

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 7 FEBRUARY 2017

SUBMITTED TO THE COUNCIL MEETING – 21 FEBRUARY 2017

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Julia Potts (Chairman)	Cllr Jim Edwards
Cllr Tom Martin (Vice Chairman)	Cllr Jenny Else
Cllr Brian Adams	Cllr Ged Hall
Cllr Andrew Bolton	Cllr Carole King
Cllr Kevin Deanus	

Also Present

Councillor Jerry Hyman (to speak on Agenda Items 6, 9, 10, 11, 14, 15, 19, 21 and 22)
and Councillor David Round (to speak on Agenda Item 6)

131. MINUTES (Agenda item 1)

The Minutes of the Meeting held on 10 January 2017 were confirmed and signed as a correct record.

132. DECLARATIONS OF INTERESTS (Agenda item 3)

Cllr Kevin Deanus declared an interest in Agenda Item 8 relating to the budget management report because there was a specific recommendation relating to expenditure for development in the village of Alfold. There was no specific discussion relating to Alfold and therefore Cllr Deanus remained in the Chamber for this item.

PART I - RECOMMENDATIONS TO THE COUNCIL

Background Papers

Unless specified under an individual item, there are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to the reports in Part I of these minutes.

133. WAVERLEY FINANCIAL STRATEGY 2017/18 - 2019/20 (Agenda item 6)

The reports from the Executive in respect of the 2017/18 budget are set out at Agenda Item 8 to the Council agenda, incorporating:-

- 8a. General Fund Budget Revenue and Capital – 2017/18
- 8b. Housing Revenue Account Business Plan, Revenue Budget and Capital Programme 2017/18
- 8c. Council Tax Setting 2017/18 and Pay Award.

These reports have been dealt with at Agenda Item 8 of the Council agenda.

134. TREASURY MANAGEMENT FRAMEWORK 2017/18 (Agenda item 9)

134.1 Treasury management is the management of the Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. The Treasury Management Framework for 2017/18 contains only minor changes to the existing framework.

134.2 For Waverley Borough Council, this means collecting around £130m per annum and managing a similar amount of revenue expenditure together with an average investment of around £65m each day invested in financial markets and, with the introduction of HRA Self-financing in 2012/13, it now also includes borrowing of £192m.

134.3 The latest revision to the Code by CIPFA in November 2011 incorporates the implications of the new HRA Self-Financing framework and tightens up on the requirements for the management of risk. These changes were incorporated in Waverley's Policy and originally approved in February 2012.

134.4 The Code requires local authorities to maintain their Treasury Management Policy in accordance with the code, and any of its revisions, and with legislation. It also requires local authorities to determine their Treasury Management strategies and Investment strategies on an annual basis and their Prudential Indicators on an annual basis. CIPFA has produced this Code and the accompanying guidance notes to help satisfy nine main purposes:

- i. To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, and thereby to add to their credibility in the public eye.
- ii. To emphasise the over-riding importance of effective risk management, as the foundation for treasury management in all public service bodies.
- iii. To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
- iv. To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
- v. To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, *"to maintain and develop the professional competence of both themselves and those they supervise"*.

- vi. To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
- vii. To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same
- viii. To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
- ix. To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

134.5 The key documents in line with the requirements of the Code are approved by Council annually as follows:

- Treasury Management Policy Statement is included at Annexe 1 and sets out the headline objectives of the Treasury Management function.
- Treasury Management Strategy 2017/18 is included at Annexe 2 and sets out the way in which Waverley's policy objectives for Treasury Management will be achieved and the high level approach to borrowing and investment. As required by the Code, the Strategy includes a statement of Waverley's Treasury Management Practices (TMPs) which set out specific areas of note and how they will be dealt with.
- Annual Investment Strategy 2017/18 is included at Annexe 3 and sets out how Waverley's investments will be managed, in accordance with the Treasury Management Strategy, and how this will help achieve Waverley's TM policy objectives. This Strategy is required by local government investment regulations.

