

Rother District Council

Report to:	Council
Date:	20 May 2024
Title:	References from Audit and Standards Committee
Report of:	The Chair of Audit and Standards Committee
Purpose of Report:	To receive the recommendations from the Audit and Standards Committee meetings held on 28 February and 25 March as set out below.

AUDIT AND STANDARDS COMMITTEE – 28 FEBRUARY 2024

AS23/52. **AMENDMENT TO THE CONSTITUTION - FUNCTION OF THE LICENSING AND GENERAL PURPOSES COMMITTEE**

Members received the report of the Chief Executive that presented a necessary amendment to the Constitution for approval and adoption concerning the functions of the Licensing and General Purposes (L&GP) Committee.

In November 2023, the Department for Transport published Taxi and Private Hire Vehicle Licensing Best Practice Guidance for licensing authorities in England. The guidance confirmed that, unlike most licensing functions, the setting of fares that hackney carriages licensed by the authority could charge was an executive function and should therefore be determined by Cabinet and not the L&GP Committee.

The L&GP Committee had undertaken this function since the introduction of the Cabinet system in 2001, as an optional (local choice function) at that time. However, following confirmation within the published guidelines that this was an executive function, Members of the Committee were happy to recommend the removal of this function from the L&GP Committee.

RECOMMENDED: That the functions of the Licensing and General Purposes Committee at Part 3 of the Constitution be amended by the removal of the setting of the Hackney Carriage Fares.

(Audit and Standards Committee Agenda Item 9)

AS23/53. **AMENDMENT TO THE CONSTITUTION - PROCUREMENT AND VIREMENT THRESHOLDS**

Members received the report of the Interim Deputy Chief Executive that presented two proposed amendments to the Constitution concerning the procurement thresholds and the virement limits, which would improve the efficiency and speed of decision making.

Officers considered that the current thresholds were too low and should be raised to both increase the speed at which contracts could be secured and commenced and reduce the administrative burden required in terms of quotation and tender exercises for what were comparatively low contract values. These changes would also reduce the need for procurement exemptions which also added to the administrative burden. In addition, the changes would bring the Council's thresholds into line with the local government reporting requirements for Contracts Finder, the central Government procurement portal.

It was also recommended to introduce the ability for the Chief Executive Officer, in consultation with the Leader of the Council, to be given authority to sign off concession and construction contracts under £200,000.

Following the end of the BREXIT Transition Period, the EU procurement regulations were amended to address deficiencies arising from the UK's withdrawal from the EU. The current thresholds applicable to local authorities were outlined in the report (due to be updated from January 2024) and now included VAT whereas previously they did not.

New updated legislation was expected to be brought into force during the current calendar year and the Procurement Hub was looking to provide a further, more detailed update to the Procurement Procedure Rules in the autumn. It was therefore recommended that delegated authority was granted to the Deputy Chief Executive (Section 151) in consultation with the Cabinet Portfolio Holder for Finance and Governance to ensure that any further changes to reflect the recommendations could be progressed.

The proposed changes to the Council's budget virement limits effectively doubled the current limits and would provide officers with additional flexibility in terms of operational budget decisions without having the need to revert to Committee. The changes related to virements which were movements within the agreed budget and reserve policy framework and would not allow officers to make changes outside of the framework. The proposed changes to 4-6 Financial Procedure Rules (B3 – B6) were listed in the report for Members' consideration and had been discussed with a number of key stakeholders.

Members were happy to recommend the proposed changes as outlined in the report as this would result in significant efficiency savings for officers.

RECOMMENDED: That:

- 1) the procurement thresholds as outlined within paragraphs 6 and 7 of the report be approved;
- 2) delegated authority is provided to the Deputy Chief Executive (Section 151) in consultation with the Cabinet Portfolio Holder for Finance and Governance to ensure that any further changes to reflect the recommendations made in (1) above can be progressed; and

- 3) the virement thresholds as outlined within paragraph 15 of the report be approved.

