

Notice of:	EXECUTIVE
Decision Number:	EX46/2016
Relevant Officers:	Mark Towers, Director of Governance and Partnerships and Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting :	7 November 2016

CONSTITUTIONAL CHANGES

1.0 Purpose of the report:

- 1.1 To seek the necessary approvals to update the :-
- Council's constitution to reflect the Council's future direction.
 - Council's Scheme of Delegation and Financial Regulations to reflect realistic approval limits.

2.0 Recommendation(s):

- 2.1 To recommend Council:
- To agree the revised Petitions Scheme at Appendix 2a, to the Executive report.
 - To approve the revised definition for a key decision, as set out in paragraph 5.2.3.
 - To agree the amendment to the Executive Procedure Rules set out at paragraph 5.2.5.
 - To approve the revised Contracts Procedure Rules at Appendix 2b to the Executive report.
 - To approve the amendment to the Protocol on Member / Officer Relations as set out at paragraph 5.5.2 and the revised Protocol at Appendix 2d to the Executive report.
- 2.2 To agree the Executive decision making criteria as set out in Appendix 2c, to the Executive report.
- 2.3 To agree the revised Financial Regulations at Appendix 2e, to the Executive report.

- 2.4 To agree the revised Corporate Scheme of Delegation at Appendix 2f, to the Executive report.

3.0 Reasons for recommendation(s):

- 3.1 It is considered timely to report to Council on these proposals following this annual review of the constitution. The proposed changes will add clarity and consistency to the ways of working of the Council. The change to financial thresholds for Executive decisions and will allow the speedy acquisition of property/land and easier intervention in terms of support for small and medium sized businesses. Decisions delegated to officers will be of a level reflecting the regular payments made by the Council.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:

To make different recommendations to Council on these proposals.

4.0 Council Priority:

- 4.1 The proposals in particular help the Council achieve the priority 'The economy: Maximising growth and opportunity across Blackpool.'

5.0 Background Information

5.1 Petitions Scheme

- 5.1.1 The current petition scheme has been in place since 2012. The new scheme – attached to the Executive report at Appendix 2a, aims to be more reader-friendly and offers alternatives for residents to 'have their say', including options such as contributing suggestions through the Council's website and taking part in consultations.

- 5.1.2 The revised scheme also clarifies a number of arrangements, such as the inclusion of petitions in any ongoing consultations, exceptions to the petition scheme, outlines the process for if an organiser feels that a petition has not been dealt with properly and now also includes a privacy policy section.

5.2 Key decision definition

- 5.2.1 In February 2016, the Council at its budget meeting agreed to inject new resources into key areas of the Authority to enable it to drive increases in recurrent revenue generation, in particular through property-led investments and development. This 'growth and prosperity' initiative is a direct response to Government's financial relocation agenda, with central grant funding withdrawn by 2020-2021. It is now essential that Councils take the lead in growing their own revenue base, including Council Tax and Business Rates in particular. The Council intends to take a more proactive approach to generating new revenue via property-based development, thereby increasing its tax base to ensure the longer term financing of public services, and also contributing directly to the continued economic development of the town.
- 5.2.2 A proposed change to facilitate this new approach is alterations to the decision making thresholds for property and land purchases. The Director of Place has undertaken research on the approaches neighbouring authorities are taking to financial relocation. Blackburn with Darwen Borough Council, for example, is working in close partnership with Capita to pursue a similar growth agenda, targeting property based development to increase longer term tax yields.
- 5.2.3 Currently the purchase of property or land up to £199,999 can be made as a significant officer decision as long as it is at or below market value. Any purchases between £200,000 and £249,999 form a Cabinet Member decision with the key decision threshold at £250,000.

