



Internal Audit Report

Poulton Area Renewal - Property Issues

Final Report

Audit Ref: 04/0563

Internal Audit Manager: Derek Whiteway CPFA

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1 Introduction

1.1 Background

1.1.1 On 19 July 2004, the Head of Health and Strategic Housing asked me to undertake an investigation into concerns that had been raised concerning the Council's handling of property acquisitions and grants in the Poulton Renewal Area.

1.1.2 The concerns were submitted in a typed statement which was essentially based on information, opinions and documents supplied by a number of individuals who had either an ongoing or previous interest in properties or businesses in the area.

1.2 Nature of the Concerns

1.2.1 The concerns raised were expressed in the form of a number of questions, as follows:

- a) Who selects properties for purchase?; who approves the purchase?; and who evaluates the reason for the purchase?
- b) Who negotiates the purchase with the vendor on behalf of the Council?
- c) Who determines that the purpose of the purchase may justify a CPO?
- d) How does the Council monitor that it does not misrepresent the situation to owners?
- e) What are the protocols for dealing with owners prior to and during a negotiation for a property purchase?
- f) Are potential vendors advised in writing to take independent valuation advice / legal advice / financial advice?
- g) How are vulnerable owners protected in their property dealings with the Council?
- h) What are the terms of reference for the Poulton Neighbourhood Management Board and its working groups (such as the Housing & Built Environment Sub-Group) that are involved with property decisions in Poulton and the West End of Morecambe?
- i) What are the protocols for offering/awarding property improvement grants for privately owned homes or other privately owned buildings used for social or business purposes?
- j) How is the interrelationship between grants to, and purchases from, private owners monitored?

1.3 Approach

1.3.1 In investigating the issues raised, I interviewed a number of property owners/interested parties about their experiences as well as various officers of the Council and Poulton Neighbourhood Management. I also spoke to representatives of other bodies who acted as agents for, or had otherwise been involved in dealings with the Council.

1.3.2 For documentary evidence, I have referred to files maintained by Strategic Housing and by Legal Services and to the minuted records of the Poulton Neighbourhood Management Board and other formal working groups.

2 Findings

2.1 Chronology of the Poulton Home Zone

2.1.1 The majority of the questions raised (items a) to h) of § 1.2.1) concern property acquisitions pursued by the Council in connection with the development of the Poulton Home Zone. The following properties have featured in the Council's plans to support the Home Zone scheme:

- The Ex-Servicemen's Club, Morecambe Street
- The Astra Ballroom, Green Street
- Number 35/37 Green Street (Furey's Warehouse)
- Numbers 54-66 Green Street (residential terrace)
- Number 1 Back Green Street (Alpha Cottage)

2.2 Questions Raised

2.2.1 The questions set out in § 1.2.1 are covered in sequence.

- a) ***Who selects properties for purchase?; who approves the purchase?; and who evaluates the reason for the purchase?***
- i) In the case of the Home Zone development, potential sites for acquisition were identified by a consultation report produced in February 2003. Consultees had been asked to comment on whether there were any specific buildings they would like to see removed. The most frequently quoted properties were those on Green Street (by nine consultees). The Astra Ballroom was quoted by three consultees. No one consulted suggested the Ex-Servicemen's Club as a site for demolition and the consultants' report indicated that demolition of the Club was included as an option at the request of the Council's officers.
- ii) On 9 January 2003, Poulton Neighbourhood Management Board resolved that Strategic Housing should proceed to purchase the terrace of seven houses on Green Street, 35/37 Green Street (Furey's Warehouse) and 1 Back Green Street (Alpha Cottage).
- iii) On 4 March 2003 Cabinet approved the purchase and demolition of these properties.

Observations:

The progression of these proposals through the Poulton Neighbourhood Management Board, to approval by the Cabinet are constitutionally sound.

Officers have indicated that, notwithstanding the outcome of the Home Zone consultation, plans had been in place for some time to purchase and demolish numbers 54 to 66 Green Street in support of the regeneration programme in Poulton. Grants had not been available for improvement of these properties as they were not owner-occupied and they had structural defects.