134.6 With the creation of the Council's Investment Advisory Board and the Government's significant reduction in Waverley's New Homes Bonus funding, it is likely that Waverley will need to borrow in 2017/18 and subsequent years to develop and/or acquire property assets in order to develop the local economy and generate revenue for the General Fund budget.

134.7 In order to respond quickly to opportunities that arise and ensure flexibility in the capital financing arrangements, it is proposed to delegate the decision to borrow to finance capital expenditure to the Executive, subject to the limits within this report and provided that the annual revenue cost of the borrowing is within the Executive's authorised spending limit for each transaction.

134.8 The Local Government Act 2003 requires local authorities to comply with CIPFA's Prudential Borrowing Code. This in turn requires local authorities to agree a specified set of prudential indicators relating to their investment and

borrowing activities. Waverley's Prudential Indicators are in line with the requirements of the Code and the current conditions which are included at Annexe 4. The prudential indicators are intended to support decision-making and are ways of targeting and measuring performance.

134.9 The Executive now

RECOMMENDS that

111. the proposed Treasury Management Framework for 2017/18 be approved; and

112. authority for decisions to borrow to finance capital expenditure be delegated to the Executive, as set out in paragraph 134.7 of the report.

[Reason: to agree the proposed treasury management framework for 2017/18]

135. BUDGET MANAGEMENT REPORT (Agenda item 8)

135.1 The Executive considered and noted the report reviewing the 2016/17 budget for the General Fund and Housing Revenue Account against the forecast to 31 March 2017 and

RESOLVED to approve

1. the appointment of a temporary support for the Garden Waste team, and approved the carry forward of savings achieved in the 2016/17 financial year to fund the appointment in 2017/18, as set out in paragraph 4 (iii);
2. the extension of the Emergency Planning and Projects Assistant post until 31 March 2018, as set out in paragraph 4 (iv) from the General Fund forecast underspend;
3. £10,000 from the projected underspend to bring forward the budget growth item to review the options for the future of the building control service as set out in paragraph 5; and
4. £50,000 of the underspend in 2016/17 to be transferred to an earmarked reserve for commercial property voids as set out in paragraph 12, subject to sufficient underspend being available at the year end.

135.2 The New Build capital programme approved budget for 2016/17 is made up as follows:

Work Stream	Approved Budget 2016/17	Forecast Outturn	Reschedule	(Underspend)/ Overspend	Comment
	as at 31/12/16	as at 31/12/16			
	£'000	£'000	£'000	£'000	
Project management	400	400			
Pre-development expenditure	184	184			
Committed schemes	7,831	5,475	2,000	(356)	See para 22. & 23. below
Proposed schemes	557	196	361		See para 24. below
Land and asset purchase	1,182	1,182			
Total	10,154	7,437	2,361	(356)	

135.3 Works at Wey Court are underway and progressing, however it is expected that a proportion of the project spend will be incurred in the next financial year. It is therefore requested that £1,000,000 is moved into 2017/18 to enable the completion of these works.

135.4 Due to a longer than expected tendering process for the Nursery Hill project, the works will not have progressed as far as estimated earlier in the year. Therefore it is requested that £1,000,000 is rescheduled into 2017/18.

135.5 The Chilton Close, Alfold project is currently on hold. This is due to planning considerations and other site considerations. It is therefore requested that this budget of £360,695 is rescheduled into the next financial year.

135.6 The Executive therefore

RECOMMENDS that

113. the rescheduling of £1,000,000 for Wey Court into 2017/18 be approved, as set out above;

114. the rescheduling of £1,000,000 for Nursery Hill into 2017/18 be approved, as set out above; and

115. the rescheduling of £360,965 for Chilton Close, Alfold into 2017/18 be approved, as set out above.

[Reason: to provide a review of the 2016/17 budget based on the latest information available]

136. ANNUAL PAY POLICY STATEMENT 2017/18 (Agenda item 10)

136.1 The Localism Act 2011 requires all public authorities to publish Annual Pay Policy Statements. The Council is required to adopt the Annual Pay Policy Statement each year and the Council is not legally permitted to depart from the policies set out in that statement when it considers actual decisions in relation to individuals' remuneration, including redundancy and/or severance.

136.2 There have been no changes to the Annual Pay Policy for 2017-18, attached as Annexe 5. The Executive now

RECOMMENDS that

116. the Annual Pay Policy Statement for 2017-18, as set out at Annexe 5, be approved.

[Reason: to approve the updated Annual Pay Policy Statement]

137. STRATEGIC REVIEW OF WAVERLEY BOROUGH COUNCIL (Agenda item 11)

137.1 The way that local government is funded is changing and the Council recognises that it cannot continue to operate in the same way if services are to be protected. The implications of reduced funding, coupled with the need to deliver high quality services, require the Council to think differently about how service delivery is sustained and supported so that it meets the needs of our communities. It is also essential that the Council continues to remain positive and ambitious so it is able to plan for the future.

137.2 The Executive therefore agreed in November 2016 to fund a Strategic Review of Waverley Borough Council and, following a procurement exercise, Cratus Communications were appointed to undertake the review. The review commenced on 21 November 2016 and concluded on 15 December 2016. The work was neither an inspection nor a peer review of a council in difficulties but was rather a strategic review intended to be a catalyst for Waverley to develop a more ambitious strategic vision and improved ways of working. These two areas of focus – ‘strategic vision’ and ‘how the council works’ – underpinned the structure and methodology of the consultants’ review, its findings and its recommendations for a way forward.

137.3 Waverley Borough Council’s current vision statement was agreed by the Council when the new Corporate Plan 2016-2019 was agreed in February 2016. It is to ‘make Waverley a better place to live and Work’. The plan agreed at that time included four corporate priorities: ‘Customer service’; ‘Community wellbeing’; ‘Environment’ and ‘Value for money’. There was no formally agreed vision statement in the Council’s previous corporate plan.

137.4 There are numerous factors that have shaped and defined how Waverley currently works as an organisation. However, in respect of the structure, culture and arrangements relating to the Council’s senior management team, the principal driver is the outcome of the 2013 senior management review.

137.5 In December 2013, the Council agreed, in order to reduce its support costs, to make a number of changes to the staffing structures in respect of the Council’s senior management team. The post of Chief Executive was deleted and the post of Deputy Chief Executive was redesignated as Executive Director (who would also fulfil the statutory function of Head of Paid Service). It was agreed that the civic duties previously undertaken by the Chief Executive would be undertaken by the Mayor, other Council members and other officers as appropriate.

- 137.6 The 2013 review aimed to respond to the need to make budget savings but also to respond to the wish articulated by elected members at that time to refocus management responsibility to a greater degree on operational service delivery, performance and customer service and to a lesser degree on strategy, partnership working and non-statutory activity. A number of other changes were agreed in line with this, including the redesignation of the 'Strategic Director' as the 'Director of Operations' and the removal of two heads of service (with their functions being absorbed by the remaining structure).
- 137.7 In terms of both strategic vision and how the council works, senior officers have a responsibility to provide their professional advice to members but also to respond to the steer provided by Waverley's councillors as the elected representatives of Waverley's communities and in particular the Leader and Executive. The Executive Director has, accordingly, shaped and managed the Council's existing strategic vision and organisational arrangements in line with the steer previously provided by members.
- 137.8 However, the findings and recommendations within the Strategic Review coupled with clear requests by the Council Leader and Executive for a change of approach, both strategically and operationally, mark a clear change in member expectations and political leadership. That change must be matched by an equally clear change in how the Council is led and managed by its senior management team. The aim of this report is to welcome that imperative and set out the Executive Director's plans for responding to it.
- 137.9 The consultants' findings are set out in full in their report at Annexe 6, at within this report. In summary, they found that:

Strategic Vision

- i. There are insufficient linkages between the Corporate Plan, Economic Strategy and Medium Term Financial Strategy.
- ii. The existing Corporate Plan is too narrowly defined and lacks specific targets and actions.
- iii. The Economic Strategy is non-specific and sets no framework for how the Council will support existing businesses, promote future economic activity or support the viability of its town centres and high streets.
- iv. The Council has good financial standing and has been prudently managed.
- v. Many members and staff acknowledged the need for a more strategic vision and high expectations that the new Council leadership will set a new and ambitious agenda.

How the Council Works

- i. Members and officers share a pride in and loyalty towards Waverley and a determination to provide good services to residents.
- ii. There is both talent and capability amongst Members, senior managers and within the wider workforce.

- iii. Attitudes and working relationships between members and officers are not always as they should be.
- iv. Managerial Leadership is not sufficiently visible to the workforce.
- v. Services tend to work in their individual silos and the Council does not have a strong corporate ethos.
- vi. Recruitment is located in finance, strategic HR reports to the Executive Director and staff development sit with the Head of Policy and Governance. As a consequence no one takes ownership of the need for an alternative approach to recruitment and retention.
- vii. Formal decision-making processes to member level bodies seem to be slow, cumbersome and require an unnecessary number of reports for further decisions on minor matters of implementation.
- viii. Decision-making within the officer structure is protracted and it appears that levels of delegation are not sufficient.
- ix. Insufficient delegation and a focus on operational matters prevents Corporate Management Team from having capacity for strategic matters and the pace of change and scope for innovation are stifled.
- x. The Council's working environment seems old fashioned and not all of the Council's business processes are modernised
- xi. Several Members cited Planning Services and HR as the services they were most concerned about.
- xii. There is a lack of appropriate support for Members to undertake their role including the absence of any dedicated administrative support and a lack of separate and private meeting spaces for the majority group and opposition group.

137.10 The consultants' recommendations in terms of the way forward are set out in full in their report (Annexe 6) and in this report. In summary, they suggested that:

Strategic Vision

- i. The Executive needs to articulate a strategic vision and priorities for the Council which, whilst including the existing priorities of customer service, community wellbeing, environment and value for money, also incorporates the development of the Council's place-shaping role.
- ii. Develop a new Economic Development Plan and master plans for some or all of Waverley's town centres.
- iii. The new Medium Term Financial Strategy needs to move away from an annualised budget process, needs to incorporate a crosscutting efficiency programme and modernisation of council business processes and needs a focus on growing the income base.
- iv. Waverley needs to broaden its approach to partnership working and establish a wide range of alliances.
- v. Consider its future viability as an organisation and consider, in the context of national and regional moves towards devolution, whether and how to partner with others so that it takes control of its own destiny as far as it can.

How the Council works

- i. Improve working relationships and attitudes between Members and officers and establish clarity on the political direction the Council wishes to set. For example through: Portfolio Holder / Director workshops; visible leadership of the Leader and Executive Director; improved support to Overview and Scrutiny (implementing the proposals already agreed); and improved arrangements for responses to ward members' casework.
- ii. Ongoing use of existing Portfolio Holder / Director briefing meetings to co-develop policy, monitor progress and ease the path of decision-making reports.
- iii. Scheme of delegation to be reviewed to improve speed of decision-making, particularly on implementation matters where the substantive matter has already been approved and has the necessary budget provision.
- iv. Review the delegation arrangements to senior managers to free up time for strategic matters and speed up the pace of operational decisions by placing them at the right level.
- v. All external partnership forums should be identified and appropriate attendance agreed.
- vi. Greater explicit use of cross cutting themes and working building on what is already in place via the Foresight Groups.
- vii. Approaches to customer care and service should be reviewed to improve attitudes towards residents, responsiveness to complaints, access arrangements by phone and in person and use of the web-site for service delivery.
- viii. Identify and establish a robust efficiency savings programme to support the new Medium Term Financial Strategy and to streamline business systems and ways of working.
- ix. Improve facilities and support for elected members.
- x. Access national support networks (for example the LGA) to ensure the Council's approach is informed by best practice.
- xi. Ensure the Council is fit for purpose in terms of structure, change management, project management, negotiation and partnership skills.
- xii. Give consideration to bringing the different aspects of the HR Service together and putting in place an improvement plan.
- xiii. Give consideration to drawing up an improvement plan for Planning so that the need for support to the service and explicit attention to the key concerns can be progressed.

137.11 The Executive Director and the senior management welcome the catalyst and mandate this review provides to look afresh at the strategic direction and modus operandi of Waverley Borough Council and to drive forward change and improvement in respect of both.

137.12 Each of the findings and recommendations within the consultants' report has been carefully examined and consideration has been given to what action Waverley Borough Council should take as a result. Whilst there is no requirement to take on board every finding put forward or to undertake every action recommended by the consultants, having voluntarily commissioned the Strategic Review to identify opportunities and to be a catalyst for change

and improvement, the Executive Director's starting point has been to do exactly that.

137.13 Accordingly, Annexe 7 sets out, in detail, Waverley's proposed action plan in response to the Strategic Review report. A three-phase approach is recommended. Where it is possible for changes to be made in the very short term / with immediate effect, this will be done straight away. Actions requiring more time will be completed by the end of April. Actions requiring a more fundamental review of structures and budgets will commence in May when early attention will be given to the proposed budget for 2018/19.

137.14 The table below provides an Executive summary of the proposed action plan. Actions 1, 2, 6 and 7, highlighted in bold below, have been identified by the Leader and Executive Director as being of the highest priority for change and improvement. These relate to:

- **Strategic focus from Directors;**
- **The Council's Strategic ambitions;**
- **Supporting and improving the Council's Planning Service; and**
- **Supporting and improving the Council's HR functions.**

Summary of Waverley's proposed action plan

Strategic Vision

- 1) Directors to lead a programme of cultural change and improvement within the organisation, to refocus their own efforts primarily on strategic rather than operational matters and to delegate more to facilitate this new approach.**
- 2) Refresh the Council's Strategic ambitions and its Corporate Plan, focusing to a greater degree on place-shaping; economic development and income generation.**
- 3) Develop a new Medium Term Financial Strategy, Economic Strategy, and series of Town Centre Master Plans.
- 4) Strengthening and growing the council's partnerships with others for the benefit of Waverley's residents.
- 5) Consider, define and articulate Waverley's strategic position and intent in respect of any future local government reorganisations.

How the Council Works

- 6) Undertake a fundamental and comprehensive review of Waverley's HR functions to ensure there is clear ownership and accountability for HR matters and that measurable results are delivered. Review and reshape the council's HR staffing structures and processes to ensure they are proportionate,**

rational and ready to meet the organisation's present and future needs strategic and operational needs.

- 7) Undertake a fundamental and comprehensive review of Waverley's Planning Service to ensure it is fit for the future and responsive to changing strategic challenges and increasing customer needs and expectations. Develop a support and improvement plan to ensure the service takes a holistic approach, actively shapes Waverley as a place, is resilient and able to cope with unprecedented levels of demand, is able to deal with major site allocations and delivers measurable results for the borough.**
- 8) Provide more support for member casework and better accommodation and facilities for both majority and opposition members.
- 9) Provide robust support for overview and scrutiny by seeing through all of the recommendations from the scrutiny review.
- 10) Update formal delegation arrangements by reviewing and streamlining the Council's constitution and scheme of delegation.
- 11) Update informal delegation arrangements by increasing the strategic capacity of Directors and ensuring they delegate more to Heads of Service and others.
- 12) Take forward plans for improving customer service.
- 13) Ensure both Members and Officers tap into national and local professional networks and learning and development opportunities to keep their knowledge, networks, skills and experience up to date.
- 14) Do more to celebrate successes at Waverley.

137.15 The proposed action plan clearly goes to the heart of the Council's strategy and operations and will shape its budget and policy framework. For this reason, it is proposed that it be considered and adopted by the Council. The Executive noted and considered the findings and recommended way forward within the Strategic Review report and delegated authority to the Leader of the Council, in consultation with the Head of Policy and Governance, to make any final textual amendments to the action plan, which is now attached at Annexe 7. The Executive now

RECOMMENDS that

117. the proposed action plan attached as Annexe 7, be approved.