In line with the limits now used by the Blackburn with Darwen scheme it is recommended that property or land up to £499,999 can be made as a Cabinet Member non-key decision subject to it being at or below market value. As is currently the case, all property will be valued by a Registered Valuer (either internal or external to the Council depending on the property) to establish the market value via a Red Book valuation. Only in very rare circumstances would the Council consider paying over the recommended market value, and in this event the proposed purchase would need to be accompanied by a compelling business case prior to any decision being taken. Any purchases over £499,999 would therefore be a key decision.

- 5.2.4 It is also proposed that the £499,999 threshold is applied in the same as above to the Blackpool Investment Fund. This Fund, originally made up of interest and repayments from existing Council business loans, and monies from the High Street Innovation Fund, aims to support small and medium sized enterprises that are not achieving high levels of growth, or are striving to maintain turnover and market share, through offering attractive rates of financial support.

5.2.5 The updated definition for a key decision would therefore read as follows:

An Executive decision will be a key decision if it comes within any of the following categories:

- a) It involves expenditure or savings (including receipt of or loss of income) of £250,000 or over in relation to the budget for the service or function to which it relates, but excludes any decision:
 - taken as a consequence of the Council's Treasury Management Strategy for the current financial year;
 - taken as a direct consequence of an earlier key decision;
 - involving the purchase of property or land unless the amount is £500,000 or over and only then if it is at market valuation
 - involving the grant of loans, including those under the Blackpool Investment Fund, unless the amount is £500,000 or over
 - identified within the Council's agreed Budget for the current financial year where there is a clear intention of the decision to be taken.
- b) It is likely to have a significant positive or negative impact on the people living or working in an area comprising two or more wards.
- c) It makes recommendations on the Council's Policy and Budget Frameworks.
- d) If the decision is to approve a 'plan or strategy', reserved for Executive approval only, as set out in the constitution.

The other parts of the Executive decision making criteria have had some minor changes (name changes etc) but not to alter the understanding of them. These are attached to the Executive report at Appendix 2a.

5.3 Executive Procedure Rules

- 5.3.1 The Executive Procedure Rules in part 4d of the Constitution currently state at paragraph: 3.1.1 "If the Leader of the Council is present he/she will preside. In his/her absence, the Deputy Leader of the Council shall preside. If neither is present, a person appointed to do so by those present shall preside." In order to bring parity to the current Executive makeup, it is proposed to include reference to the Cabinet Secretary.
- 5.3.2 Therefore a revised paragraph would read: 3.1.1 "If the Leader of the Council is present he/she will preside. In his/her absence, the Deputy Leader of the Council shall preside. If neither is present, the Cabinet Secretary shall preside. If none of

these are present then a person appointed to do so by those present shall preside.”

5.4 Contracts Procedure Rules

- 5.4.1 A review has also been undertaken into the Contracts Procedure Rules. No changes have been made to existing financial thresholds, however, the revised version (see Appendix 2b) is written in a more user friendly manner.

5.5 Protocol on Member/Officer Relations

- 5.5.1 As part of this review of the Constitution it is also considered prudent to revise the Protocol on Member/Officer Relations on a ‘light touch’ basis to make it more user-friendly.
- 5.5.2 The current Protocol states that routine service-related enquiries should be initiated whenever possible through the electronic member enquiry system and that in normal circumstances a full response will be given within five working days. Given the Council’s move towards digital services as part of the ‘Channel Shift’ programme, it is suggested that the Protocol is amended to include reference to online reporting through the Council’s website. Furthermore, with diminishing Council services and the impact that this has on services’ ability to respond, it is also recommended that the response time for ward enquiries is changed to ten working days. The requirement for Chief Officers to maintain separate records of enquiries has also been removed as has the need for annual review of the Protocol.
- 5.5.3 A revised version of the Protocol in line with the above amendments is attached to the Executive report at Appendix 2d

5.6 Financial Regulations and Scheme of Delegation

- 5.6.1 At the same time as the other reviews listed above there has been the opportunity to review the Council’s Financial Regulations and Corporate Scheme of Delegation. While no major changes have been proposed some minor amendments have been made to reflect changes in the officer structure and to reflect the level of contract payments made on large scale payments such as Waste PFI and the Better Care.

