

Review of delegation of powers to the Strategy & Resources Committee

Strategy & Resources Committee Tuesday, 30 January 2024

Report of: Head of Legal & Democratic Services (Monitoring Officer)

Purpose: To enable the Committee to make recommendations to Full Council.

Publication status: Open

Wards affected: All

Executive summary:

Following an Officer review of the scheme of delegation to Committees, this report proposes amendments regarding this, and other Committees' powers to recommend / resolve.

This report supports the Council's priority of: Building a better Council

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Recommendations:

It be recommended to Council that:

A. Clause B, "Prepare and annually review a Committee Service Plan" be deleted from the Terms of Reference section for this Committee and those for the Community Services, Housing and Planning Policy Committees;

B. the following amendments be made to the list of matters reserved for this Committee to recommend to Full Council:

1. Amendment to item (ii):

Financial programmes for overall revenue and capital expenditure, including the medium term financial strategy and, as part of the annual budget setting process, the level of Council Tax and Prudential Indicators (subject to the Committee being able to resolve rephasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing).

2. Amendment to item (iv):

Decisions on whether or not to proceed with freehold disposals of General Fund assets worth over £1 million.

3. Amendments to item (v):

Decisions on whether or not to proceed with leasehold disposals of General Fund assets for:

- periods over 99 years; and
- periods of between 16 and 99 years if the annual rental valuation is more than ~~£75,000~~ £100,000 plus premium.

4. Addition of a new item (vi):

Individual purchases of land or buildings within or outside the District (including by means of a loan to a Local Authority owned company) via the Council's General Fund

... with subsequent items renumbered;

C. the following amendments be made to the list of matters reserved for the Committee to resolve:

1. Amendments to item (iii):

Decisions on whether or not to proceed with freehold disposals of General Fund assets worth between £250,000 and up to £1 million (the Chief Executive can determine freehold disposals of assets worth less than £250,000 in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution).

2. Amendments to item (iv):

Decisions on whether or not to proceed with leasehold disposals of General Fund assets for:

- periods between 16 and 99 years if the annual rental valuation is up to ~~£75,000~~ £100,000 plus premium; and
- periods up to 16 years if the annual rental valuation is more than ~~£75,000~~ £100,000

(Authority is delegated to the Chief Executive, in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution, to approve leasehold disposals of General Fund assets of up to 16 years and with an annual rental valuation of up to ~~£75,000~~ £100,000).

3. Deletion of Item (v):

~~Individual purchases of land or buildings within or outside the District at or above £10 million (including by means of a loan to a Local Authority owned company).~~

4. Amendment to item (vii) (to be renumbered (vi)):

~~The seeking of deemed planning consents~~ planning permission by, or on behalf of, the Council

... with subsequent items renumbered.

5. Addition of the following clause (to be numbered (xiii)):

Rephrasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing.

6. Addition of the following clause (to be numbered (xiv)):

Addition of externally funded schemes to the capital programme;

- D. the amended thresholds from £75k to £100k regarding the leasehold disposals of General Fund assets (Recommendations B3 and C2 above) be also applied to the corresponding clauses within the lists of matters reserved for the Housing Committee to recommend and resolve regarding leasehold disposals of Housing Revenue Account assets; and
- E. the extra clause, "*Addition of externally funded schemes to the capital programme*" be also added to the delegation schemes of the Community Services; Housing; and Planning Policy Committees within the lists of matters reserved for those committees to determine.

1. Background

- 1.1 Arrangements for the delegation of powers to Committees are set out in Part E of the Council's constitution, including, for each committee:
 - (i) terms of reference
 - (ii) matters reserved for the Committee to recommend to Full Council
 - (iii) matters reserved for the Committee to resolve
- 1.2 Subject to statutory provisions, Officers are empowered to determine matters not reserved for Full Council or Committees in (ii) and (iii) above.
- 1.3 At its meeting on the 30th November 2023, the Strategy & Resources Committee agreed an action for the Council's scheme of delegation to Committees to be reviewed during this cycle of meetings (Minute 189 (23/24)). This was prompted by a matter which highlighted that certain financial thresholds had not been revised for several years and that uplifts may be required to take account of inflation.
- 1.4 Consequently, officers have reviewed the delegation scheme and identified potential amendments for relevant Committees to consider.
- 1.5 The suggested revisions for this Committee (and some corresponding amendments for others) are explained in sections 2 to 6 below.

2. Reference to Committee Service Plans

- 2.1 The terms of reference section for all four Policy Committees (i.e. Community Services; Housing; Planning Policy and Strategy & Resources) contain the following clause B:

"Prepare and annually review a Committee Service Plan"

- 2.2 Such plans used to form part of the Council's performance management regime, with progress reports against relevant objectives submitted to Committees on a quarterly basis. The terminology changed in 2019/20 to "*Delivery Plans*" which, in turn, ceased to be produced from 2020/21 following a review of the reporting process.