(Audit and Standards Committee Agenda Item 10)

AUDIT AND STANDARDS COMMITTEE – 25 MARCH 2024

AS23/61. PROPOSED CHANGE TO THE DECISION-MAKING STRUCTURE – REDUCTION OF MEMBERS APPOINTED TO THE PLANNING COMMITTEE

Members received the report of the Chief Executive which outlined the proposed reduction of Members appointed to the Planning Committee (PC) from 14 Members to 10, subject to full Council approval at the Annual Council Meeting. In order for this approval to be sought, the tight timescale meant that it had not been possible to consult formally with the PC ahead of this meeting and this would therefore take place informally via MS Teams in due course and their views submitted to the Annual Council Meeting, as part of the reference from this Committee.

The PC comprised of 14 Members, which was a medium to large Committee, and had been that size for 20 years, reducing from 15 to 14 in December 2003. Members were appointed in accordance with political balance, which was currently broken down as four Conservative Members, three each for the Rother Association of Independents, Labour and Liberal Democrats and one Green.

There was also a high number of Cabinet Members either acting as Substantive (three) or Substitute (four) Members on the PC which was inadvisable. The Cabinet and PC role could regularly clash, particularly if the portfolio was relevant to a particular application or if an application had a positive or negative impact on the Council's corporate priorities or land.

The time and commitment required by Members of the PC could not be underestimated and the number of Members who could dedicate their time to the role was therefore limited. Since the introduction of the public speaking scheme in its present form, the length of meetings had also increased, and on some occasions, had been over six hours in length.

The most effective PCs tended to be smaller, under 10 Members. In comparison to 16 other councils across the south east, 13 had less than 14 Members, with six of these having 10 or less Members. It was therefore recommended that the number of Members appointed to the PC be reduced from 14 to 10. The number of Members appointed by each political group, would be reduced by one per group (save for the Green Party who would retain their existing seat) and each political party would have a named substitute as per the current substitute scheme. During the debate, the following points were noted:

- concerns were raised about not allowing any Cabinet Members on the PC, particularly from the smaller parties, as this would leave a limited number of their Members available to act as either substantive or substitute Members;

- consideration should be given to not allowing certain Cabinet posts with portfolios that included planning, housing and possibly environmental issues;
- politics should not play a part in the PC, but more weight given to a balanced split between rural and urban Members, due to the varied topography of the district. This should be set out in the Constitution;
- the PC should also comprise of representatives from the smaller towns;
- a broader discussion was required by the PC and other Members, with the views from those discussions, plus the views of the Audit and Standards Committee, taken to full Council in May. An informal meeting would take place over MS Teams and would be open to all Members;
- the Cabinet Member for Planning should not be Chair of the PC;
- if there was not to be a blanket ban on all Cabinet Members acting as substantive or substitute Members of the PC, then individual portfolios to be banned should be specified in the Constitution;
- Members on the Board of the Housing Company and any future Council owned company should not be on the PC;
- environmental issues affected the Council as a whole, so should not restrict the Cabinet Portfolio Holder from acting as a Member of the PC; and
- consideration should also given to the Leader not acting as a Member of the PC.

After the discussion, the Committee recommended that the PC be reduced by up to four Members and the decision on the final number be taken at full Council, once the views of the PC and other Members were considered. Regard should be given to the rural / urban balance due to the varied topography of the district, plus representation of the smaller towns. Finally, in order to respect probity in planning, the Committee also recommended that the Cabinet Portfolio for Planning should not take the position of Chair of the PC.

RECOMMENDED: That:

- 1) the number of Members appointed to the Planning Committee be reduced by up to four, the final number to be decided by full Council, to take effect from the first meeting in the new civic year 2024-25 (30 May);
- 2) regard be given to the rural / urban balance of the Planning Committee Members, due to the varied topography of the district, plus representation of the smaller towns;
- 3) the Chair of the Planning Committee not to also be the Cabinet Portfolio for Planning;
- 4) the views of all Members be sought at an informal MS Teams meeting in due course and comments received alongside the reference from this Committee; and

- 5) the Chief Executive be authorised to make all necessary amendments to the Council's Constitution to reflect the new size of the Committee, subject to full Council approval.

(Audit and Standards Committee Agenda Item 5)

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Chair, Audit and Standards Committee

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Appendices:	NONE
Relevant Previous Minutes:	NONE
Background Papers:	NONE
Reference Documents:	NONE