

PROCEDURES COMMITTEE

18 April 2018

Present:-

Councillors R Radford (Chair), J Hart, S Hughes, S Aves, F Biederman, A Connett, R Hannaford and C Wright

Apologies:-

Councillors N Way

* **23** **Minutes**

RESOLVED that the minutes of the meeting held on 8 February 2018 be signed as a correct record.

* **24** **Items requiring urgent attention**

There was no item raised as a matter of urgency.

25 **Financial Regulations - Review**

The Committee considered the Report of the County Treasurer (CT/18/32), on Part 5 of the Constitution relating to the Code of Business Conduct and proposed revisions and updates to financial regulations.

The Report outlined that various elements of the Code were now in need of updating, given the procedure and approval limits had remained unchanged for a number of years for some elements of the Code. The proposed changes were highlighted in detail in the appendices attached to the Report and the Committee noted that consultation had been undertaken with Procurement and Legal Services, where appropriate.

In terms of the proposed changes, part 5b (Procurement Policy) would be updated to include reference to the need for due diligence to be exercised prior to any arrangements where a financial relationship would exist between the Council and external organisations.

The Report further outlined the proposed changes to Part 5c (Financial Regulations);

- Section (A9) (grants and subscriptions) and the recommendation to increase the level from £20,000 to £50,000 (with grants or subscriptions below £50,000 to be approved by the relevant Chief Officer);
- A11 and the use of consultants – whilst there were no changes, a link to the policy on Hiring of Temps, Agency Workers, Interims & Consultants would be added;
- B12 (Capital Expenditure and Leasing) set out proposals for dealing with revised project approvals and the introduction of new capital items after the Capital Programme had been approved.
- C7 (Sale of Assets) – the arrangements for Heads of Service to make arrangements for disposal of surplus items with an estimated value of up to £1,000, to increase to £5,000;
- C8 (Stocks and Stores) – at present any deficiency, theft or other loss in value including obsolete stock exceeding 2.5% or £1,000 must be reported to the Chief Finance Officer and to the Cabinet for the necessary authority to write off. It is proposed that this be replaced with a requirement to report to the Chief Finance Officer only;

- C13 (Voluntary Unofficial Funds) - updated to include reference to the need for separate VAT treatment;
- D2 (Purchasing Arrangements) – minor changes proposed to update terminology and include references to call-off and framework contracts;
- D3 (Orders for Goods and Services) – minor changes proposed to include references to VAT;
- D8 (Payroll) – there were separate processes for dealing with Payroll and Pensions which were referenced accordingly in the section. In terms of overpayments it was proposed that the Chief Finance Officer continued to deal with cases under £10,000 and the prior authority of the Cabinet Member remained for sums in excess of £10,000. However, it was also proposed that the County Solicitor be consulted on all cases exceeding £2,500. A link had also been added to the Policy for dealing with Salary Overpayments;
- D9 (Travelling, Subsistence and Financial Loss Allowance) – now included reference of the need to retain VAT receipts to support expenses / mileage claims;
- D10 (Income and Banking) – minor wording changes in respect of VAT. In relation to write-offs the process remained the same except with cases under £10,000, but that the County Solicitor be consulted on write-offs exceeding £2,500;
- D11 (Taxation) – to include additional text relating to requirements and responsibilities in relation to taxation, and specifically in respect of VAT;
- E (External Arrangements) – the section had been expanded to cover collaborative and agency arrangements, external funding and other service changes and also further detailed standards, and reference to due diligence and VAT in particular.

The report also outlined the proposed changes to Part 5e (Procedures for Tenders and Contracts) to include a reference to the due diligence process (1.4) and the removal of section 3.15 (sale of minor assets as this was already covered by Financial Regulations (C7). Also, section 4 (Content of Contracts) would include reference to the consideration of VAT.

For Part 5g (Code of Practice for the Disposal of Surplus Property), the section 2.1 was updated to provide a link to the Property Transaction Process. It was further proposed that the Chief Finance Officer be consulted on the sale of assets at less than Full Market Value (6.0) in accordance with the treatment proposed under Capital Receipts.

In discussion, Members asked for reassurance that local Councillors would always be informed of issues that impacted on their Divisions and that the revised financial regulations reflected this.