In terms of the Home Zone, the Astra Ballroom and the Ex-Servicemen's Club were regarded as "opportunity sites", having been identified as options to the main plan produced by the consultants. Whilst discussions about them selling to the Council had been held before publication of the consultants' report, the need to acquire such opportunity sites was heightened by the subsequent decision not to proceed with the demolition of 54-66 Green Street.

From June 2003 onwards, Poulton Neighbourhood Management Board and the Housing & Built Environment Sub Group considered the possibility of selling numbers 54-66 Green Street to a housing association. These deliberations culminated in the Board supporting the sale and the proposal being approved by Cabinet on 24 February 2004.

In terms of these properties' importance to the Home Zone project, evaluation of prospective purchases was initially under the remit of the Home Zone Steering Group. Following the Council election in May 2003, this role was assumed by the newly established Housing & Built Environment Sub Group of the Poulton Neighbourhood Management Board.

b) ***Who negotiates the purchase with the vendor on behalf of the Council?***

- i) In the case of the Home Zone related purchases, a surveying firm was appointed to negotiate property purchases in Poulton on behalf of the Council. The appointment was made on 7 February 2003 following a quotations exercise involving two other local firms.
- ii) Under other circumstances, professional valuers employed within the Council's Property Services undertake this role. The decision to engage an external valuer was made by agreement between Strategic Housing and the Head of Property Services, partly because of the workload associated with the purchases and partly because the intention was to demolish the properties. The Council's own surveyors are normally involved in purchases where the Council is intending to retain a long term interest in the property.
- iii) The brief given to the surveyors was to enter into negotiations with owners to agree purchase prices, then pass the cases to the Council's Legal Section. In view of the limited budget available for the purchases, the role was also to ensure that the Council was acting fairly and that owners were treated fairly in relation to the condition of their property.

- iv) It is evident that, before the surveyors were engaged, Strategic Housing officers had made contact with potential vendors and in some instances, purchase prices had been discussed. Once they had been appointed, negotiations were handled by the surveyors, dealing with owners themselves and/or their own appointed agents.

Observations:

Whilst the surveyors' brief for agreeing purchase prices on these properties appears quite straightforward, I have not seen any documentation setting it out and there was a lack of clarity over the role and extent of authority of Strategic Housing officers to enter into negotiations.

Whilst it is necessary that Strategic Housing officers are involved in approaching potential vendors to assess whether they are willing to sell, their role should not extend to detailed negotiation on price unless these negotiations are supported by formal professional valuation. This is not, however, set out in any procedure or code of practice relating to Strategic Housing officers' work.

A concern raised by a number of vendors regarding their dealings with the Council has been the lack of written confirmation of discussions and proposals. This is an element of Strategic Housing's operation which needs to be improved in order to provide assurance and continuity to their customers.

Agreed Actions:

1. *Strategic Housing will establish a procedure for property purchase negotiations, which sets out the relative roles and responsibilities of Strategic Housing officers and of appointed valuers (whether Council staff or external firm)*
2. *Briefs agreed with Council-appointed valuers will be documented*
3. *Comprehensive file notes are to be maintained of any substantive discussions held with potential vendors, accompanied with a follow-up letter where necessary.*
4. *All substantive negotiations with potential vendors will be followed up with formal written confirmation of the negotiations.*

c) **Who determines that the purpose of the purchase may justify a CPO?**

- i) As with proposals to purchase property, the Housing & Built Environment Sub Group and the Poulton Neighbourhood Management Board consider and form views on the appropriateness of compulsory purchase. Approval for pursuing compulsory purchase would be sought from Cabinet.
- ii) In the case of the properties connected with the Home Zone, the Housing & Built Environment Sub Group and Poulton Neighbourhood Management Board's minutes show that they considered compulsory purchase in relation to the Ex-Servicemen's Club and the Astra

Ballroom. In the case of the Ex-Servicemen's Club there was never any indication of supporting compulsory purchase. There was, however, consistently strong support, over the period between August 2003 and May 2004 for compulsory purchase of the Astra Ballroom. As already mentioned, attention became more focussed on the Astra Ballroom when negotiations with the Ex-Servicemen's Club failed in July 2003. Considerations of compulsory purchase had been tempered (but not ruled out) by the fact that the timescale involved would certainly extend beyond the completion deadline for the Home Zone itself (March 2005).

