

**Report to the Council**

15 May 2025

**Wards:** ALL**Review of the Constitution****Report of the Director of Legal Services and Partnerships**

This item is not exempt  
Therefore exempt reasons are not applicable

This is a Non-Key Decision

**1. Purpose of the Report and Summary**

- 1.1 The Council's Constitution provides that the Constitution will be reviewed annually at the Annual Meeting of Council.

**2. Recommendations**

- 2.1 That Council approves the amendments to the Constitution listed at **Appendix 1**, and summarised below, and, if approved they be adopted by Council with immediate effect, and continue in force unless and until amended or superseded by any new arrangements adopted by the Council.
- 2.1.1 To allow for an increase in the number of co-optees on the Audit Committee to 2 and the Independent Remuneration Panel to 5.
- 2.1.2 To reflect changes arising from the establishment of the Mayoral Combined Authority for East Riding and Hull, including replacement of the Hull and East Riding Executive Joint Committee and consequent amendments to Terms of Reference of Scrutiny;
- 2.1.3 Amend the Scheme of Delegation to update the responsibilities of Chief Officers;
- 2.1.4 Update the financial threshold for the definition of a Key Decision to £0.5m;
- 2.1.5 Update the financial threshold at which tenders are required to £75k;
- 2.1.6 Update the Council's Contract Procedure Rules to reflect changes required arising from the implementation of the Procurement Act 2023. (Appendix 2)

### 3. Reasons for Recommendations

- 3.1 Provision is made in the Constitution for its annual review to ensure that it remains current and addresses issues that have been identified for review in the intervening year.
- 3.2 The proposals addressed include updates to the number of co-optees on the Audit Committee and the Independent Remuneration Panel. Enabling for the appointment of up to two members to the Audit Committee is recognised by the Chartered Institute of Public Finance and Accountancy as good practice. Enabling the appointment of up to five members to the Independent Remuneration Panel will help to ensure consistency in the membership and that the Council has assurance that it will have a Panel which meets the statutory requirements to undertake its regular responsibilities.
- 3.3 The minor amendment to the terms of reference of the Economy and Environment Overview and Scrutiny Committee reflects the change in responsibilities in relation to Transport for the North from the Local Authority to the Hull and East Yorkshire Combined Authority.
- 3.4 The amendments to the Council's Scheme of Delegation have been updated to:
- (a) reflect the changes in Regulatory environment and consequent responsibilities of the relevant duty holder.
  - (b) reflect the shared responsibility between the Directors of Children's Services and Adult Social Care to manage the transition into adulthood for on-going service users;
  - (c) reflect the joint responsibility between the Directors of Adult Social Care and Finance and Transformation for debt management in relation to Adult Social Care clients;
  - (d) reflect the Director's responsibilities for statutory determinations in relation to Adult Social Care clients.
- 3.5 The financial threshold for a Key Decision and the level at which tenders are required was last reviewed in 2013 when the value associated with a Key Decision was reduced from £500k per annum to £250k per annum and the threshold at which tenders were required was set at £50k. Given the passage of 12 years, and feedback in the Peer Review, it is appropriate to revise these levels to ensure that they establish appropriate thresholds that both reflect the impact of inflation and the strategic rationale for the application of the thresholds.
- 3.6 The changes to procurement law introduced pursuant to the Procurement Act 2023 have now been enacted with effect from 24 February 2025 and the Constitution needs to be updated to incorporate the new rules.

4. Impact on other Executive Committees (including Area Committees)

4.1 This report is not an Executive Report. It is a report which will be considered by Full Council.

5. Background

5.1 It is a legal requirement that the Council's Constitution is regularly reviewed, and that the full Council considers any revisions to the Constitution. The proposed changes to the constitution are consistent with this approach.

6. Issues for Consideration

6.1 The proposed changes are set out in Appendix 1 to this report and are summarised in the sections below.

6.2 **Part A – Articles of the Constitution**

To amend the threshold of a 'key decision' from being an executive decision which will result in expenditure or savings with a full year effect of more than £250,000, to an executive decision which will result in expenditure or savings with a full year effect of more the £500,000.

Commentary:

The recent Local Government Association Peer Challenge highlighted concerns that the decision thresholds are perceived to not reflect the nature of the changing markets in which the council operates. The £250,000 key decision threshold was reduced to this level in 2013 from the prior level of £0.5m and has remained at this level for some years. Guidance issued under the Local Government Act 2000 advised that the level should be set at a level that reflected decisions of strategic significance. As a consequence of inflation, day to day decisions that would not otherwise be regarded as strategic decisions are now falling within the definition of Key Decision.

6.3 **Part B – Council and Executive Scheme of Delegation**

1. Amendments proposed to Terms of Reference for the following Committees:

i) Overview and Scrutiny Commissions:

To ensure that the Commissions remain aligned with the work undertaken within the organisation.

ii) The Audit Committee:

To consider an increase in the number of co-opted members of the Committee from 1 to 2.