Members then suggested the following amendments;

- Page 5 – removal of the sentence that referred to Best Value and the requirement to achieve 2% efficiency improvements (a previous (not current) Government requirement);
- Page 5 (bullet 3) – reword the sentence to read ‘ensure more efficient administrative and monitoring processes’;
- Page 7 – that Officers would undertake to add more detail in relation to due diligence in respect of any financial arrangements with charities;
- Page 11 – clarification of the membership of the Procurement Group and the word Councillor to be used instead of Member;
- Page 21 (A9.1) – the sentence to read ‘the Cabinet Member ‘will’ be kept informed’;
- Page 21 (A9.2) – Officers to quantify the word ‘adequate notice’ with a suitable timescale;
- Page 21 (A11.1) – the full title of the Policy to be included in the paragraph which was ‘Hiring Temps, Agency, Interims & Consultants’;
- Page 21 (A11.2) – to add the word ‘written’ before the word approval;
- Page 21 (A11.3) – revision of the sentence to read ‘in consultation with the Leader and Chief Executive’ after the word Chief Officer;

- Page 27 (B12.9) – replace the word 'Board' with 'Group';
- Page 33 (C12.1.2) – replace the word 'his' with 'their'; and
- Page 65 (2.1) – amend the sentence to say that 'A copy of the letter 'will' be sent to the Local Member, rather than the word 'should'.

It was **MOVED** by Councillor Hart, **SECONDED** by Councillor Hannaford and

RESOLVED that subject to the inclusion of the changes listed above, the proposed amendments to Part 5 of the Constitution be approved.

26

Members Allowances

The Committee noted their previous resolution that there be no change to Basic Allowance and re-adjustment of Special Responsibility Payments at this time, but that Group Leaders had been asked to consider the Panel's recommendations on the level of Basic Allowance and report back to the next meeting of this Procedures Committee.

It was noted that the Procedures Committee had previously agreed to implement recommendations (d), (e) and (f), as outlined below, which were subsequently ratified by the Council on 15 February 2018.

(d) the overnight allowance for Members for outside London, increase in line with the staff allowance from £79.82 to £81.06;

(e) the overnight allowances for London increase from £90 to "up to a maximum of £143" (recommendation e); and

(f) The Guidance for Dependant Carer's Allowance be amended as set out in Appendix 3 of the Report subject to a minor amendment to paragraph 6(c)(iii) to read as follows 'has a recognised physical or mental disability who is the responsibility of the Member and should not be left unsupervised'.

The Committee again considered the Report of the Independent Members' Allowances Remuneration Panel for 2018. Heather Morgan, Chair of the Panel, had previously attended to present the Panel's Annual Report and highlighted that the work of the Panel, its conclusions and recommendations had been made based on sound evidence.

Members further welcomed the Panel's acknowledgment that while historically there had been little scope for improvement, the structure of the County Council's scheme remained fit for purpose with sound principles and noted that, in commending its Report to the Council, the Panel had not suggested any significant changes to the structure of the Council's scheme.

The Panel had nonetheless recommended a number of amendments to the Scheme in support of their view that allowances should keep pace with the economy generally and that consideration should be given by the County Council to the uprating of basic and special responsibility allowances, as set out in Appendix 2 of its Report.

The Panel further felt that the SRA payment for the Chair of the Investment and Pension Fund Committee should be increased to reflect the significant changes in responsibility since the inception of the Brunel Pooling Partnership.

Members discussed the difficult position of Councils in considering any rises to allowances, but also recognised they had been frozen since 2009 and there was a need to attract more Councillors from different backgrounds to better reflect communities. Furthermore, the workload of Councillors had significantly increased in recent years.

It was **MOVED** by Councillor Hannaford, **SECONDED** by Councillor Biederman, and

RESOLVED

(a) that Members should have the opportunity to debate the matter further Council, in particular, that the recommendations of the Panel, as outlined in the Report (and replicated below) be accepted and implemented in full;

- (i) that the structure of the scheme be endorsed and retained;
- (ii) the Basic Allowance be increased to £12,607 and the multipliers be recalculated accordingly, as outlined at appendix 2 of the Report;
- (iii) that the SRA payment for the Chair of the Investment & Pension Fund Committee be increased by a multiplier of 0.25 to 0.50;
- (iv) that careful consideration should be given, in the future, to the levels of allowances to ensure they keep pace with the economy generally;
- (v) that the sustained reduction, including a reduction in the current year, in the number of SRA's be welcomed and that the levels be kept below the 50% threshold, as is currently the case; and
- (vi) that the Panel keep a watching brief on the Devolution / Combined Authority Agenda to assess any impact on allowances;

(b) that from May 2018, any future increases in Members Allowances (whilst still being subject to Council approval) use the NJC staff pay award as the future bench mark;

(c) that the Committee make representations to both the LGA and CCN to lobby Government for a national framework for the determination of Members Allowances.