- 2.3 Items for future Committee agenda are now managed, in consultation with relevant Chairs, via 'Committee Forward Plans' which are published monthly.
- 2.4 It is therefore proposed that the above mentioned clause be deleted from the terms of reference of all four Policy Committees.

3. Leasehold disposals

- 3.1 An uplift is proposed regarding the financial threshold for leasehold disposals of General Fund and Housing Revenue Account (HRA) assets where the period of the lease is between 16 and 99 years, i.e.:

	From	To
Council decision if rental value exceeds ...	£75,000 plus premium	£100,000 plus premium
Committee decision if rental value is up to ...		

- 3.2 These uplifts reflect the fact that the £75k thresholds were set in February 2018. Applying inflation during the intervening years would raise that figure to £93k, which has been 'rounded up' to £100k in Recommendations B3 and C2.
- 3.3 The uplift to HRA assets would require amendments to the corresponding clauses within the scheme of delegation to the Housing Committee, hence Recommendation D above.
- 3.4 It is also proposed that the leasehold disposal clauses be preceded by the words, "Decisions on whether or not to proceed with ...". This would require refusals (as well as approvals) of leases with £100k+ rental values to be determined by Full Council.
- 3.5 No changes are considered necessary for other thresholds.

4 Purchase of land and buildings within or outside the District

- 4.1 The current scheme of delegation provides that "*individual purchases of land and buildings within or outside the District at or above £10 million (including by means of a loan to a Local Authority owned company)*" can be determined by this Committee. By implication, Officers are authorised to enable such purchases for anything up to £10 million. These arrangements are a legacy of the former Investment & Development Fund which is now defunct.

- 4.2 In light of the abolition of that Fund and to support a prudent approach to any such purchases via the Council's General Fund in future, it is recommended that the above mentioned clause be deleted from the Committee's powers 'to resolve' and that the following clause be added to the list of matters which this Committee can only recommend to Full Council:

Individual purchases of land or buildings within or outside the District (including by means of a loan to a Local Authority owned company) via the Council's General Fund

- 4.3 Consequently, only Full Council would be empowered to determine land or property acquisitions, regardless of value. The additional words, "*via the Council's General Fund*" would not compromise the council house building programme under the auspices of the Housing Committee via the HRA.

5 Seeking of planning permission

- 5.1 The corresponding report to the Planning Policy Committee (18th January 2024) recommended that the clause, "*seeking of deemed planning consent*" within the 'To Resolve' sections of all four policy committees' delegation schemes be replaced with, "*the seeking of planning permission by, or on behalf of, the Council*". The Planning Policy Committee supported that recommendation.
- 5.2 As stated within the report to the Planning Policy Committee, the original intention of the "*seeking of deemed planning consent*" clause is not entirely clear but is believed to relate to planning applications submitted by, on behalf of, the Council. Arising from discussions with the Chief Planning Officer, the amended wording is proposed to make the clause more explicit.

6 Capital budgets

- 6.1 Each June, the Strategy & Resources Committee considers a budget outturn report for the previous financial year. Arising from such reports, it has become customary for the Committee to resolve carry forwards (i.e. 'slippage') of capital budgets, including those held by the other Policy Committees. To reflect this practice, the following additional clause under matters reserved for the Committee 'to resolve' is proposed:

Rephrasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing.

- 6.2 For the avoidance of doubt in connection with 6.1 above, it is also suggested that the following underlined text be added to clause (ii) of matters reserved for this Committee to recommend to Full Council:

Financial programmes for overall revenue and capital expenditure, including the medium term financial strategy and, as part of the annual budget setting process, the level of Council Tax and Prudential Indicators (subject to the Committee being able to resolve rephrasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing).

- 6.3 Finally, the following extra clause is proposed for inclusion within the lists of matters reserved for all four Policy Committees 'to resolve'

Addition of externally funded schemes to the capital programme

Key implications

Comments of the Chief Finance Officer

The recommendations in this report strengthen arrangement for decision making, including uplifting certain limits to reflect inflation in the years since they were last set.

The changes to provisions regarding capital programme approval ensure that Full Council is always involved in decisions which lead to increased borrowing. In addition, the Constitution will be amended to ensure consistency of decision making on whether to approve or reject asset disposals.

Other than this, there are no direct financial implications of the report.

Comments of the Head of Legal Services

There are no specific legal implications arising from this report. The proposed changes help to strengthen the terms and reference for this Committee.

Appendices

Appendix A – a full copy of the terms of reference and delegation of powers to the Strategy & Resources Committee, with the proposed amendments shown with track changes.

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