

## COUNCIL – 11 APRIL 2019

### RECOMMENDATIONS OF THE EXECUTIVE

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#### **TREASURY MANAGEMENT STRATEGY 2019-20**

Councillor T. Schofield, Executive Member for Finance, reported on the current position in relation to the adoption of the proposed Treasury Management Strategy for 2019/20.

The report set out relevant statutory powers, issues (objectives, the current treasury management position, matters for consideration, financial reporting standards and prudential indicators) legal, financial and equalities implications, risk management and other considerations, consultation undertaken and policy framework factors.

The Treasury Management Strategy 2019/20, set out at Annex 1 to the report presented, consisted of four sections with appendices. Councillor Schofield provided information on each of the following:

- Introduction (Section 1)
- The Capital Prudential Indicators 2019/20 to 2023/24 (Section 2)
- The Borrowing Strategy (Section 3)
- Annual Treasury Investment Strategy (Section 4)
- Appendices

It was noted that each section had been prepared in accordance with the Council's Treasury Management Policy Statement. Councillor Schofield informed the Executive that this had been fully-updated to ensure compliance with changes to the Prudential Code, the Treasury Management Code of Practice and other regulations published during 2017 and 2018. It was highlighted that these changes were necessary to reflect the increasingly complex business models being adopted by local authorities in response to reductions in other funding streams.

The Executive Member for Finance explained that each section contained appropriate Prudential Indicators and highlighted that the Treasury Risk Management Assessment had been incorporated in Section 4, the Annual Treasury Investment Strategy.

The Executive was informed that the draft Treasury Management Strategy had been considered by the Executive in January 2019 and reviewed as part of the consultation by the Treasury Management Panel and the Overview and Scrutiny Committee in February 2019. Councillor Schofield provided an update in relation to changes to the final Treasury

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Management report, compared to the January draft, and explained that updated tables on counterparty list and minimum criteria per institution had been provided to clearly identify the duration and limits per counterparty.

In response to questions, it was explained that the Treasury Management Strategy 2019/20 would support the Council's forthcoming Capital Investment Strategy and general investment approach, which would in turn support the delivery of the Council's objectives.

**RECOMMENDED that the Treasury Management Strategy for 2019/20 be approved.**

**Reason for decision:** To support the adoption of a Treasury Management Strategy for the 2019/20 financial period.

**Alternative options:** To not support the contents of the report or to defer it and ask Officers to provide more information and/or clarification on specific points.

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### **GOVERNANCE TASK GROUP (CONSTITUTION)**

Councillor J.E. Durrant, Executive Member for Community Safety and Chair of the Governance Task Group (Constitution), introduced the report as set out.

The Executive was informed that the Task Group had initially been established for a time-limited duration to review certain areas of the Constitution and related governance issues.

It was highlighted that the last in-depth review of the Constitution had taken place in 2014. The Task Group's review, with input from both Members (cross-party) and Officers, had therefore been timely. It also reflected the fact that from May 2019 the Council would be represented by 6 fewer councillors (45 as opposed to 51) following recommendations from the Local Government Boundary Commission.

Councillor Durrant explained that the Task Group's report provided recommendations on the following matters:

- Key decisions;
- Committee sizes, including a range of related matters, especially in relation to the Planning Committee;
- The role of the Employment Committee and Procedure Rules concerning Officer Employment; and
- Options for keeping the Constitution and related governance matters under review.

It was highlighted that in addition to receiving evidence from

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Members and Officers the Task Group had considered a range of documentary and other material including: Information from the Council's Constitution; Comparative data from Surrey Districts and CIPFA's Nearest Neighbours; Information from Knowles, a well-known manual of law and practice for Local Authority Meetings; and Options and modelling information for the future allocation of line Committee seats. It was noted that the findings from these activities had helped to inform recommendations set out in the report presented.

In response to questions, it was explained that the Task Group had deliberated long and hard over various matters associated with Planning Committee size, including options for decoupling the perceived link between the number of Wards on the Council and the seats on the Committee in order to demonstrate separation of responsibilities. It was noted much of this debate focused on how to remove allegations of perceived bias and predetermination. With this in mind, it was explained that the Task Group had put forward a stronger, more formalised and visible role for Ward Members debating applications at the Committee in their Ward.

Councillor Durrant concluded by highlighting that due to the tight reporting schedule some areas of work had not been progressed as planned. However, subject to relevant recommendations being approved, it was hoped that the work streams, set out in Annex 2 to the report presented, would be prioritised and taken forward during 2019/20.

