:**

- Enhanced audit reporting arrangements include more frequent reporting to Members and clearer responsibilities for responding to audit recommendations.
- Fraud and irregularity reporting now has clear escalation routes and has been aligned with Anti-Fraud and Anti-Corruption policies.
- Money Laundering has been updated to reflect current regulations and a formal Deputy MLRO has been appointed.

**3.25 Overall impact:**

- The revised Financial Procedure Rules strengthen financial control. They provide improved clarity for Members and officers

and support robust governance, transparency and compliance with statutory duties.

**Scheme of Members' Allowances**

- 3.26 The Government recently confirmed that, from 11th May 2026, Councillors in England have been eligible to join the Local Government Pension Scheme (LGPS). This is on an opt-in basis and membership is not automatic. Eligible Councillors need to actively choose to opt in through the authority they serve.
- 3.27 Councillors in England have not been eligible for LGPS membership since 1st April 2014. From May 2026, Councillors in England will once again be aligned with the rest of the UK and able to join the LGPS 2014 Career Average Revalued Earnings (CARE) scheme.
- 3.28 Members' allowances schemes are required to provide, from 11th May 2026, that:
- a. members shall be entitled to a pension in accordance with a scheme made under section 1 of the Public Service Pensions Act 2013, and
  - b. the basic allowance or special responsibility allowance (or both, as the case may be) shall be treated as an amount in respect of which such a pension is payable.
- 3.29 The Current Scheme of Members' Allowances is based on recommendations proposed by the Independent Remuneration Panel and was agreed in January 2026 for implementation from 1<sup>st</sup> April 2026 onwards.
- 3.30 The Government's announcement that Councillors would now be eligible to join the LGPS was made after the current scheme of allowances was reviewed and adopted. There has not been an opportunity prior to Annual Council to report this update to Members. Therefore, to ensure that the Council operates in line with national requirements, it is proposed that the current scheme should be updated to reflect Members' eligibility to join the LGPS, as detailed at Appendix 5.

**Committee Terms of Reference – Shareholders Committee**

- 3.31 The Shareholders Committee forms part of the governance arrangements for the Council's company, Spadesbourne Homes Limited.

- 3.32 In line with best practice, the Committee is a sub-committee of the Cabinet. Consequently, only Cabinet Members can be appointed as members of the Committee (although all group leaders are invited to attend meetings of this Committee to take part in the debate).
- 3.33 At the start of the 2025/26 municipal year, the number of seats on the Shareholders Committee was reduced from five to four. The decision was taken to reduce the number of seats to four due to the size of the Cabinet at that time.
- 3.34 However, unfortunately, there were difficulties experienced in 2025/26, in terms of organising meetings of the Committee that would be quorate. (The quorum for the Shareholders Committee is three).
- 3.35 To ensure that meetings can proceed as scheduled during the 2026/27 municipal year, it is proposed that the number of seats on the Shareholders Committee should be increased from four to five. This is reflected in the proposed updated terms of reference for the Committee, attached at Appendix 6 to this report.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Changes to the Financial Procedure Rules strengthen the governance framework through which resources are managed.
- 4.2 Changes to the Scheme of Members' Allowances 2026/27 to enable Members to participate in the LGPS will have financial implications for the Council. The estimated maximum costs if all councillors joined the pension fund are £53,000 for the Council. These costs were built into the Medium Term Financial Plan from 2027/28 onwards and any cost in 2026/27 would need to be funded from within the risk reserve.

#### **5. LEGAL IMPLICATIONS**

- 5.1 Review and revision of the Constitution is governed by Article 15 of the Constitution.
- 5.2 Section 101 of the Local Government Act 1972 (as amended) gives a general power to local authorities to discharge functions through officers. Local Authorities are required by the same Act to maintain a list of these, which is referred to as the Scheme of Delegation. This sets out those powers which can be carried out by officers of the Council.

- 5.3 Whilst the CRWG meets throughout the year to review the Council's constitution, the group does not have the authority to make changes to the constitution. Instead, any suggested changes are recommended on to Council for determination.
- 5.4 The attached updated Contract Procedure Rules remove references to EU law and instead align fully with the Procurement Act 2023 and Procurement Regulations 2024. The WTO/GPA thresholds replace former EU thresholds. The updated thresholds are contained in a table within Part 2 to the 2026 rules.
- 5.5 The Financial Procedure Rules support the Council in meeting its statutory duties, including those under Section 151 of the Local Government Act 1972. Approval will ensure the Council's Constitution remains up to date and legally robust.

**6. OTHER - IMPLICATIONS**

**Local Government Reorganisation**

- 6.1 The introduction of more up to date Contract Procedure Rules and Financial Procedure Rules will assist in the transition to a new unitary authority.

**Relevant Council Priority**

- 6.2 The proposals detailed in this report support the Council's organisational priority of sustainability.

**Climate Change Implications**

- 6.3 There are no climate change implications.

**Community Impact**

- 6.4 Proposed changes to the delegations for Community Services are designed to enhance services provided to the local community.

**Equalities and Diversity Implications**

- 6.5 There are no equalities and diversity implications.

**7. RISK MANAGEMENT**

- 7.1 A key risk associated with the details included in this report are failure to comply with governance requirements which may expose the Council to

the risk of challenge by way of judicial review or which may result in awards of damages and costs against the Council and loss of reputation.

7.2 Failure to adopt the updated Contract Procedure Rules would expose the Council to:

- non-compliance with the Procurement Act 2023;
- increased risk of legal challenge;
- audit and reputational risk; and
- inconsistent procurement practice across services.

7.3 The new Financial Procedure Regulations will assist in managing financial risks across the organisation.

**8. APPENDICES and BACKGROUND PAPERS**

Appendices

Appendix 1 – Updated Scheme of Delegations

Appendix 2 – Proposed Amendments to Community and Housing Delegations

Appendix 3 – Updated Contract Procedure Rules

Appendix 4 – Updated Financial Procedure Rules

Appendix 5 – Updated Scheme of Members' Allowances 2026/27

Appendix 6 – Updated Committee Terms of Reference – Shareholders Committee

Background Papers

Government Consultation 'Local Government Pension Scheme in England and Wales: Access for Elected Members – Government Response', accessible at [Government Consultation Response - Local Government Pension Scheme](#)

Worcestershire County Council [Worcestershire County Council - Pension Information \(Councillors\)](#)