[Reason: to agree the Council's response and way forward as a result of the Strategic Review].

138. REVIEW OF WAVERLEY'S SCHEME OF DELEGATION AND CONSTITUTION
(Agenda item 12)

138.1 Like many local authorities, although Waverley has made incremental changes to the content and structure of its Constitution and Scheme of Delegation over time, it has not fundamentally reviewed either since the Local Government Act 2000 introduced Executive arrangements.

138.2 Officers advise that a fundamental review would be beneficial and for this reason the draft 2017/18 Policy and Governance Service Plan already includes a commitment to

'Review and update the Council's Constitution and Scheme of Delegation to promote and facilitate swifter and more responsive decision-making at Waverley, without compromising democratic integrity and accountability, transparency or risk management.' (action 1.2)

138.3 The 2016 Strategic Review described the Council's formal decision-making processes as 'slow' and 'cumbersome' and recommended that the scheme of delegation be 'reviewed to improve speed of decision-making particularly on implementation matters where the substantive matter has already been approved and has the necessary budget provision.'

138.4 In light of this, it is recommended that the planned review of both the Constitution and the Scheme of Delegation begin earlier than planned. Accordingly, this report sets out a number of recommendations for immediate change in respect of financial thresholds for virements and supplementary estimates and the need to gain Council approval for any change to the Council's staffing establishment. It also recommends a timetable for a more fundamental review and suggests what the principles of a more streamlined, flexible and simplified constitution and scheme of delegation should be.

138.5 Some recommendations for immediate change (quick wins) are set out below:

Financial thresholds

138.6 The Constitution currently reserves decisions relating to virements (transferring funds from one budget area to another) exceeding £50,000 and supplementary estimates (additional funds required within the financial year) exceeding £20,000 (or £50,000 if they relate to costs arising from either a civil emergency, a planning appeal or a planning enforcement action) for Council approval. This means that the Executive may currently only approve requests for virements or supplementary estimates if they do not breach these thresholds.

138.7 These thresholds are considered to be too low and, of course, inflation over time has and will continue to gradually increase the number of in-year budget matters that exceed them as the real value of money falls. This has a tangible impact on the Council's ability to progress vital day-to-day matters

swiftly whilst Council approval is pending. The spirit of a Strong Leader and Executive model of governance is that the day to day decision-making should be handled by the Executive. Having too low a threshold for budget decisions potentially undermines this and also has the effect of inadvertently making items that should be subject to overview and scrutiny exempt from this. It is not unusual for Council's to have significantly higher thresholds for Executive approval.

- 138.8 It is therefore recommended that the thresholds are increased and in the interests of simplicity it is suggested that a new limit of £100,000 be applied in respect of virements and supplementary estimates regardless of why they arise. The Local Government Act 2000 introduced a requirement to publish a Forward Plan and to identify key decisions. Waverley currently has a financial threshold of £20,000 or above. Again, this is judged to be too low and officers recommend it would be more proportionate and straightforward to also increase this to £100,000 in parallel with the other changes being proposed.

Changes to the staffing structure

- 138.9 Like other councils, Waverley's Constitution reserves the confirmation of Head of Paid Service and Director appointments to Council and this should not change. However, Waverley's constitution also currently requires Council approval for *any* addition or deletion of posts from the established staffing structure, regardless of whether or not the proposals would necessitate any changes to budgets. Again, this is regarded as being overly prescriptive and may lead to situations where day-to-day managerial matters relating to staffing are unnecessarily delayed by the need to seek full Council approval.
- 138.10 It is recommended that a clear distinction be drawn between staffing matters that have budget implications and those that do not, and again that where there are budget implications, the proposed Executive threshold for decision-making up to £100,000 should apply so that only the most significant matters be escalated for Council approval. It is recommended that where staffing changes are proposed that are not contained within existing controllable expenditure budgets and which are above the Executive threshold £100,000, then this should remain a matter for Council consideration.
- 138.11 It is recommended that where there are costs beyond existing agreed controllable budgets but these are £100,000 or less, this should be a matter for Executive approval.
- 138.12 It is recommended that where the impact of proposed staffing changes can be contained within existing controllable expenditure budgets, this should not be something that requires Executive or Council approval but can be agreed directly by the relevant Head of Service or Director.