The Leader of the Council thanked the Members of the Task Group, including Councillor N.D. Harrison whose name had been omitted in error from the covering report, and supporting Members and Officers for their work in conducting the review.

**RECOMMENDED:**

- (i) That the definition of a Key Decision, set out in Article 14 (14.3.2 – 14.3.4) of the Constitution should remain unchanged.**
- (ii) That the membership of the Overview and Scrutiny Committee remain at 15 Members.**
- (iii) That the membership of the Licensing and Regulatory Committee be reduced to 12 Members.**
- (iv) That Members of the Executive be not allowed to be members or substitutes of the Planning Committee and that the Constitution be amended to reflect this.**
- (v) That Members of the Planning Committee be not allowed to participate as Members of the Committee nor vote on any matters that relate to their own Wards and that the Constitution be amended to**

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reflect this.

(vi) **That the role of Ward Members at Planning Committee be changed to strengthen and formalise the role with the ability to make representations on behalf of their Ward constituents, with clarification provided in the Constitution on the following:**

**a. Providing any Ward Members with a time-limited opportunity (i.e. 3 minutes per Member with the Chair's discretion to adjust the time allowed and the frequency of contributions to the meeting) for input on each application considered by the Committee, requesting (but not moving) reasons for refusal\* and attendance at site visits.**

*\* A summary of how this would work in practices is:*

- *Ward members can request reasons for refusal but not move motions.*
- *Reasons for refusal would only be provided to the Member requesting them.*
- *The content of those reasons for refusal (requested by ward members) can be put to the Planning Committee during their dedicated speaking slot.*
- *The Chairman should maintain an independent role and therefore would not propose reasons for refusal motions on behalf of ward members.*
- *Committee members may ask for reasons for refusal to be moved and voted upon, which may include those requested by Ward Members. In the event that no reasons for refusal are moved and the Committee do not agree the Officer Recommendation (e.g. to grant permission) then the matter would stand referred to the next meeting of the Committee for re-consideration.*

**b. A reserved seat be provided in the Chamber for use by Ward Members (including Planning Committee Members who are not able to take up their Committee seat if the application relates to their Ward), to advocate on behalf of their Ward on each relevant application.**

(vii) **That: (a) the Officer Scheme of Delegation be amended to increase the delegation to the Head of Service with responsibility for Planning to determine applications for commercial works not exceeding 250 sqm; and (b) That it be noted that the principle of referring matters to the Planning**

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Committee, as set out in the Planning Protocol, would apply to a. (above).

- (viii) That the membership of the Planning Committee be broadly representative of the geographic coverage of the Borough and that it be reduced from 19 Members to 15 with a further review 6 months after the first Planning Committee of 2019/20. This review should be carried out by the Governance Task Group in consultation with the Chair and Vice Chair of the Planning Committee.
- (ix) That the membership of the Standards Committee remain at 5 Members and two Co-opted Members.
- (x) That the membership of the Employment Committee remains as set out in the Constitution i.e. 5 Members at least one of which must be an Executive Member.
- (xi) To ensure the Employment Committee makes a positive input to strategic recruitment and cultural development, the following roles and responsibilities be added to the terms of reference for the Employment Committee: (a) Oversight and engagement (with relevant Officers) in respect of the development of the Organisational Development Strategy – which includes the talent attraction/development/retention strategy for staff and the Council's Management Structure; (b) Establishing a critical friend role in relation to ensuring the Organisational Development Strategy is on track and fit for purpose. This should include consultation around the annual Service and Financial Planning process and Pay Policy Statement; (c) That the application of a. and b. (above) be detailed in an annual work programme to be agreed at the start of each Municipal Year by the Employment Committee.
- (xii) That Annex 1 of Procedure Rule 9 (Officer Employment Rules responsibility for functions) be amended with the following additions: (a) Direct Reports to the Chief Executive be recruited by the Employment Committee (taking into account the advice of the Head of Paid Service); (b) Employment Committee to be consulted and briefed on the disciplinary / dismissal arrangements (including any compensation agreements) for Direct Reports to the Chief Executive; (c) That the wording of "Other Employees\*" be amended to clarify that this includes Heads of Service; and (d) That the lead

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**Member of the Executive be consulted and briefed in the recruitment of any Head of Service under their Portfolio.**