Commentary:

Following the retirement of the current co-opted member of the Audit Committee the Independent Members Appointments Panel have begun the recruitment process to appoint a replacement co-opted member to the Committee. The Panel considered the guidance of the Chartered Institute of Public Finance and Accountancy (CIPFA) which recommends to have at least 2 independent co-opted members on Local Authority Audit Committees to ensure external expertise can be brought to the committee. The Panel recommended that Council consider adopting this approach along with instituting a renewable term of office of one year on a staggered basis to ensure that not all members term of office expires in the same year.

iii) The Independent Remuneration Panel:

To increase the number of co-opted independent people able to be appointed to the Independent Remuneration Panel from 3 co-optees to 5 co-optees.

Commentary:

Following the retirement of one of the co-opted members of the Independent Remuneration Panel (IRP), the Independent Members Appointments Panel (IMAP) have begun the recruitment process to appoint a replacement co-opted member to the Panel. The Panel considered the requirement for the IRP to make recommendations to Council in relation to members allowances and that having a Panel comprised of the minimum number of individuals required in law may present the Council with challenges in ensuring that the IRP can fulfil their duties. On this basis the IMAP recommended that Council consider increasing the number of co-optees to the IRP to 5 with a renewable term of office of one year on a staggered basis to ensure that not all members term of office expires in the same year. .

- 6.4 The final terms of reference of the Hull Health and Care Executive Joint Committee are in discussion with the Integrated Care Board and will need to be added to the Constitution following approval of inclusion through the Leader's Scheme of Delegation.
- 6.5 In addition a number of amendments to the Officer Scheme of Delegation are proposed as set out in Appendix 1 to reflect responsibilities that are within the remit of Chief Officers, particularly following the introduction of the Regulatory regimes for Housing, Building Safety and Adult Social Care. This also includes changes arising to reporting lines arising from the discontinuation of the Assistant Director level post of Managing Director, Building and Design Services and the transfer of Bridges to Major Projects.
- 6.6 **Part C – Procedure Rules:**

C1 Council Procedure Rules:

Following the establishment of the Combined Authority, wording is proposed to provide clarity in relation to the raising of questions to Executive, Scrutiny and Audit representatives upon the Combined Authority. Amendment to include provision for questions to members of the Combined Authority at Full Council.

C5 Access to Information Rules: Amendment of the level at which a Decision Record is required to £75k

C7 Contract Procedure Rules: Amendment of level at which a tender process is required to £75k consistent with the update to the values. The value of £50k for tenders and Decision Records was last considered in 2013. The increase reflects feedback from the Peer Review upon ensuring that processes are not unnecessarily onerous, and recognises the impact of inflation. 3 quotes will still be required for contracts with a value between £5k and £75k. In addition, changes to the rules are being made to reflect the revised requirements arising from the Procurement Act 2023 which finally passed into law at the end of February 2025.

### Options and Risk Assessment

### **Option 1 – approve the proposed amendments**

Many of the changes are simply updating of the rules to reflect both changes in legislation and the Regulatory regime and CIPFA advice. Similarly, the establishment of a Mayoral Combined Authority has necessitated some updating of the rules.

The updating of both the financial level applied to the determination of a Key Decision and the requirements of a full tendering process is based upon feedback from the Peer Review and the fact that the levels have not been amended since 2013. At that time the level for a Key Decision had been £0.5m, but was reduced to £0.25m. Increasingly standard operational decisions are needing to be treated as Key Decisions due to the threshold, this is not consistent with guidance under the Local Government Act 2000 that required publicity to be given to decisions of the Council that were significant and strategic and the financial threshold is intended to identify what the Council considers to be a significant strategic decision.

The adjustment to the level at which tenders are sought again reflects guidance from the Peer Review upon the necessitate to focus energy on effective decision making.

### **Option 2 – do not approve the proposed Governance Arrangements**

The majority of the changes are required to update the constitution to reflect changes in the law, practice or inflation.

## 8 Risk Assessment

- 8.1 The risks primarily arise from not updating the Constitution to reflect changes to law, practice and inflation

### Consultation

Consultation is taking place with Group Leaders and Secretaries in relation to the proposed changes to Part C4 and the relevant Committees in respect of the proposed changes to Terms of Reference.

### Comments of the Director of Legal Services & Partnerships (Monitoring Officer)

Under s9 of the Local Government Act 2000, the Council has a duty to keep its constitution updated. There is a need for the Scheme of Delegation at Part B of the Constitution to be updated to reflect changes in the officer structure. The commentary within the report in relation to Parts C1 and C4 provides guidance on the potential merits of the changes that are in contemplation.

Comments of the Section 151 Officer

The Section 151 officer notes the proposed changes to the constitution

Comments of Assistant Director OD & HR and compliance with the Equality Duty

The content of the report is noted particularly the changes to the appointments committee. There are no staffing or equality issues arising from this decision. KH

Comments of Overview and Scrutiny

This report has not been subject to pre-decision scrutiny. (Ref. Sc8759 - MK)

Ian Anderson  
**Director of Legal Services and Shared Partnerships**

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Officer Interests: None

### Implications Matrix

**This section must be completed and you must ensure that you have fully considered all potential implications**

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate	Yes

change issues/sustainability implications are included within the report	
I have included information about how this report contributes to the City Plan/ Area priorities within the report	Yes