27

Constitutional Matters - Budget Meeting and Lengths of Speeches

The Committee noted that, in accordance with Standing Order 23, Councillor Hughes has requested that the Committee consider the matter of the length of time for 'right of reply' for the Leader on budget amendments.

Currently, the time limit was 3 minutes for a right of reply on an amendment (budget or otherwise) but the Committee considered whether this was a sufficient length of time for the Leader of the Council to response to all the matters raised by movers of alternative budgets, in light of the Council's standard practise to suspending standing orders to permit the debate of more than one amendment at a time.

Members noted that the Leader had responded to four separate amendments at the previous Budget meeting.

It was **MOVED** by Councillor Hughes, **SECONDED** by Councillor Connett, and

RESOLVED that Standing Orders be amended to allow the Leader up to 10 minutes to exercise his right of reply to Budget amendments.

28

Public Participation Scheme

The Committee noted that, in accordance with Standing Order 23, Councillor Wright had asked that the Committee consider the current Public Participation Scheme, in particular that the Scheme didn't permit the questioning of public speakers and also the current deadlines for registering to speak.

The Scheme permitted Members of the public to ask a question of the Leader or Cabinet Members at meetings of the Council or the Cabinet and in certain circumstances presentations or representations may be made to the Council, Development Management Committee, Scrutiny Committees, the Highways and Traffic Orders Committees or the Public Rights of Way Committee.

The deadlines for submitting a formal, written question to Council or Cabinet or give notice of a Representation at Council, Scrutiny or another Committee of the Council was before 12 noon on the fourth working day before the date of the meeting.

There were also opportunities at Scrutiny Committee meetings, where any member of the public who was resident in the area may make oral representations on any substantive matter listed on the Agenda of any Scrutiny Committee. The representation was limited to 3 minutes per person. Again, the notification of intent needed to be submitted before 12 noon 4 working days before the meeting.

Members asked questions and discussed the following matters;

- the need for flexibility in the system whilst still being able to administer the meeting effectively;
- the role of Chair's discretion and how this might be applied;
- the role of task and finish groups in obtaining more evidence for Scrutiny;
- the importance of ensuring members of the public were safeguarded in the Committee environment and the need for sensitivity for those who may not be comfortable with being questioned or further questioning; and
- the importance of distinguishing between asking further questions and obtaining clarification in relation to an issue raised.

RESOLVED that the Public Participation rules not be amended at this stage, but the matter be discussed further with the Chairs and Vice Chairs of Scrutiny to ensure there was consistency in the application of the Public Participation scheme and also to ensure sufficient flexibility in order to obtain clarification, if needed and where appropriate.

29

Minutes of Scrutiny Committees Meeting and Public Participation

The Committee noted that, in accordance with Standing Order 23, Councillor Wright had asked that the Committee consider the issue of Minutes of Scrutiny Committees and the recording of representations from Members of the Public.

The Committee noted that the Council had never undertaken to produce verbatim minutes and the current process was to record who made a representation at the meeting, notwithstanding that meetings were webcast so further detail could be obtained, but only for a specific time period.

Also of note was that representations made to the Scrutiny Committee must relate to an item on the agenda for that meeting. In that vein, any matters raised by the public during their Representation could be highlighted later in the meeting by Members of the Committee as part of the debate for that item. This of course was a matter for individual Members.

Members further suggested that a brief form of words would provide a context to the public representation which might be helpful for future reference.

It was **MOVED** by Councillor Wright, **SECONDED** by Councillor Connett, and

RESOLVED

(a) that the current mechanism for recording public representations at meetings in the formal minutes be expanded so that a brief sentence and / or statement is included to reflect the context and subject matter; and

(b) that the Public Participation scheme be amended accordingly.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.30 am and finished at 12.55 pm