- (xiii) **That the membership, and terms of reference, of the standing “Task Group” be appointed annually at the Annual Council meeting applying the spirit of the political proportionality rules. The Task Group would agree its own Work Programme at its first meeting of the Municipal Year.**
- (xiv) **That a delegation be provided to reflect the wording set out in Paragraph 12\* of the Notes to the Officer Scheme of Delegation (Part 3b of the Constitution) to clarify the Monitoring Officer’s role within the scheme.**

*\*Paragraph 12 - The Monitoring Officer shall determine any issues as to the form and manner of the Scheme’s operation, implementation or interpretation, for example, where clarification is required as to which officers can exercise a delegation or which Executive Member(s) must be consulted, or referred to in paragraph 6. above (ref new legislative provisions).*

- (xv) **That the Monitoring Officer be authorised to update the Constitution in accordance with the tracked changes set out in Annex 4 to this report, to reflect the recommendations agreed by the Executive.**
- (xvi) **That a delegation be provided to the Monitoring Officer to make administrative and consequential amendments to the Constitution arising from the key principles of decisions taken by Council both in response to this report and any other adjustments to clarify points in the Constitution that do not change the key principle of its origin. The Governance Task Group Members would be consulted on the proposed changes two weeks in advance of their publication for any comments.**

**RESOLVED that:**

- (i) Chair training be provided to all line Committee Chairs, Vice Chairs, Mayor and Deputy Mayor.
- (ii) All Employment Committee Members (including Substitute Members) to receive appropriate mandatory Member Learning and Development on equality and diversity in employment and related recruitment matters (e.g. fair recruitment processes, interviewing skills, etc.) in advance of sitting as a member of the Committee to ensure they can positively contribute to the Committee and the

- development of the Council's culture.
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- (iii) All Executive Members to receive mandatory Member Learning and Development on equality and diversity in employment and recruitment matters.
  - (iv) In addition to the mandatory Licensing and Regulatory training at the start of the Municipal Year, all Licensing and Regulatory Committee Members should attend "refresher training" half way through the year.
  - (v) A standing cross-party "Task Group" be established to provide a Forum for the continued review of governance matters by the Council.
  - (vi) That the Planning Committee be requested, at its first meeting of the 2019/20 Municipal Year, to review its Planning Protocol to consider introducing wider scope for questioning / speaking at meetings (including the public) and to reflect, subject to Full Council approval, Recommendations vi(a). and vi(b). above.
  - (vii) The request for the arrangements for Licensing and Regulatory Sub-Committee Chairs remaining at 5 (the existing number) be considered by the Licensing and Regulatory Committee at its first meeting of the 2019/20 Municipal Year.

**Reason for decision:** To set out the findings from the Governance Task Group (Constitution) to ensure Council business is well managed and that decisions are taken effectively and efficiently, in accordance with statutory requirements.

**Alternative options:** To approve/support only some of the proposed changes set out in the report presented or defer making a decision and request further work be undertaken on any aspect of the proposed amendments.

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**OVERVIEW AND SCRUTINY COMMITTEE WORK  
PROGRAMME 2019/20**

A report was submitted with the proposed 2019/20 work programme for the Overview and Scrutiny Committee. The work programme was appended to the report.

The Leader of the Council, Councillor M.A. Brunt, highlighted that the programme had been reviewed and supported by the Overview and Scrutiny Committee in February 2019 and that the Executive was being consulted, prior to consideration by Full Council in April 2019.

It was noted that the report set out relevant statutory powers,

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resource, legal and equalities implications and consultation undertaken. In response to questions, Councillor Brunt informed the Executive that he and the Chief Executive had been consulted during the preparation of the work programme and that it delivered a good range of activities that were achievable and added value to the work of the Council.

It was noted that the Overview and Scrutiny Committee had recognised the increased pressures facing the Council and had maintained a streamlined approach to ensure its work programme, and future activities, reflected the Council's priorities.

Councillor Brunt concluded by highlighting that Local Government continued to change and that as a result the Council would continue to monitor both its governance and scrutiny arrangements.

**RECOMMENDED that the Overview and Scrutiny Committee Work Programme for 2019/20 be adopted.**

**Reason for decision:** To support the adoption of a work programme for the Overview and Scrutiny Committee for the 2019/20 Municipal Year.

**Alternative options:** To add to or not support the adoption of the Overview and Scrutiny Committee work programme for 2019/20.