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19 July 2024

To: All Members of the Full Council

Dear Member,

Full Council - Monday, 22nd July, 2024

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

- 7. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE (PAGES 1 - 12)**

- 11. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 13 - 72)**
 - a) The Audit Committee
 - b) Alexandra Palace and Park Board
 - c) Standards Committee

Yours sincerely

Ayshe Simsek, Democratic Services and Scrutiny Manager

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Report for: Full Council 22 July 2024

Title: **Political composition and Appointments to Committees 2024/25**

Authorised by: Fiona Alderman, Assistant Director for Legal and Governance & Monitoring Officer

Lead Officer: Ayshe Simsek Democratic Services and Scrutiny Manager
0208 489 2929 ayshe.simsek@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non-Key Decision:** Non-Key Decision

1. Describe the issue under consideration.

To note the changes in the membership of the political groups following the resignation of Councillor Adam Jogee on the 22nd of May and recent by-election in Hornsey ward and the election of Adam Small as a member of the Council.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1 Council is asked to:
1. Note the political composition set out at paragraph 4.2.
 2. To agree that Cllr Adam Small be appointed to the Licensing Committee and Audit Committee to fill the Labour Group allocated Committee vacancies as set out at paragraph 4.7 and Appendix 1.

4. Background information

- 4.1 On the 22nd Of May 2024, Councillor Adam Jogee confirmed in writing his resignation as an elected member of the Council. A by-election was held on the 4th of July 2024, and Councillor Adam Small was elected to represent Hornsey ward. Cllr Adam Small is a member of the Labour Group.

- 4.2 The political balance of the Council of 57 councillors is unchanged and as follows:

Labour	46 councillors (80.71%)
Liberal Democrats	7 councillors (12.28%)
Independent Socialists	3 Councillor (5.26%)
Independent	1 Councillor (1.75%)

4.3 The Council is required to ensure that appointments to which the statutory political balance rules apply are made in accordance with those rules. The relevant rules are summarised below (see paragraph 4.3). The Annual Meeting of the Council appoints Committees of the Council in accordance with Article 4.02(k) of the Constitution. The Council is required to comply with the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 in terms of political balance when appointing ‘ordinary’ committees – that is, committees appointed under section 102(1)(a) of the Local Government Act 1972.

4.4 These rules provide that seats on ‘ordinary’ committees must be allocated in line with the following principles, so far as reasonably practicable:

- (a) that not all the seats on a body are allocated to the same political group;
- (b) that the majority of the seats on the body are allocated to the political group which has the majority of the Council’s membership;
- (c) that, subject to principles (a) and (b) above, the proportion of seats allocated to each political group out of the total number of seats across all the ordinary committees of the Council shall be in the same proportion as their share of membership of the Council as a whole; and
- (d) that, subject to paragraphs (a) to (c) above, the number of seats on each individual body shall be allocated to each political group in the same proportion as their share of membership of the Council as a whole.

4.5 The number of seats currently available on Ordinary Committees is 61.

Alexandra Park and Palace Board -	6 seats
Audit Committee	7 seats
General Purposes Committee	5 seats
Licensing Committee	11 seats
Pensions Committee and Board	6 seats
Strategic Planning Committee	11 seats
Standards Committee	5 seats
Appointments Panel	5 seats
Disciplinary, Grievance and Dismissal Panel	5 seats
Total	61 seats

4.5 As set out in the 20th of May report on Appointments to Committees ,**49** seats (80.33%) are allocated to the Labour Group, **9 seats** (14.75%) are allocated to the Liberal Democrat Group and **3** seats (4.92%) allocated to the Independent

Socialist Group. This meets the requirements of the 1989 Act on proportionality as closely as possible.

- 4.6 The Table below sets out the allocations to Committees and to note that to allocate Independent Socialists a seat on Committees with a membership of 5 or 6 would not meet principle (d) of the 1989 Act on proportionality.

Ordinary Committee	Labour	Liberal Democrat	Independent Socialists	Total number of seats
Alexandra Park and Palace Board	5	1	0	6
Audit Committee	5	1	1	7
General Purposes Committee	4	1	0	5
Licensing Committee	9	1	1	11
Pensions Committee and Board	5	1	0	6
Strategic Planning Committee	9	1	1	11
Standards Committee	4	1	0	5
Appointments Panel	4	1	0	5
Disciplinary, Grievance and Dismissal Panel	4	1	0	5
	49	9	3	61

- 4.7 Following the resignation of Cllr Adam Jogee, there were Labour group vacancies on the Licensing Committee and Audit Committee and these are proposed to be filled by Cllr Adam Small.

- 4.8 In calculating the allocation of seats on ordinary committees, the following bodies were excluded because these bodies are excluded from the statutory rules on political balance:

- The Cabinet.
- The disciplinary pool.
- Licensing Sub-Committees (Licensing Act 2003 and Gambling Committee).
- The Health and Wellbeing Board.
- Overview and Scrutiny Committee

The Cabinet

- 4.9 The Cabinet is appointed by the Leader and may only comprise councillors from the majority party. It must have between 2 and 9 members in addition to the Leader.

Licensing Sub-Committees (Licensing Act 2003 and Gambling Committee).

- 4.10 The Licensing Committee establishes the Licensing Sub-Committee of 3 members which will be appointed from a pool of members from the Licensing Committee. The Sub-Committee conducts the same type of business which includes the Gambling Act 2005 applications. The political balance rules do not apply to the Licensing Sub-Committees because they are appointed under the Licensing Act 2003 and so are not ordinary committees appointed under section 102 of the Local Government Act 1972. However, it is normal practice to establish the Licensing Sub-Committee in accordance with political balance (that is, two Labour and one Liberal Democrat Member) so far as reasonably practicable.

The Health and Wellbeing Board

- 4.11 The political balance rules are disapplied by the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 (SI 2013/218). The membership of the Health and Wellbeing Board is prescribed at section 194 of the Health and Social Care Act 2012.

Overview and Scrutiny Committee

- 4.12 Principles (a), (b) and (d) of the rules apply to the Overview and Scrutiny Committee by virtue of section 9FA(6)(b) of the Local Government Act 2000. However, because the Committee is established under the Local Government Act 2000, it is not an ordinary committee appointed under section 102 of the Local Government Act 1972 and so it is not included in the political balance calculations for the total number of seats on ordinary committees (principle c). As such, the Overview and Scrutiny Committee must be balanced, but on an individual basis.

5. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities) Finance

- 5.1 There are no financial implications arising from the report.

Head of Legal and Governance & Monitoring Officer

- 5.2 The report sets out those Council bodies to which the political balance rules apply. The 1989 Act requires political balance in the distribution of seats on committees to be undertaken “so far as is reasonably practicable” thus recognising that a mathematically precise split between political parties cannot always be achieved.
- 5.3 In section 15 of the Local Government and Housing Act 1989, principle (b) states that a party with a majority on full Council shall have a majority of seats on each

individual body. This principle takes precedence over principles (c) and (d) which require political groups to be represented on the ordinary committees taken as a whole and on the bodies individually in proportion to their representation on Full Council.

- 5.4 Principle (c) concerning proportionate allocation of seats across all the ordinary committees of the council takes precedence over the principle (d) concerning proportionate allocation on any individual body.
- 5.5 There is no requirement to offer a seat to a single member as they do not constitute a "political group" under the definition in the Local Government (Committees and Political Groups) Regulations 1990 (S.I. 1553) Regulation 8.

6. Use of Appendices

Appendix 1 - Appointments to Committees 2024/25

7. Local Government (Access to Information) Act 1985

- 7.1 Background documents:
 - *Appointments to Cttees 2024-25*
 - *Haringey Council's Constitution*
- 7.2 The background papers are located at George Meehan House 294 High Road Wood Green, London N22 8HQ.
- 7.3 To inspect them or to discuss this report further, please contact Ayshe Simsek on 0208 489 2929.

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COMMITTEE & MEMBERSHIP	NO. OF MEMBERS	SUBORDINATE BODIES
Alexandra Palace & Park Board Cllr Ibrahim(Chair) Cllr O'Donovan(Vice Chair) Cllr Stennett Cllr Elliott Cllr Mahbub Cllr da Costa	6 Members Proportional split: 5 Lab 1 Lib Dem Plus: 2 non-voting Members from Consultative Committee. 1 Observer (Chair of the APP Statutory Advisory Cttee) <i>Members of the Cabinet may not sit on the Board in accordance with the advice of the Charity Commission.</i>	Alexandra Palace Consultative Committee Same membership as appointed to the Board sits as members of Consultative Committee Plus up to 30 outside Representatives Chair appointed by Consultative Committee at first meeting
		Alexandra Palace & Park Panel 3 Members of the Panel, proportional split: 2 Lab 1 Lib Dem
		Alexandra Palace & Park Consultative Forum 4 Members of the Forum, proportional split: 3 Lab 1 Lib Dem Plus 4 Trade Union Representatives
Audit Committee Cllr Dogan(Chair) Cllr Brennan (VC) Cllr Mahbub Cllr Diakides Cllr Jojee Cllr Small Cllr Rossetti Cllr Mason	7 Members Proportional split: 5 Lab 1 Lib Dem 1 Independent Socialist	
Health & Well Being Board Cabinet Member for Climate Action, Environment and Transport(Nominated by the Leader) Cabinet Member for Health, Social Care and Wellbeing (Chair)	<u>Non-voting reps:</u> LB Haringey: Director of Adult & Health Service Director of Children's Services Director of Public Health Haringey Clinical Commissioning Group: Vice Chair	

COMMITTEE & MEMBERSHIP	NO. OF MEMBERS	SUBORDINATE BODIES
<p>Cabinet Member for Children, Schools & Families (nominated by Leader of the Council)</p> <p>North Central London Clinical Lead</p> <p>Chair, Healthwatch Haringey</p>	<p>Chief Officer</p> <p>Voluntary Sector Rep: Bridge Renewal Trust Chief Executive</p> <p>Haringey Local Safeguarding Children Board Chair</p> <p>N.B. Any additional persons appointed to the HWB either by the local authority or the HWB will be on a non-voting basis.</p>	
<p>Licensing Committee</p> <p>Cllr Abela(Chair) Cllr Peacock(VC) Cllr Amin Cllr Bartlett Cllr Gunes Cllr Harrison-Mullane Cllr Rice Cllr Jogee Cllr Small Cllr Weston</p> <p>Cllr da Costa Cllr M Blake</p>	<p>11 Members</p> <p>Proportional split</p> <p>9 Lab</p> <p>1 Lib Dem</p> <p>1 Independent Socialist</p> <p><u>N.B. The Membership of the Licensing Sub-Committee may comprise any three members of the Licensing Committee</u></p>	<p>Licensing Sub Committee</p> <p>3 Members, proportional split:</p> <p>2 Lab</p> <p>1 Lib Dem</p>
<p>Overview and Scrutiny Committee</p> <p>Cllr White(Chair) Cllr Connor (Vice Chair) Cllr Buxton Cllr Worrell Cllr Gunes</p>	<p>5 Members</p> <p>Proportional split: 4 Lab 1 Lib Dem.</p> <p>Plus co-opted Education representatives.</p>	<p>Scrutiny Review Panels</p> <p>The Chair of each of the Scrutiny Review Panels shall be a member of the OSC, to be determined by the OSC at their first meeting.</p> <p><i>The Mayor or Members of the Cabinet may not be Members</i></p> <p>The composition of each Scrutiny Review Panel shall be between 3 and 7 members, and be politically proportionate as far as possible (including the Chair).</p> <p>Each Scrutiny Review Panel shall be entitled to appoint up to three non-voting co-optees</p>

COMMITTEE & MEMBERSHIP	NO. OF MEMBERS	SUBORDINATE BODIES
		If there is a Children and Young People's Scrutiny Review Panel, the membership shall include the statutory education representatives of OSC. The education representatives would also attend the Overview and Scrutiny Committee meetings where reports from a relevant Scrutiny Review Panel are considered.
Combined Pensions Committee and Board Cllr Dunstall(Chair) Cllr Hymas (VC) Cllr White Cllr Bevan Cllr Iyngkaran Cllr da Costa	6 Members and 4 voting co-opted members Proportional split: 5 Lab 1 Lib Dem. <u>Co-optees:</u> 2 employer representatives, being 1 from LB Haringey and 1 from other scheduled and admitted employers 2 scheme member representatives, being 1 active and 1 pensioner & deferred members	
Strategic Planning Committee Cllr B Blake (Chair) Cllr Rice (VC) Cllr Bartlett Cllr Buxton Cllr Brennan Cllr Bevan Cllr O'Donovan Cllr Ibrahim Cllr Worrell Cllr Emery Cllr Collett	11 Members Proportional split: 9 Lab 1 Lib Dem 1 Independent Socialist <i>N.B. The Membership of the Planning Sub-Committee will be the same as the Strategic Planning Committee and will be appointed at</i>	Planning Sub-Committee 11 Members, proportional split: 9 Lab 1 Lib Dem 1 Independent Socialist

COMMITTEE & MEMBERSHIP	NO. OF MEMBERS	SUBORDINATE BODIES
	<i>its first meeting after Annual Council.</i>	
Standards Committee Cllr Ali (Chair) Cllr B Blake Cllr Dogan Cllr Simmons- Safo Cllr Emery	5 Members Proportional split: 4 Lab 1 Lib Dem	Standards Assessment Sub-Committee Standards Hearing Sub-Committee
General Purposes Committee Cllr Johnson(Chair) Cllr Amin(VC) Cllr Carroll Cllr Dogan Cllr Barnes <i>In accordance with Section 12 of the Local Government Act 1989, the Council's interests should not be represented in negotiations on council employees' terms and conditions by Members who are Local Authority employees or Trade Union employees or officials either directly or indirectly</i>	5 Members Proportional split: 4 Lab 1 Lib Dem	Officers below Director level Dismissal Appeals Panels 3 Members from the pool 2 Lab & 1 LD All Councillors will be eligible to sit on these Panels, subject to having undertaken the necessary training Pool of Chairs (Labour) Cllr Amin Cllr Adamou Cllr Brabazon Cllr Rice Cllr Peacock Labour Group Cllr Bevan Cllr Opoku Cllr Stennett Cllr Dogan Cllr Carroll Lib Dem Group Cllr da Costa Cllr Connor

COMMITTEE & MEMBERSHIP	NO. OF MEMBERS	SUBORDINATE BODIES
Appointments Panel Cllr Ahmet(Chair) Cllr Johnson (Vice Chair) Cllr Amin Cllr Carlin Cllr Isilar - Gosling	5 Members Proportional split: 4 Lab 1 Lib Dem	Cabinet Members will substitute on this panel in accordance with their portfolio area. CWG and Standards Committee agreed that Chair is the Leader of the Council and Vice chair is the Chair of General Purposes Committee
Disciplinary, Grievance and Dismissal Panel Cllr Ahmet(Chair) Cllr Johnson (Vice Chair) Cllr Amin Cllr Carlin Cllr Barnes	5 Members Proportional split: 4 Lab 1 Lib Dem	CWG and Standards Committee agreed that Chair is the Leader of the Council and Vice chair is the Chair of General Purposes Committee

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REPORT OF THE AUDIT COMMITTEE No. 1, 2024/25**FULL COUNCIL 22 July 2024**

Chair: Councillor Erdal Dogan

Deputy Chair: Councillor Cathy Brennan

1. INTRODUCTION

The Audit Committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective. Specifically in respect of governance, to review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.

LOCAL CODE OF CORPORATE GOVERNANCE

We considered the Local Code of Corporate Governance in accordance with our terms of reference at our March meeting and welcomed the report and noted the section in the code regarding co-production. The page outlined "engaging with individual citizens and service users effectively".

5. RECOMMENDATIONS

Full Council is recommended:

To adopt the attached Local Code of Corporate Governance, attached at Appendix 2 of the report.

TREASURY MANAGEMENT UPDATE

We considered the Treasury Management Outturn and discussed the following:

- A query was raised regarding the decrease in LOBOs (Lender Option Borrower Option). In response, the meeting heard that over the last year, the Council had refinanced one of the Lobos, which was worth about £25 million. The LOBO lender had exercised their option in this case. This had been expected and prior discussions were held with the Council's treasury advisors. As a result, the Council were able to refinance that specific loan at a lower rate. There was about £50million of LOBOs which had option exercise dates at some point this year. The Council was still communicating with its treasury advisor and it is unlikely that any of those lenders would want to exercise their options over the next 12 months. These were considered by Officers to be

relatively low risk, unless markets started operating differently. However, next option exercise date for the larger portion of it - the £50 million - was in four years' time so there was no immediate refinancing risk.

- In relation to the credit rating the table in the report suggested that the counterparty risk of the Council's treasury investments was lower than other local authorities. This was mainly because the Council only had invested through the debt management office.
- A query was raised regarding the Private Finance Initiative (PFI). The meeting heard that the number disclosed for PFI included finance leases as well and that the PFI had actually decreased by approximately 5 million during the year. However, the leases had increased because of renewals throughout the course of the year.
- A query was raised regarding section 4.7 of the appendix which stated that a new HRA PWLB (Housing Revenue Account Public Works Loan Board) rate was made available to qualifying authorities at a further 0.40% discount and if the Council qualified for it and if there had been any plans to replace the HRA loans. The meeting heard that the Council did qualify and that the rate had been in place since last year. A lot of the borrowing the Council took was more for the HRA than it was for the Council. It had been a great opportunity for the Council to be able to replace some of the previous borrowing at an affordable cost. This included the LOBOs as much of the refinancing for the LOBOs was done using the HRA rate resulting in a better rate.
- A query was raised regarding the implication of section 6.2 of the appendix which stated that because of an average rate of return of 4.93%, with the Council having an investment portfolio balance of £81 million. The meeting heard that the paragraph was articulating that at the beginning of the year, the Council had made some assumptions of what it felt its average balances would be, but also what the Council could earn in interest rates. The Council had underestimated both of these and as a result, the Council received more treasury income than had been expected at the beginning of the year. The average rate was higher at 4.93% than the expected 2.5%. Also, due to grants, the Council had higher cash balances than expected. The Council expected to hold average balances of £20 million throughout 2023/24, but on average held about £80 million. This was likely a 'one-off' based on the specific factors to that year. Furthermore, it was confirmed that the income received formed part of the revenue budget for the Council and it did help with offsetting some of the overspend.
- A query was raised regarding the impact of treasury reports regarding a recent change in Government and expectations from local authorities that there would be an improvement in circumstances. In response, the meeting heard that from a treasury specific area, the key things to look out for included

the impact the Government's decisions would have on the cost of borrowing. This would be the main aspect from a risk management perspective. It would be largely driven by what the fiscal outlook. The Government would announce some of the policies they would put in place in order to try and boost growth. The Committee would be informed of any updates and changes of circumstances.

- It was noted that the Treasury Management report was part of the Council's financial position, but there were also more wider implications that could be considered. Members would have heard previously that, along with other local authorities, the Council was in a challenging position financially. It was too early to comment regarding the impact in relation to a newly elected government. The Council would keep an eye on any announcements around new funding or requirements, but this was too early to say. The Council was proactively looking at its medium-term financial strategy (MTFS) over the next five years. The Council would look at the financial position, look at an overall approach about how it was going to address it and, in particular, looking at the Council's financial sustainability, which would get picked up as part of value for money reports. The Council was working on the assumption that there were some challenging years ahead. Irrespective of any changes from Government, it would not necessarily change the approach. The five-year planning exercise was being initiated and officers would report later in the year to members.
- There had been no confirmation that the Government would offer a multi -year settlement. However, officers had lobbied regarding the importance of this. It was noted that it was difficult to plan year to year with a multi-year settlement in place. Being able to have three to five year funding arrangements from the Government would be important to the Council. The Council was working for next year's budget on the basis that it would be receiving similar levels of funding in relation to what it received currently.
- A query was raised regarding paragraph 6.13 of the report regarding the benchmark of how much could be borrowed. In response, the meeting heard that there were two key things that the Council used for benchmarking its debt position from a treasury management perspective. There was a liability benchmark, which looked at working capital arrangements and stated the maximum amount that could be borrowed maximum if the borrowing was being done only for the purposes of working capital. There was also an operational boundary which would limit the Council as to how much borrowing could be done. This was set on the basis of the capital programme, how much the Council could afford to borrow. Above that, there was an authorised limit. If this was breached, it would have to be reported to the authorities because the Council was not supposed to breach this in any case. There was impact that went into the cost of borrowing, which was part of the MTFS process to make sure that it was affordable. However, the key benchmarks from a treasury perspective were the operational boundary and the authorised limit. It

was confirmed that as at 31 March 2024, the Council was nowhere near to breaching these limits.

- In relation to rates, the Council would want to keep borrowing to a minimum, irrespective of the Council financial position. It was important that the Council kept in mind the borrowing cost. This was particularly notable at a time when rates would remain high, at least across the short term.

6. RECOMMENDATIONS

Full Council is recommended:

1. To note the treasury management activity undertaken during the financial year to 31 March 2024 and the performance achieved which is attached as Appendix 4 to this report.
2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

Report for: Audit Committee – 7 March 2024

Item number: 15

Title: Local Code of Corporate Governance

Report

authorised by : Director of Finance / Assistant Director for Legal and Governance

Lead Officer: Minesh Jani, Head of Audit and Risk Management

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-key decision

1. Describe the issue under consideration

1.1 The Audit Committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective. Specifically in respect of governance, to review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the Audit Committee reviews and approves the attached Local Code of Corporate Governance, attached at Appendix A.

4. Reasons for decision

4.1 Under the Delivering Good Governance in Local Government; Framework, published by CIPFA, the guidance sets out standards for local authority governance in the UK. The Council adopted this guidance and implemented a local code of corporate governance; this was last updated in 2013 and the attached document brings the code up to date.

5. Alternative options considered

5.1 Local authorities are not mandated to maintain a local code of corporate governance, though CIPFA strongly recommends a code is adopted and maintained.

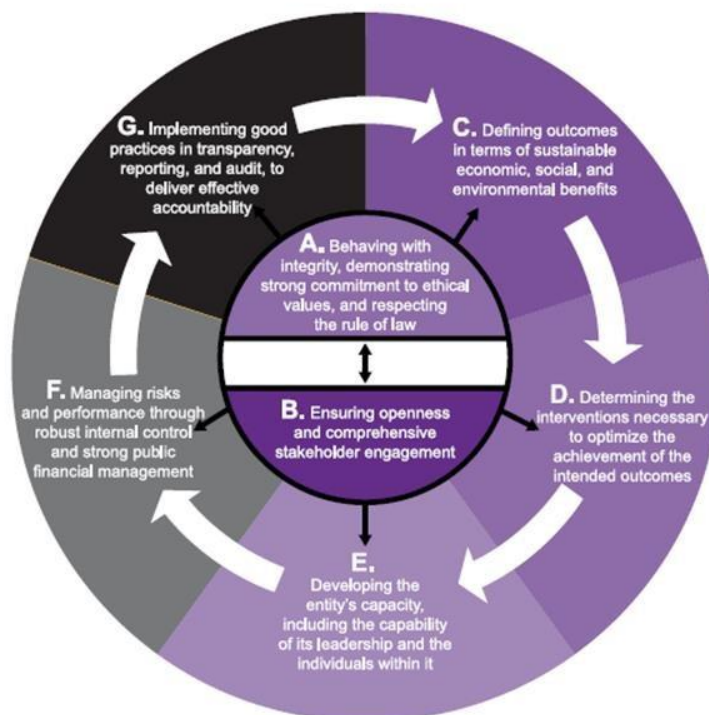
6. Background information

6.1 The Council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. This Local Code of Governance provides a public statement that sets out the way in which the Council will meet and demonstrate that commitment. It includes the political arrangements, administrative systems, policies, and processes as well as the culture and values that underpin arrangements for the effective:

- Allocation of resources in accordance with agreed policies and priorities;
- Sound, transparent, and inclusive decision making; and
- Management of the organisation, performance, and accountability for the use of those resources to achieve desired outcomes for service users and communities.

6.2 The code is part of a governance framework, which sets out seven core principles of governance as detailed in the diagram below, and illustrates that good governance is dynamic and involves continuous evaluation and review.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



6.3 The Council has adopted these principles of good governance and adapted its Local Code to reflect its responsibilities. This is demonstrated through the adoption, monitoring, and continued development of this document.

- 6.4 It is recognised establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures and as such, the authority expects members and officers to uphold the highest standards of ethics, conduct and behaviour, and to act with openness, integrity, and accountability in carrying out their duties.
- 6.5 Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed below. There are seven principles (shown in chart above), each supported by a number of sub principles. The seven principles are:
- Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - Principle B - Ensuring openness and comprehensive stakeholder engagement;
 - Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits;
 - Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes;
 - Principle E - Developing the Authority's capacity, including the capability of its leadership and the individuals within it;
 - Principle F - Managing risks and performance through robust internal control and strong public financial management; and
 - Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

7. Contribution to strategic outcomes

- 7.1 It is crucial the Council keeps its governance arrangements up to date and relevant. The main principle underpinning the development of the new Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) ('the Framework') continues to be that local government is developing and shaping its own approach to governance, taking account of the environment in which it now operates. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

There are no direct financial implications arising from this report.

8.2 Legal

The Assistant Director for Legal and Governance has been consulted in the preparation of this report and confirms that it is within the remit of Audit Committee to approve the recommendation in this report.

8.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

9. Use of Appendices

Appendix A – Local Code of Corporate Governance

10. Background Papers

Delivering Good Governance in Local Government: Framework

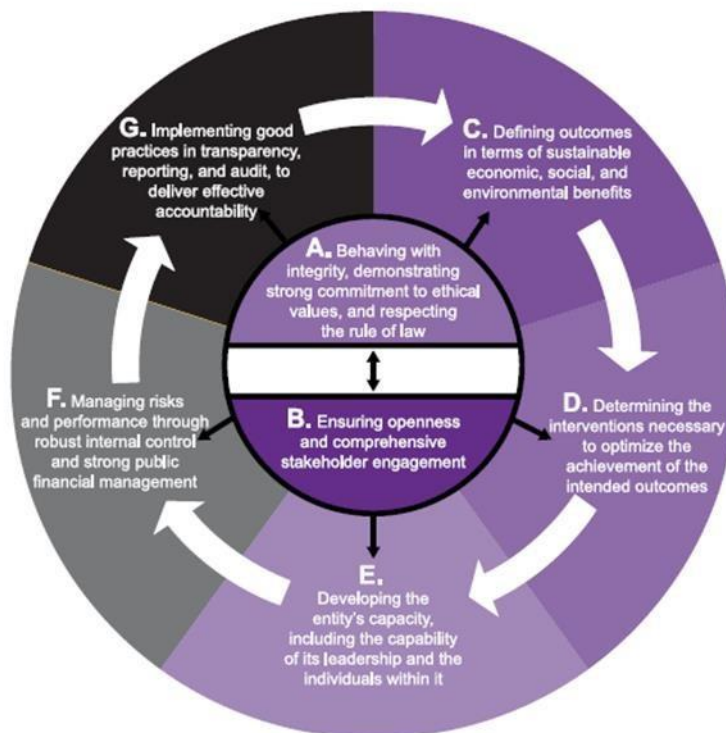
LOCAL CODE OF CORPORATE GOVERNANCE

Haringey Council
2024/25

1 Introduction to Delivering Good Governance

- 1.1 The council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. This Local Code of Governance provides a public statement that sets out the way in which the council will meet and demonstrate that commitment. It includes the political arrangements, administrative systems, policies, and processes as well as the culture and values that underpin arrangements for the effective:
- Allocation of resources in accordance with agreed policies and priorities.
 - Sound, transparent, and inclusive decision making.
 - Management of the organisation, performance, and accountability for the use of those resources to achieve desired outcomes for service users and communities.
- 1.2 *Delivering Good Governance in Local Government; Framework*, published by CIPFA, provides guidance on the standards for local authority governance in the UK. This Framework sets out seven core principles of governance as detailed in the diagram below, and illustrates that good governance is dynamic and involves continuous evaluation and review.
- 1.3 Haringey Council has adopted these principles of good governance and adapted its Local Code to reflect its responsibilities. This is demonstrated through the adoption, monitoring, and continued development of this document.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



- 1.4 The council's key governance areas and how it will provide assurance that it is complying with these are set out in more detail within its Governance Assurance Framework.
- 1.5 The council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The council expects Members and officers to uphold the highest standards of ethics, conduct and behaviour, and to act with openness, integrity, and accountability in carrying out their duties.
- 1.6 This Code ensures the council is doing the right things, in the right way. Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed at **Appendix A**.
- 1.7 Similar and proportionate oversight and assurance reporting arrangements should also be put in place in respect of services outsourced to external suppliers, trading partnerships, shared service arrangements and arm's length bodies.

2 Monitoring and review

- 2.1 Regulation 6(1)(a) of the Accounts and Audit regulations 2015 (as amended) require an authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.
- 2.2 As such the council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date and working effectively. The council's Governance Assurance Framework sets out in more detail how the council will seek assurance on its adherence to the adopted principles of governance.
- 2.3 On an annual basis, the Chief Executive and Leader of the Council will publish an Annual Governance Statement which will:
 - Assess how the council has complied with this Code of Corporate Governance.
 - Provide an opinion on the effectiveness of the council's arrangements.
 - Provide details of how continual improvement in the systems of governance will be achieved.

3 Certification

- 3.1 We hereby certify our commitment to this Local Code of Corporate Governance and will ensure that the council continues to review, evaluate, and develop the council's governance arrangements to ensure continuous improvement of the council's systems. The Audit Committee will review the Annual Governance Statement regularly in line with its terms of reference.

Leader of the Council

Chief Executive

Date: xx 2023

Date: xx 2023

4 Governance Structure and Responsibilities

Council	<ul style="list-style-type: none"> • Consists of 57 elected members • Approves the budget and policy framework. • Approves the constitution (including standing orders and financial regulations) • Establish committees to discharge non-executive functions
Cabinet	<ul style="list-style-type: none"> • The main decision-making body of the council responsible for executive functions • Leader of the council with responsibility for executive functions and who appoints a deputy leader and cabinet members who have responsibility for portfolios
Audit Committee	<ul style="list-style-type: none"> • Provides independent assurance to the council on the adequacy and effectiveness of the governance, risk management framework an internal control environment. • Approves the local code of corporate governance, annual statement of accounts and annual governance statement • