

REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 23 January 2018. Attendances:

Councillor Glazier (Chair)
Councillors Godfrey Daniel, Elkin, Simmons and Tutt

1. Revisions to Procurement Standing Orders

1.1 The Procurement Standing Orders (PSOs) set out how the Council governs spending by officers on goods, works and services, on consultants and contractors, and on direct care services. They cover all spend with external suppliers regardless of the source of funding (for example, revenue, capital, ring-fenced government money and/or any grant or third party funding).

1.2 They have four main purposes:

- to ensure we meet the Council's statutory duty to Best Value and to create healthy competition and markets for the goods, services and works we buy.
- to be transparent to our residents about how we spend their money.
- to make sure we spend public money legally and fairly, and to protect us from undue criticism or allegation of wrongdoing.
- to support sustainability and social value objectives, and our public sector equality duty, encouraging local small businesses.

1.3 The PSOs have been updated to take account of:

- the transformed procurement service and resulting changes to organisational structure which launched on 1 April 2017
- improvements to procurement processes aimed at more efficient delivery; including the introduction of a Sourcing Governance Board.
- improvements to strengthen contract management with the formation of the Contract and Supply team

1.4 The review included a review of policy to ensure all regulations are current and relevant. The PSOs have also addressed all relevant aspects of audit reports including:

- improved guidance for consultancy expenditure, grants, waivers and financial checks
- the role of the newly formed Sourcing Solutions Team in managing spend between £15k and £100k

A detailed explanation of the key changes is included in Appendix 1 alongside a full version of the proposed new PSOs in Appendix 2

1.5 Since the revised PSOs require changes to processes it is proposed that they be reviewed after six months to ensure these are effective. Should any amendments be required following the review a further report will be submitted in relation to these.

1.6 In proposing amendments to the PSOs we have taken into account good practice at other Local Authorities, and across the wider public sector. This has included reviewing standing orders and supporting policies from other county and unitary authorities across the South East.

1.7 The PSOs have been updated to ensure they align with the enhanced procurement service offering following a transformation of structure and process. Legislation has been reviewed and revised to ensure the Council continues to commit funds in accordance with the latest version of the Procurement Contract Regulations, and processes have been improved to provide greater assurance whilst continuing to ensure value for money is achieved as efficiently as possible.

1.8 The Committee agreed that officers be asked to consider further the engagement with local suppliers and encouraging local businesses to compete for contracts. It is therefore proposed that authority be delegated to the Assistant Chief Executive to make any further amendments to the Procurement Standing Orders in relation to this issue.

1.9 The Committee recommends the County Council to:

☆ (1) approve the revised Procurement Standing Orders as set out in Appendix 2 of the report;

(2) authorise the Assistant Chief Executive, in consultation with the Chief Operating Officer, to make any further amendments to the Procurement Standing Orders in relation to developing local suppliers and encouraging local businesses to compete for contracts.

2. Amendment to Constitution – Scheme of Delegation to Officers

2.1 The County Council's Scheme of Delegation provides the Director of Communities, Economy and Transport with authority to perform a number of functions and make certain decisions across the range of services that make up the directorate. Officers in the directorate, with support from Legal services, have undertaken a comprehensive review of the current Scheme of Delegation in order to identify changes that are deemed necessary. These changes are generally being proposed in order to either: reflect changes in legislation; provide improved clarity for how to take certain decisions and actions or reflect new, ceased and amended duties and areas of work in the directorate.

2.2 A number of the proposed amendments to the Scheme of Delegation relate to the functions performed by the County Planning Authority and the County Council's role as a statutory consultee to the planning system, particularly in the remit of the Highway Authority and Lead Local Flood Authority. Such proposed amendments are deemed necessary in order to reflect changes in legislation (e.g. introduction of Neighbourhood Planning through the Localism Act and the abolition of Structure Plans), or changes in circumstance (e.g. abolition of the Agency Agreement between the South Downs National Park Authority and the County Council).

2.3 Some of the other proposed amendments to the Scheme of Delegation are designed to improve efficiency in certain decision making processes. As an example, all planning authorities are required to prepare an annual monitoring report that, amongst other things, collates information on how planning policies have been applied in the consideration of planning applications. Such a report is very much a statement of fact and does not set any Council policy. At present, Lead Member approval is sought to publish this report and over the years it is not a decision that has generated any public interest. Should delegated authority be provided to publish this report, it will reduce the time taken to publish the report and also allow for in-year updates to be provided. Such an approach to how such decisions are taken is consistent with the approach of other planning authorities in the area.

2.4 Appendix 3 to this report identifies all the proposed amendments to the Scheme of Delegation for the Director of Communities, Economy and Transport. These are presented by way of track changes, with suggested new text underlined and suggested deletions having a strike through. The majority of these amendments are accompanied by a

'comments box', which sets out the rationale for the proposed changes. Some of the amendments are solely to identify the most up-to-date legislation, in which case no further explanation for the proposed changes is included.

2.5 It is considered that the amendments proposed to the parts of the Scheme of Delegation, which are relevant to Communities, Economy & Transport, are consistent across the directorate and wider County Council and do not undermine the democratic accountability of the Council. Some of the amendments will aid in the ability for decisions to be taken in an efficient and timely manner, which is considered particularly important where deadlines need to be met for certain actions to be undertaken.

2.6 The Committee recommends the County Council to:

☆ (1) agree to amend the Scheme of Delegation to officers as set out in appendix 3 of this report

3. Amendment to Constitution – Motions

3.1 Standing Orders 36.12 – 37.2 of the Council's Constitution deal with Motions referred to a Committee and Members' rights in relation to those motions.

3.2 Standing Order 36.12 permits the Chairman to direct that, under certain circumstances (namely where a motion is not to be included on the agenda for the next meeting of the Council as set out in Standing Orders 36.9 and 36.11), the "motion is referred to a Committee".

3.3 The custom and practice of the Council is to interpret "Committee" in this context to mean either an individual Lead Member or a Committee. For the avoidance of doubt, it is proposed to amend the Constitution to expressly state this.

Proposed amendments to the Constitution Part 4 – Rules of Procedure

Motions referred to a Committee or a Lead Cabinet Member

36.12 (1) If Standing Orders 36.9 or 36.11 do not apply, the Chairman shall direct that each motion is referred to a Committee or a Lead Member.

(2) Where a Committee or Lead Member which has considered a motion referred to it by the Chairman they shall report thereon to the Council at the earliest practicable meeting. A Sub-Committee shall report to the Council through its parent Committee.

(3) When such a motion is considered by the Council one signatory shall have a right of reply immediately before the Chair of the Committee or the relevant Cabinet member (if nominated by the Chair of the Cabinet).

Members' rights in relation to motions

37.1 Where the member or members who signed a motion are not present at a meeting at which it is to be considered, another member authorised by him or her may move the motion on behalf of a signatory.

37.2 A member or, if more than one, the first member signing a motion which is referred to a Committee or a Lead Member, shall have notice of each meeting of the Committee or Lead Member at which the motion is to be considered. He or she shall

GOVERNANCE

be entitled to attend any meeting at which it is considered and to speak but not vote unless already a member of the Committee.

3.4 The Committee recommends the County Council to:

- ☆ 1) agree the changes to the Constitution as set out in this report

4. Amendments to the Council's quarterly monitoring and to the Terms of Reference of the Governance Committee relating to reports of the Local Government and Social Care Ombudsman Constitution

4.1 At the Governance Committee when the annual complaints report was considered it was requested that information regarding complaints considered by the Local Government Ombudsman (LGO) could be reported to members more regularly. It is therefore proposed that a summary of LGO findings will be reported through quarterly monitoring.

4.2 Currently the terms of reference of the Governance Committee include the exercise of the powers and duties of the Council in respect of the making payments or the provision of other benefits in cases of maladministration. It is proposed that the terms of reference of the Committee be expanded as set out below to enable the Committee to consider reports issued by the LGO where there is a finding of maladministration. The Council has not received such a report in several years, but as we reduce services we may receive such reports, and should the situation arise will want to be able to make decisions in a timely fashion:

To consider reports from the Local Government and Social Care Ombudsman where there has been a finding of maladministration against the County Council.

4.3 The Committee recommends the County Council to:

- ☆ (1) note the proposed changes to the Council's quarterly monitoring; and
- (2) agree to amend the terms of reference of the Governance Committee as set out in this report

23 January 2018

KEITH GLAZIER
(Chair)