Principles of a revised constitution and scheme of delegation

138.13 The review will be lead by the Head of Policy and Governance (Monitoring Officer), the Borough Solicitor and the Democratic Services Manager (Deputy Monitoring Officer). Those officers recommend that the revised constitution and scheme of delegation should:

- Be shorter
- Be simpler
- Be easier to understand
- Facilitate quicker decision-making
- More easily accommodate future national legislative and local policy changes without always necessitating the addition of further specific points
- At least increase and not at all decrease the quality, integrity, accountability, transparency of the Council's democratic processes.
- Be endorsed by both officers and members.

Individual Executive power?

138.14 The Council's constitution currently states that the Executive 'will function as a Committee, with collective responsibility for decisions made' and that 'Individual Executive Members will not be able to make decisions on behalf of the Council or the Executive.' This is not the only way of managing Executive arrangements. Many authorities have governance arrangements that allow individual portfolio holders to undertake decisions within certain parameters. The 2016 Strategic Review raised the question of whether more power should be delegated 'directly to Executive Members' (Cratus report paragraph 32).

138.15 Whereas, in general, officers will aim to make definitive recommendations to the Constitution SIG and the Executive in respect of changes to the Council's Constitution and Scheme of Delegation, in respect of this question officers will provide advice and an options analysis in respect of this question and seek the view of members on whether or not they would be interested in pursuing it.

138.16 The recommended timetable for the proposed changes is set out below:

Recommend changes to Council in respect of financial thresholds for virements and supplementary estimates and the addition and deletion of posts from the staffing establishment	February 2017
Research best practice examples of constitutions and schemes of delegation in place at other authorities.	February / March
Undertake a desktop review of both documents and make definitive recommendations for change	February / March

for consideration by the Constitution Special Interest Group (SIG).	
Prepare briefing and options analysis in respect of individual executive authority for consideration by the Constitution Special Interest Group (SIG).	February / March
Constitution SIG	6 March 2017
Executive	4 April 2017
Council	25 April 2017

138.17 The Executive has agreed the recommended principles and timetable for a wider review of the Council's Constitution set out in sections 3 and 4 respectively and

RECOMMENDS that

- 118. paragraph 4.01(b) within Part 1 of the Constitution be amended so that Council approval is only needed in respect of virements and supplementary estimates, no matter what they relate to, over £100,000 (meaning that the Executive will be able to approve these so long as they are £100,000 or less);**
- 119. Paragraph 1 of the Scheme of Delegation and the relevant sections of Finance Regulations be updated to reflect these new Executive limits of £100,000 for virements and supplementary estimates;**
- 120. Paragraph 13.03(b)(i) within Part 1 of the Constitution be amended to change the threshold for a key decision to £100,000; and**
- 121. Paragraph 4.02(n) within Part 1 and Paragraph B.11 of Part 3 of the Constitution be amended to state that it will be a function of the Council to approve 'the addition or deletion of posts from the agreed permanent staffing levels where the costs of doing so do not fall within existing controllable expenditure budgets and where the changes have financial implications in excess of the Executive's threshold of up to £100,000'.**

[Reason: to seek approval to amend the scheme of delegation and constitution as soon as possible and agree some immediate changes]

139. UPDATING SCHEME OF DELEGATION FOR RESPONDING TO SOCIAL HOUSING TENANCY FRAUD (Agenda item 13)

139.1 The Prevention of Social Housing Fraud Act 2013 introduced a range of new powers for housing providers in addition to making it a criminal offence for tenants to sublet or part possession of their socially rented home. The Act gives local authorities the power to prosecute for this new offence. There is

no obligation to bring criminal proceedings social housing landlords can decide the most appropriate way forward.

139.2 The penalties for committing social housing fraud, if convicted, range from a £5,000 fine to up to two years imprisonment and a fine of £50,000. The Corporate Overview and Scrutiny Housing Improvement Sub-Committee received a revised Tenancy Fraud Policy and cover report on 9 January 2017. The Committee supported the Policy and requested the addition of a reference to data protection and expanded the awareness section.

139.3 It is proposed that the Scheme of Delegation be amended as follows to include this provision :

“152A Authority to prosecute persons for offences under the Prevention of Social Housing Fraud Act 2013.

Borough Solicitor upon the recommendation of the Head of Housing Operations.”

and

“152B Authority to seek restitutionary payments in accordance with the Proceeds of Crime Act 2002, and request data sharing with banks, utility, telecommunication companies and any other organisation that information may be required from to tackle and detect tenancy fraud in accordance with the Prevention of Social Housing Fraud Act 2013.

Head of Housing Operations after consultation with the Portfolio Holder for Housing.”

139.4 The proposed changes to the Scheme of Delegation are intended to give the Housing Service the ability to seek, detect, tackle and deter social housing fraud in addition to holding fraudsters to account. The Executive set out in paragraph 139.3 and

RECOMMENDS that

122. the proposed changes set out in paragraph 139.3 be approved and the Scheme of Delegation be amended accordingly.

[Reason: to approve an addition to the Scheme of Delegation in accordance with legislation]

140. EXCLUSION OF PRESS AND PUBLIC (Agenda item 18)

At 8.05 pm it was

RESOLVED that, pursuant to Procedure Rule 20, and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it is likely, in view of the nature of the business to

be transacted or the nature of the proceedings, that if members of the public were present during this item, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified at the meeting in the revised Part 1 of Schedule 12A to the Local Government Act 1972:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (paragraph 3).

141. PROPERTY MATTER - GODALMING (Agenda item 20)

The Executive has considered a report on this matter, attached as (Exempt) Annexe 8 and

RECOMMENDS that

123. the recommendations set out in (Exempt) Annexe 8 be approved.

[Reason: to deal with property matters in the Borough]

PART II - MATTERS OF REPORT

The background papers relating to the following items are as set out in the reports included in the original agenda papers.

142. EXECUTIVE FORWARD PROGRAMME (Agenda item 5)

RESOLVED that the Forward Programme be approved, subject to the addition of the Joint Enforcement Team (JET) project under the Community Safety portfolio.

143. 2017/18 SERVICE PLANS (Agenda item 14)

RESOLVED that, having taken into account the observations from the Joint Overview and Scrutiny Committee, the Service Plan Objectives for 2017/18 be approved.

[Reason: to set out the strategic objectives for each service to deliver the Council's corporate priorities]

144. CULTURAL STRATEGY ACTION PLAN 2017/18 (Agenda item 15)

RESOLVED that the priorities and goals as set out in the Cultural Strategy Action Plan be endorsed.

[Reason: to seek approval for the action plan priorities and goals]

145. HASLEMERE BOWLING CLUB - REQUEST FOR SURRENDER OF EXISTING AND GRANT OF NEW LEASE (Agenda item 16)

[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)]

RESOLVED that approval be given to the surrender of the current lease to Haslemere Bowling Club and consent given to the simultaneous grant of a new lease, on the proposed terms.

[Reason: to consider the property-related matter]

146. PROPERTY MATTER - CRANLEIGH (Agenda item 19)

[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)]

RESOLVED that the recommendation set out in the (Exempt) Annexe to these minutes be approved.

147. RESTRUCTURE - ELECTIONS (Agenda item 21)

[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)]

RESOLVED that the recommendation set out in the (Exempt) Annexe to these minutes be approved.

148. RESTRUCTURE - HOUSING OPTIONS AND HOMECHOICE (Agenda item 22)

[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 1 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to an individual.]

RESOLVED that the recommendation set out in the (Exempt) Annexe to these minutes be approved.

The meeting commenced at 6.45 pm and concluded at 8.24 pm

Chairman

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