- iii) The report to Cabinet on 25 May 2004 had recommended that the Head of Property Services be given delegated authority to agree terms for the acquisition of the Astra Ballroom. The report mentioned that the Poulton Neighbourhood Management Board supported the purchase, either by agreement or compulsorily. It was prior to this meeting that a public demonstration was staged by supporters of the Astra Ballroom and Cabinet resolved, inter alia, that it was not minded to compulsorily purchase the property.

Observations:

The potential for the Council to pursue Compulsory Purchase is clearly an emotive subject for affected property owners and for other residents. The only instance in which compulsory purchase actually became a practical consideration for the Poulton Neighbourhood Management Board was in relation to the Astra Ballroom. In this case, Cabinet resolved that it was not minded to use compulsory purchase powers.

In other property purchases, which were completed voluntarily, owners (and the community through the Poulton Residents' Association) have referred to a perception that properties would be (or had been) purchased compulsorily. In some instances, owners expressed a feeling that this perception had effectively left them with little option but to sell to the Council.

The fact that these powers are available to the Council and could be used in appropriate circumstances cannot be denied, but it must be incumbent on the Council's officers and agents to ensure that owners and other stakeholders are clearly and fully informed of the status of negotiations, the position and procedures regarding compulsory purchase and of their individual rights.

Agreed Actions:

5. *Procedures for handling property purchases will include details on communicating and applying the Council's statutory position and procedures regarding compulsory purchase powers.*
6. *That in negotiations deemed to be of a "sensitive" nature, consideration will be given to two officers attending meetings with potential vendors.*

- d) **How does the Council monitor that it does not misrepresent the situation to owners?**
- i) The Housing & Built Environment Sub Group and to a lesser extent the Poulton Neighbourhood Management Board and the Home Zone Working Group all monitored progress with potential acquisitions. The Strategic Housing Manager used these meetings as his main means of monitoring his officers' work in relation to possible purchases.
 - ii) As with any other aspect of the Council's operations, the complaints procedure exists to provide customers with a means of expressing dissatisfaction with the service given.

Observations:

The manner in which information regarding the Council's position is represented to owners is essentially one of professional conduct. The establishment of a formal procedure for handling property negotiations (see Agreed Action 1) will provide an important standard to minimise the risk of misrepresentation. Requiring two officers to attend meetings in particularly sensitive negotiations (see Agreed Action 6) could provide a further level of assurance.

Agreed Action:

7. *The Strategic Housing Manager is to explore ways of improving quality assurance in these areas, including file reviews of letters, and file notes and through consideration of measures such as customer care questionnaires.*

- e) **What are the protocols for dealing with owners prior to and during a negotiation for a property purchase?**
- i) No formal protocols have been established by either Strategic Housing or Property Services covering their negotiations with owners.

Observations:

The relationship and interaction between officers and owners is essentially treated as a matter of professional conduct. To that extent, expectations as set out by the Council's own Code of Conduct for Officers and by officers' professional bodies will apply.

The Royal Institute of Chartered Surveyors (RICS) does not itself set out protocols for such dealings. The Head of Property Services advised me that this reflects the great variety of circumstances encountered in property dealings, requiring a flexibility and sensitivity to circumstances on the part of surveyors.

A significant consideration has to be the extent to which owners have access to independent professional advice, there being a greater onus on officers to explain processes to owners if they deal directly with them as opposed to professional agents acting on their behalf.

Observations (contd)

A common feature amongst the concerns raised by property owners within Poulton was that there was insufficient written confirmation of negotiations, especially in the initial stages of negotiation being handled by Strategic Housing. This is a concern that needs to be considered, though care needs to be exercised to ensure that it does not detract from the essentially verbal and face-to-face nature of such negotiations and the role of professionals acting on behalf of the Council.

Agreed Actions

See Agreed Actions 1, 3, 4, 5 & 6

- f) ***Are potential vendors advised in writing to take independent valuation advice / legal advice / financial advice?; and***
- g) ***How are vulnerable owners protected in their property dealings with the Council?***
 - i) It has not been standard practice that potential vendors are advised in writing to take independent professional advice.

Observations:

My investigations found evidence from owners, officers and the Council's agents that potential vendors had been advised (though not in writing) to take independent professional advice. Two owners, however, stated that they had received no such advice. In other cases, owners said that they had been advised to obtain independent advice, but had felt they would be wasting their money. In all cases, owners engaged solicitors to deal with the conveyancing.

On 21 June 2005, Cabinet resolved to delegate authority to the Corporate Director(Regeneration) to approve the payment of reasonable legal, surveying and disturbance costs in relation to securing the Winning Back The West End Masterplan. This delegated authority was not in place at the time that the Poulton properties were being considered for purchase.

Overall, the picture is inconsistent in terms of how, by whom and at what stage in proceedings such advice is given. There is scope for strengthening this aspect of property negotiations.

In relation to the Poulton properties, owners sold their properties voluntarily to the Council to the extent that the compulsory purchase route was not used.

Some owners did express concern that they felt that compulsory purchase would occur if they did not agree to sell. On the other hand, I have been provided with some evidence of owners being advised in writing that they were under no compulsion to sell.

Observations (contd)

Again, the picture is inconsistent. It has to be recognised that, during voluntary negotiations, owners do have the option to withdraw. The main source of protection for owners felt to be vulnerable during negotiations has to be the taking of independent advice, as considered above.

Another possible scenario is that owners might feel vulnerable subsequent to the transaction. It is understandable that, considering the circumstances of the Council's sale of numbers 54 to 66 Green Street to a housing association, at a significantly increased valuation, the former owners would feel that they may have been vulnerable. This certainly seems to be the case, based on the evidence provided by a number of former owners, who used phrases such as "cheated" and "ripped off". One former owner expressed the opinion that, had the properties been demolished after they had sold them, they would have thought no more about it. They felt that what actually happened indicated that their property was worth much more than they had received.

My analysis of the Council's purchase and subsequent sale of the Green Street properties is included in § 2.3.1. The question here is whether and how the Council should have consulted or communicated with former owners about the change in plans. The Home Zone Working Group in October 2003 referred to plans to consult with residents on the proposed purchase and removal of the Astra Ballroom and the retention of the Green Street properties. To my knowledge, this consultation never took place.

Agreed Actions

8. *Procedures for property negotiations are to include a requirement that owners are formally advised in writing at an early stage to obtain their own independent legal and surveying advice regarding the sale.*

- h) ***What are the terms of reference for the Poulton Neighbourhood Management Board and its working groups (such as the Housing & Built Environment Sub-Group) that are involved with property decisions in Poulton and the West End of Morecambe?***
- i) The terms of reference of the Poulton Neighbourhood Management Board are attached as Appendix A. The Housing & Built Environment Sub Group does not have formally established terms of reference, its workload being delegated from the Management Board. The Sub-Group reports and makes recommendations to the Management Board and does not itself have decision making powers.

Observations:

A question has been raised as to the ethics surrounding the position whereby City Council officers are able to vote on proposals considered by the Poulton Neighbourhood Management Board.

Observations (contd)

Under the Board's constitution, two public sector officials are elected to represent the public sector's views in relation to a wide range of community matters, and are thereby able to vote on proposals which come under the remit of the Board. These officials are not, however, entitled to vote on matters which involve the Poulton Neighbourhood Management Board recommending action by their own employing organisation or other public sector body.

- i) ***What are the protocols for offering/awarding property improvement grants for privately owned homes or other privately owned buildings used for social or business purposes?***
 - i) All grants are subject to the Private Sector Housing Renewal Policy and in Poulton, areas to be targeted for grant support are approved by the Poulton Neighbourhood Management Board.
- j) ***How is the interrelationship between grants to, and purchases from, private owners monitored?***
 - i) In Poulton, the agreement of a grant strategy means that grant monies are not being put into areas where alternative use is being considered. In the West End of Morecambe, the West End Masterplan sets out the strategy for grant support.
 - ii) Where grants are provided, grant conditions are registered as land charges and will therefore be apparent should the Council enter into negotiations to purchase a property on which a grant has previously been issued.

2.3 Other Issues Arising From The Investigation

2.3.1 Property Valuations

- a) A major source of concern to former property owners and other parties has been the Council's purchase of seven houses on Green Street (numbers 54 to 66) and their subsequent sale onwards to a housing association for renovation.
- b) The properties were purchased over the period from 31 March 2003 to 27 August 2003 on the basis that they were to be demolished in line with Home Zone plans. The total price paid by the Council for these seven properties was £185,000.
- c) During June 2003, at the instigation of the Strategic Housing Manager, discussions began with a housing association to consider the possibility of them purchasing the properties for renovation and conversion to shared ownership.
- d) Deliberations regarding the development of the Home Zone and the future of this terrace culminated in Cabinet agreeing to them being sold to a Housing Association. The sale price, following revaluation was agreed at £280,000. Overall, this represented an uplift in valuation of 51% over the period.
- e) Attached as Appendix B is a graphical representation of average terraced property prices movements, obtained from the Land Registry website. This shows the movement of average terraced property prices over the period within the Poulton area, within the Lancaster postcode area, and within the North-West region. It demonstrates an increase in terraced property prices in the Poulton area between March 2003 and March 2004 of 74% (from £40,064 to £69,633), a trend which mirrors that for the Lancaster area as a whole.

Observations:

It is understandable that, having become aware of the uplift in valuation, the former owners of these Green Street properties should feel aggrieved and concerned that they might have been misled in the Council's purchase of their properties.

I have found no evidence of any knowing or deliberate act to mislead owners over the Council's intentions regarding these properties.

In negotiating the sale of the properties to the Housing Association, the priority for Strategic Housing officers was the feasibility of the proposed scheme, and they had anticipated selling the properties at the acquisition price. Advice on the matter given by Financial Services was, rightly, that the Council was under a duty to ensure it received best consideration for them, hence the revaluation requested in February 2004.

The Council's appointed surveyors provided the new certificates of valuation in February 2004.

Agreed Actions:

9. *The Corporate Director(Community Services) has written to property owners who were involved in the investigation thanking them for their contribution and providing a statement regarding the Council's position on the concerns they raised.*

2.3.2 Project and Programme Management

- a) Over the past five years, Poulton has been the focus of a number of regeneration initiatives, including the declaration of the Renewal Area, the establishment of Neighbourhood Management, the Home Zone and the Townscape Heritage Initiative.
- b) These initiatives and projects have been administered and supported by a number of bodies, such as the Poulton Neighbourhood Management Board (and the Housing & Built Environment Sub Group), and the Home Zone Steering and Working Groups. The Poulton Neighbourhood Management Board coordinates the development of policy and initiatives in the area. It is not within the remit of this report to evaluate or criticise the operation of any of these bodies or the role of any of the individuals involved in them. Neither is it within the remit to comment on the effectiveness of the projects or initiatives.
- c) Notwithstanding this, my investigations have identified areas in which the various objectives of these projects and initiatives appear to have come into conflict, contributing in part to a number of the concerns raised. The nature of the various programmes and initiatives are such that different Council Services have taken a lead. The Renewal Programme itself is led by Strategic Housing, the Home Zone (essentially a highways scheme) was led by Engineering Services, and the Townscape Heritage Initiative is led by the Planning Service.
- d) It is my view that, once embarked upon, the cross-cutting nature of these projects has been appropriately recognised and reflected in the membership of the various bodies. In such a complex area it is perhaps inevitable that some conflict will arise between the various scheme objectives and these eventualities have to be managed. There is some evidence of conflict arising between the objectives of the various programmes in Poulton. Sound project and programme management skills are necessary to respond effectively to such eventualities and this is an area that the Council should seek to improve its capacity.
- e) Regarding the Home Zone, the bidding process provided little opportunity for the Council to consult with the community prior to applying for funding for the project. It is acknowledged that, in practice, the time-limited availability of funding often places pressure on this aspect of authorities' project planning and management activities.

- f) It has to be said that there was a poor level of response to consultation carried out by the Council's consultants for the Home Zone. The reasons for this are not fully apparent, but the consultants reported a view that the lack of prior consultation may have contributed to there being little "buy-in" from residents and a reluctance to engage in the process.
- g) Having said this, it should be acknowledged that, following the successful completion of the Home Zone construction contract, the project has been held as an example of good practice and local perception of the resultant scheme appears to have been much improved.

Observations:

Developments in both Corporate and Service business planning in the past two years have certainly helped provide greater focus on Council priorities and this in turn should help ensure more effective coordination of effort in large scale programmes and projects. This ties in with one of the key messages arising from the Audit Commission's inspection of the Regeneration and Jobs Best Value Review, that the Council needs to make time from day-to-day project administration to do more strategic thinking about regeneration and how to make it sustainable in the long-term. It is vital that the Council continues to develop its consultation strategies and skills to ensure the effectiveness of such programmes.

Agreed Actions:

10. *The Council is seeking to corporately develop its project and programme management procedures, capacity and skills in a number of ways, including a current Internal Audit review of project management arrangements in the Authority.*

3 Summary of Agreed Actions

1. *Strategic Housing will establish a procedure for property purchase negotiations, which sets out the relative roles and responsibilities of Strategic Housing officers and of appointed valuers (whether Council staff or external firm)*
2. *Briefs agreed with Council-appointed valuers will be documented.*
3. *Comprehensive file notes are to be maintained of any substantive discussions held with potential vendors, accompanied with a follow-up letter where necessary.*
4. *All substantive negotiations with potential vendors will be followed up with formal written confirmation of the negotiations.*
5. *Procedures for handling property purchases will include details on communicating and applying the Council's statutory position and procedures regarding compulsory purchase powers.*
6. *That in appropriate circumstances, consideration will be given to two officers attending meetings with potential vendors.*
7. *The Strategic Housing Manager is to explore ways of improving quality assurance in these areas, including file reviews of letters, and file notes and through consideration of measures such as customer care questionnaires.*
8. *Procedures for property negotiations are to include a requirement that owners are formally advised in writing at an early stage to obtain their own independent legal and surveying advice regarding the sale.*
9. *The Corporate Director(Community Services) has written to property owners who were involved in the investigation thanking them for their contribution and providing a statement regarding the Council's position on the concerns they raised.*
10. *The Council is seeking to corporately develop its project and programme management procedures, capacity and skills in a number of ways, including a current Internal Audit review of project management arrangements in the Authority.*



Poulton Neighbourhood Management Partnership Constitution and Memorandum of Agreement

1. INTRODUCTION

This document sets out the Constitution for the Poulton Neighbourhood Management Partnership, and acts as the Memorandum of Agreement between the Partnership and Lancaster City Council, in their roles as Partnership Board and Accountable Body respectively, for the Poulton Neighbourhood Management Budget programme.

2. OVERALL PURPOSE OF THE PARTNERSHIP

To achieve successful implementation of the Neighbourhood Management programme in Poulton

3. MAIN RESPONSIBILITIES OF THE NEIGHBOURHOOD MANAGEMENT BOARD

In relation to the regeneration of Poulton: -

- Overseeing the implementation of the Neighbourhood Management programme.
- Ensuring the programme is kept under review and to roll it forward on an annual basis.
- Ensuring that effective consultation takes place with businesses, community, and mainstream service providers.
- Approval of annual Delivery Plans to be endorsed by Accountable Body
- Approval of Project Appraisals and allocation of Neighbourhood Management grant to projects.
- Ensuring that the whole programme is kept under review, and that any matters relevant to the successful implementation of the scheme, including links to other initiatives, are considered.
- Establishment of any additional Sub-Groups relevant to the successful implementation of the programme.
- Development of a forward strategy, and exit arrangements for the end of Neighbourhood Management support, ensuring sustainability of all relevant Neighbourhood Management sponsored projects and initiatives.
- Identifying who will take responsibility for continuing commitments, where appropriate, after Neighbourhood Management payments end.
- Budget responsibility delegated to Neighbourhood Manager, who is responsible for reporting financial monitoring to the Board as part of the overall programme review.
- Receive recommendations from Sub Groups and where appropriate instigate action.



Poulton Neighbourhood Management Partnership Constitution and Memorandum of Agreement

4. MEMBERSHIP

There will be a core membership of 16 members on the Partnership Board to deal with matters concerning the Poulton Neighbourhood Management programme: -

	Representation from	No Members
Community Representatives	Poulton Residents Association	4
	1 governor each from Morecambe Bay and Poulton le Sands Primary Schools	2
Public Sector Representatives	Public Sector Forum	2
	Elected Members of Accountable Body	3
	Lancashire County Council	1
Voluntary Sector	Poulton Community Centre and CVS	2
Business Sector	Chamber of Trade and Neighbourhood Council	2

5. NON-VOTING ADVISORS

The Partnership meetings may also be attended by co-opted non-voting technical advisors, as required.

6. STRUCTURE OF MEETINGS

Agendas for meetings will be circulated to all members 7 days beforehand. Items for inclusion and discussion at meetings must be received by the Committee Officer at least 14 days before the meeting. Items received after this date will be included at the discretion of the Committee Chairperson.

7. VOTING RIGHTS AT MEETINGS

- Each voting member will have ONE vote, in the event of decisions requiring a ballot.
- In the event of a tied vote, The Chairperson or, in their absence, the Vice Chairperson will have the casting/second vote.



Poulton Neighbourhood Management Partnership Constitution and Memorandum of Agreement

8. QUORUM

- A quorum for voting purposes is 5 voting members.
- A decision cannot be made unless 5 voting members are present.
- The meeting will be declared inquorate if after 15 minutes from the scheduled start time, 5 voting members are not present.
- In the case of a meeting being declared inquorate, items on the agenda requiring a decision will be deferred until the next meeting.

9. FREQUENCY OF MEETINGS

- The Partnership Board will meet on the first Thursday of each month starting at 6.00 p.m.
- Meetings will be held at 56-58 Euston Road, Morecambe, or at any suitable venue within Poulton as necessary.
- The Chairman of the Partnership Board may, whenever they think fit, convene additional meetings of the Partnership Board.

10. SUBSTITUTES

On appointment to the Board, each voting member will be entitled to nominate a single, named substitute to attend meetings in their place if unable to attend. The name of the Substitute must be notified to the Committee Officer in advance, following appointment.

11. ATTENDANCE AT MEETINGS

Voting members will be expected to attend regularly. Should any member (or substitute) miss more than 2 consecutive meetings without reasonable explanation, their organisation may be asked to nominate a replacement.

12. EXCLUSION OF PRESS AND PUBLIC

The meetings of the Partnership Board and its Sub Committees are normally closed to the press and public. If members of the public wish to attend the meeting, a written application should be made to the Chairperson, who shall have sole discretion on the request. (Although minutes and agendas will be freely available in the Neighbourhood Management offices)



Poulton Neighbourhood Management Partnership Constitution and Memorandum of Agreement

13. INTERESTS

Personal Interests of Partnership Board Members

In the consideration of any item at the Partnership Board meeting, all members should consider whether they have any personal or pecuniary interest in that matter. If so, they must declare that interest prior to discussion and leave the meeting during discussion thereof.

Interests of Organisations represented on the Partnership Board

When considering any item put forward at the Partnership Board which deals with the allocation of Neighbourhood Management funds, any voting member of the Partnership Board who represents an organisation that will potentially benefit from a proposed allocation of such funding should declare an interest before consideration of the item. That organisation shall still be allowed to take part in the discussion for purposes of explanation only.

14. GENERAL CONDUCT

General obligations

In addition to section 13 above, Board members must also have regard to the following general conduct issues :-

- A duty to promote equality by not discriminating unlawfully against any person
- Treat others with respect
- Do nothing that could compromise your impartiality to those who work for, or on behalf of the Board
- Must not disclose information given in confidence to Board members
- Conduct themselves in a manner that would not bring themselves or the Board into disrepute
- Must never use their capacity as a Board member to secure or convey an advantage or disadvantage to themselves or any other person
- In reaching decisions, must have regard to advice provided by the Board's officers



Poulton Neighbourhood Management Partnership Constitution and Memorandum of Agreement

15. PERSONS PRESIDING AT MEETINGS

Chairperson and Vice Chairperson

At the first meeting during the financial year (normally the April Meeting) of the Partnership Board, the voting members will elect a Chairperson and Vice Chairperson. The positions of Chairperson and Vice Chairperson will be reconsidered each year at this time.

In the absence of both the Chairperson and Vice Chairperson at any meeting, the Partnership Board shall appoint a Chairperson for that meeting only.

Management of the Partnership Board

The management of the Neighbourhood Management programme, and the principal advisor to the Partnership Board will be the Neighbourhood Manager. Other Neighbourhood Management and Public Sector Officers may attend to support the Partnership Board as appropriate.

Financial Control

The financial monitoring of the Neighbourhood Management Programme will be undertaken in conjunction with the Lancaster City Council Financial Services Section who may attend meetings as appropriate.

Committee Officer

The Committee Officer will be the Neighbourhood Management Finance and Administration Officer

16. DELEGATION TO CHAIRPERSON

The Partnership Board may delegate responsibility for approval of specified Neighbourhood Management projects to the Chairperson and Neighbourhood Manager where there is a need for urgency. Delegation of responsibility for approval of project appraisals by the Chairperson will normally only take place after the Partnership Board has considered a project outline and given an "in principle" approval. Should there be a conflict of interest with the Chairperson, the delegated authority will pass to the Vice Chairperson. All delegations will be formally recorded by the Neighbourhood Manager and reported back to the Board.



Poulton Neighbourhood Management Partnership Constitution and Memorandum of Agreement

17. THE ACCOUNTABLE BODY

Lancaster City Council will be the Accountable Body for the Neighbourhood Management Programme. The City Council's responsibilities in relation to the Neighbourhood Management programme will include: -

- Management of the Neighbourhood Management programme and liaison with Government Office for the North West
- Ensuring that the requirements set out in the offer letters and in the Neighbourhood Management Guidance Notes are met.
- Establishing and using effective management, monitoring and financial systems (including procurement) which meet all the requirements set out in the Neighbourhood Management Guidance Notes.
- Applying appropriate conditions to Neighbourhood Management expenditure on both Management and Administration costs and Leverage funding.
- Collection and collation of grant claims from Partner organisations.
- Issuing of annual grant offers in accordance with the agreed Delivery Plan.
- Ensuring that grant payments are made only on the basis of expenditure properly incurred and defrayed on projects that have been approved (by the Partnership Board and where appropriate Government Office for the North West).
- To implement systems which ensure regularity, propriety and value for money.
- Monitoring of Expenditure of Neighbourhood Management Grant and matching funding.
- Ensuring that at the end of each financial year, a final statement of expenditure on the approved scheme is prepared and then audited by the Accountable Body's external auditor.
- Monitoring regularly progress of output achievements and milestones, and keeping records of the same.
- Submission of quarterly claims for Neighbourhood Management grant to Government Office for the North West.
- To ensure that all projects claiming grant aid are the subject of a formal application and project appraisal, and that no grant is paid unless a project is approved and appraised.
- To prepare and monitor a register of assets acquired wholly or partly using Neighbourhood Management funding.
- Notifying Government Office for the North West of any financial irregularities suspected in the use of Neighbourhood Management grant and the actions proposed.
- Providing access and documents for ad hoc inspections and audits.



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- Agreeing any changes in capital/revenue split originally agreed with Government Office for the North West.
- Notifying Government Office for the North West, of any income, profit or unexpected receipt in excess of the amount taken into account in determining the level of grant requirement which accrues from a project or scheme funded in whole or in part from Neighbourhood Management.

18. REVIEW AND REVISION

The Constitution and Memorandum of Agreement will be reviewed on an annual basis by the Board or at any such time that circumstances necessitate a revision.

Any proposed amendments must be sent to the Accountable Body's Monitoring Officer for comment prior to formal approval.

.....	Chairperson
.....	Dated
.....	John Donnellon Corporate Director (Regeneration) Lancaster City Council
.....	Dated
.....	Nadine Muschamp Head of Financial Services Lancaster City Council
.....	Dated

Appendix B

