

LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 27th January, 2020 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr S.J. Masterson (Chairman)
Cllr L. Jeffers (Vice-Chairman)

Cllr J.B. Canty
Cllr M.S. Choudhary
Cllr A.K. Chowdhury
Cllr Veronica Graham-Green
Cllr Christine Guinness
Cllr A.J. Halstead
Cllr Prabesh KC
Cllr P.F. Rust

Apologies for absence were submitted on behalf of Cllr Jacqui Vosper.

26. APPOINTMENT OF CHAIRMAN

It was moved by Cllr M.S. Choudhary and seconded by Cllr Veronica Graham-Green that Cllr S.J. Masterson be appointed as Chairman of the Licensing, Audit and General Purposes Committee for the remainder of the 2019/20 Municipal Year.

The Committee resolved that Cllr S.J. Masterson be appointed as Chairman of the Licensing, Audit and General Purposes Committee for the remainder of the 2019/20 Municipal Year.

27. APPOINTMENT OF VICE-CHAIRMAN

It was moved by Cllr J.B. Canty and seconded by Cllr Veronica Graham-Green that Cllr L. Jeffers be appointed as Vice-Chairman of the Licensing, Audit and General Purposes Committee for the remainder of the 2019/20 Municipal Year.

The Committee resolved that Cllr L. Jeffers be appointed as Vice-Chairman of the Licensing, Audit and General Purposes Committee for the remainder of the 2019/20 Municipal Year.

28. MINUTES

The Minutes of the meeting held on 25th November, 2019 were approved and signed by the Chairman.

29. **SELECTION OF THE MAYOR AND DEPUTY MAYOR 2020/21**

Cllrs P.F. Rust and M.S. Choudhary left the meeting for this item.

The Head of Democracy, Strategy and Partnerships reported on the outcome of the selection process for the Mayor-Elect and the Deputy Mayor-Elect for 2020/21. The Head of Democracy, Strategy and Partnerships had contacted the appropriate Members on the seniority list and reported that Cllr M.S. Choudhary was the next Member able to accept the nomination for Deputy Mayor. Through normal progression, Cllr P.F. Rust, currently Deputy Mayor, would progress to the position of Mayor for 2020/21.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cllr P.F. Rust be appointed as Mayor-Elect for the 2020/21 Municipal Year; and
- (ii) Cllr M.S. Choudhary be appointed as Deputy Mayor-Elect for the 2020/21 Municipal Year.

30. **STATEMENT OF ACCOUNTS 2018/19 - UPDATE**

The Committee received a verbal update report from the Executive Head of Finance on audit progress for the Council's Statement of Accounts for 2018/19 since the last meeting on 25th November, 2019. The Executive Head of Finance explained that productive discussions with the external auditors had taken place since the last Committee meeting and that most points that were due to be included in the proposed letter to the external auditors had been covered, so that the letter had not been sent.

The Committee was reminded that one of the main areas causing the delay to the audit opinion was in the specialised area of property valuation. It was the opinion of both the Executive Head of Finance and Andrew Brittain from Ernst & Young, External Auditors, that the auditor opinion would be available for consideration and approval at the next Committee meeting on 23rd March, 2020.

31. **ANNUAL TREASURY MANAGEMENT STRATEGY AND NON-TREASURY INVESTMENT STRATEGY 2020/21**

The Committee considered the Executive Head of Finance's Report No. FIN2004, which set out the proposed Treasury Management Strategy and Annual Non-Treasury Investment Strategy for 2020/21, including the borrowing and investment strategies and the Minimum Revenue Provision Statement. The Executive Head of Finance apologised that the Report had only become available earlier that day and acknowledged that this did not give Committee Members sufficient time to read the document. It was pointed out that Councillors would have further opportunities to discuss the Report as it was also being discussed by Cabinet on 4th February and by Council on 20th February, 2020.

It was noted that the Chartered Institute of Public Finance and Accountancy had conducted reviews of the Prudential Code and the Treasury Management Code of

Practice in 2017 and that the Ministry of Housing, Communities and Local Government had also issued revised guidance on Local Government Investment. The Treasury Management Strategy Statement for 2020/21 and the Non-Treasury Investment Strategy had been prepared in accordance with this guidance.

Arlingclose advice continued to indicate that the Council should diversify investment risk by spreading smaller amounts over an increasing number of counterparties wherever possible. The Council was progressively incurring further borrowing and Arlingclose had advised that, in the circumstances of some current investments reaching their maturity date, the Council should replace with long-term pooled funds. This strategy allowed for the maintained level of principal sums to be invested during a period when borrowing was increasing.

The Committee noted that the Council had incurred prudential code borrowing in 2018/19 in the sum of £45.58m in relation to its capital expenditure. Further borrowing to support the financing of the Council's approved capital programme for the year 2019/20 would also be required. The Council would commence the 2020/21 financial year in a position where investment holdings continued to remain significant (although less than in previous financial years) but it also carried significant accumulating debt. There would be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

It was advised that careful observation of the "gross debt v capital financing requirement" indicator would need to be undertaken progressively throughout the financial year. Where a material change to the proposed strategies during the year was required, a revised strategy would be presented to the Council before the change was implemented.

During discussion, it was noted that the current value of property investment held by the Council was £110.78m with the intention of a further £15m to be invested during 2020/21. In respect of the Minimum Revenue Provision (MRP) Statement it was noted that the Council was planning to make a voluntary MRP overpayment of £0.45m to reduce the revenue charges in later years. The Committee was advised that the potential impact of Brexit was covered in the Risk Register

RESOLVED: That the Council be recommended to approve:

- (i) the Treasury Management Strategy and Annual Borrowing Strategy as set out in Appendix A to the Executive Head of Finance's Report No. FIN2004;
- (ii) the Annual Non-Treasury Investment Strategy, as set out in Appendix B; and
- (iii) the Minimum Revenue Position Statement, as set out in Appendix C.

32. INTERNAL AUDIT UPDATE

The Committee considered the Audit Manager's Report No. AUD20/01 which gave an overview of the work completed to date by Internal Audit for Quarter 3 (including the work slipped from Quarter 2) and a schedule of work expected to be delivered in Quarter 4.

The Committee was advised that work on the Payment Card Industry Data Security Standard (PCI DSS) would start shortly and would not be deferred to 2020/21, whilst the Performance Management process would be deferred.

RESOLVED: That:

- (i) the audit work carried out in Quarter 3 be noted; and
- (ii) the updated, expected deliverables for Quarter 4 be endorsed.

33. CONSULTATION ON PROPOSED TAXI SHARING ARRANGEMENTS FOR FARNBOROUGH INTERNATIONAL AIRSHOW 2020

The Committee considered the Head of Operational Services' Report No. OS 2003, which outlined proposals for a taxi-sharing scheme to run between designated points for the duration of the trade days of Farnborough International Airshow 2020 (FIA20).

The Committee was informed that, following discussions with the taxi trade, requests from at least 10% of the taxi trade had been received for the Council to implement a taxi-sharing scheme for the duration of the trade days of the Airshow 2020 (20th – 24th July 2020) to be run on a similar basis to that operated during the 2018 Airshow, with an increase to the flat fare to £4.50 per person (previously £4.00), with a maximum of £18 for four passengers (previously £16).

It was noted that the proposed scheme had received provisional approval of Cabinet and was now out for public consultation until 1st March, 2020. Given its role and responsibilities in other areas of taxi licensing work, the views of the Committee were being sought on the proposed scheme with any comments or recommendations to be reported to the portfolio holder for Operational Services, to whom determination of the scheme has been delegated in conjunction with the Head of Operational Services.

It was noted that the procedure to be followed in making a taxi-sharing scheme was laid down in the Taxis (Schemes for Hire at Separate Fares) Regulations, 1986. These regulations required the authority to obtain the consent of the highway authority and/or the landowner in respect of any place that was not on the highway. The authority was also required to consult the local Chief Constable of Police and local County Council, together with local taxi owners and/or their representatives. It was also required to publish the proposed scheme and invite public representations and for such representations to be considered as may be appropriate before implementing its preferred arrangements.

The taxi trade had requested that a scheme should be established for return journeys between the official Airshow rank and Farnborough mainline station and the Report set out the proposed arrangements in respect of authorised places for taxi ranks, signs on vehicles and authorised places, exclusive and shared compellability, fares and marshalling.

Members were advised that the Highways Authority and those with relevant land interests had confirmed their approval of the proposals. However, to date, statutory consultees had not made any comments.

It was felt that a taxi-share scheme offered the opportunity for a 'win-win' situation for taxi drivers, proprietors and passengers alike. Such a scheme provided an opportunity to improve public transport options at reduced costs to the customer whilst permitting the taxi trade to benefit and widen its market at a time of peak demand. The proposed scheme was relatively simple and straightforward and generally built upon and complemented the traffic arrangements used to accommodate the Airshow.

RESOLVED: That the portfolio holder for Operational Services be advised of the Committee's support of the proposed taxi share scheme set out in the Head of Operational Services' Report No. OS 2003.

34. **CONSULTATION ON PROPOSED VARIATION TO THE SCHEME OF HACKNEY CARRIAGE FARES**

The Committee considered the Head of Operational Services' Report No. OS 2002, which outlined proposals to vary the current scheme of hackney carriage fares. The proposals had received provisional approval from the Cabinet and had been published for consultation with the last date for representations and comments being 27th January, 2020. Given the role and responsibilities of the Committee, its views were being sought on any proposed change to the scheme of fares. It was noted that, were there be no representations or objections to the proposals, the proposed scheme would be introduced from 1st March, 2020. However, if there were significant objections to the proposals, these would have to be taken back to Cabinet for consideration at its meeting on 4th February, 2020.

In accordance with the guidelines for public participation at meetings, Mr Gary Marshall, Director, Vgt, made a representation to the Committee, including the provision of an alternative proposal to vary the current scheme of hackney carriage fares, which was duly considered before a decision was reached.

The Committee noted Cabinet's ongoing concern that the current scheme of fares was complex and difficult to understand, questioning whether it best served public interests in its current form. The proposal under consideration was developed in consultation with the Portfolio Holder for Operational Services and the former Committee Chairman.

The Report set out the proposed variations which sought to simplify the scheme of fares by standardising the units used throughout (using units of a mile) and reducing the number of extra charges that could be applied. In recognition that the latter might reduce taxi driver takings, this proposal also sought to apply a reasonable increase in excess of the proposed notional uplift of 3.4% and rounded up all fares to the nearest 10p.

During discussion, Members raised concerns on whether the proposed scheme would achieve the desired simplicity and ease of understanding to the public. In addition, taking account of the views expressed by Mr Marshall on behalf of the taxi trade, there were issues around deliverability and legality of the proposed variations.

RESOLVED: That the Chairman and the Environmental Health Manager (Licensing) be authorised to reflect on Members' comments and the views of the taxi trade and discuss these with the Portfolio Holder for Operational Services, for feedback to Cabinet for consideration at its meeting on 4th February, 2020.

NOTE: Cllr M.S. Choudhary declared a prejudicial interest in this item in respect of his profession and, in accordance with the Members' Code of Conduct, left the meeting during the discussion and voting thereon.

35. **CONSTITUTION REVIEW**

The Committee considered the Head of Democracy, Strategy and Partnerships' Report No. DSP2001, which provided an update on the process and approach of the full review of the Council's Constitution, and set out a draft updated copy of the Standing Orders for the Regulation of Business.

It was noted that the Council had a responsibility to monitor its Constitution and ensure it was kept up to date. To this effect, updates were made on a regular basis, with those made in 2018 reflecting changes to the governance structure and the last full review carried out in 2013 reflecting the provisions contained in the Localism Act 2011, the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, and other general updates. However, since the Constitution was first prepared in 2001, no changes to the fundamental structure of the document had taken place and the review underway was to ensure that it reflected current working arrangements and supported the Council's aim to be a more agile and flexible organisation in the future through its transformation and modernisation programme.

The Committee was advised that a cross-party Constitution Member Review Group had met on a number of occasions during autumn/winter 2019 to consider key documents that formed part of the Constitution and the Group's comments and action notes formed part of the Report. It was noted that wider consultation had also been carried out with the Corporate Leadership Team and with a representative from the Local Government Association with expertise on Council Constitutions.

The Committee noted that it would be asked to consider the draft updated Constitution at its next meeting on 23rd March, 2020, for recommendation to the Council on 23rd April, 2020. The aim was for the updated Constitution to come into effect from the Annual Council Meeting on 26th May, 2020.

In discussion, one Member raised his concern about the proposed lowering of the quorum for Cabinet meetings from five to four voting Members, to make it consistent with the quorum for other meetings.

RESOLVED: That

- (i) the update on the review of the Constitution and the Action Notes of the Constitution Member Review Group be noted; and

- (ii) the draft Standing Orders for the Regulation of Business, recommended by the Constitution Member Review Group, be endorsed for recommendation to the Council.

The meeting closed at 9.00 pm.

CLLR S.J. MASTERSON (CHAIRMAN)