- 5.7 Does the information submitted include any exempt information? No

5.8 List of Appendices:

Appendix 2a – Revised Petitions Scheme
Appendix 2b – Revised Contracts Procedure Rules
Appendix 2c – Revised Executive Decision making criteria
Appendix 2d – Revised Protocol on Member/Officer Relations

Appendix 2e – Revised Financial Regulations

Appendix 2f – Revised Reservation of Powers to the Executive and Corporate Scheme of Delegation

6.0 Legal considerations:

- 6.1 A Council has to have an agreed definition for a key decision, a Petition scheme and Contracts Procedure Rules. This report again seeks to update the current definition and schemes to make them more relevant and also has revised the Executive Procedure Rules to take account of the current Executive system.

7.0 Human Resources considerations:

- 7.1 None

8.0 Equalities considerations:

- 8.1 Equality considerations would be considered as part of the decision making process when each Executive and Cabinet Member decision is taken.

9.0 Financial considerations:

- 9.1 There are no other financial considerations relating to the proposals in this report, other than changing the decision making thresholds as set out.

10.0 Risk management considerations:

- 10.1 Additional clarity over corporate governance arrangements will reduce the risk of decisions being taken at the wrong level or not properly recorded.

11.0 Ethical considerations:

- 11.1 None

12.0 Internal/ External Consultation undertaken:

- 12.1 Consultation has taken place with similar authorities relating to their key decision thresholds.

13.0 Background papers:

- 13.1 None

14.0 Key decision information:

- 14.1 Is this a key decision? Yes
- 14.2 If so, Forward Plan reference number: 22/2016
- 14.3 If a key decision, is the decision required in less than five days? No
- 14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

- 15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 28 October 2016 Date approved:

17.0 Declarations of interest (if applicable):

17.1 None

18.0 Executive decision:

18.1 The Executive resolved as follows:

1.To recommend Council:

- i. To agree the revised Petitions Scheme at Appendix 2a, to the Executive report.
- ii. To approve the revised definition for a key decision, as set out in paragraph 5.2.3.
- iii. To agree the amendment to the Executive Procedure Rules set out at paragraph 5.2.5.
- iv. To approve the revised Contracts Procedure Rules at Appendix 2b to the

Executive report.

- v. To approve the amendment to the Protocol on Member / Officer Relations as set out at paragraph 5.5.2 and the revised Protocol at Appendix 2d, to the Executive report.
- 2. To agree the Executive decision making criteria as set out in Appendix 2c, to the Executive report.
- 3. To agree the revised Financial Regulations at Appendix 2e, to the Executive report.
- 4. To agree the revised Corporate Scheme of Delegation at Appendix 2f, to the Executive report.

18.2 Date of Decision:

7 November 2016

19.0 Reason(s) for decision:

It is considered timely to report to Council on these proposals following this annual review of the constitution. The proposed changes will add clarity and consistency to the ways of working of the Council. The change to financial thresholds for Executive decisions and will allow the speedy acquisition of property/land and easier intervention in terms of support for small and medium sized businesses. Decisions delegated to officers will be of a level reflecting the regular payments made by the Council.

19.1 Date Decision published:

8 November 2016

20.0 Executive Members in attendance:

20.1 Councillor Blackburn, in the Chair

Councillor Cain, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

Apologies were received from Councillor Campbell who was engaged elsewhere on Council business.

21.0 Call-in:

21.1

22.0 Notes:

22.1 The following non-Executive members were in attendance: Councillors Benson and Singleton.

The Executive noted that although the recommendation for the response time for members' enquiries was to amend this to ten working days there would remain the intention to respond more quickly where possible. The Executive further noted the opportunity for members to raise enquiries by other methods than just the Council's online reporting system.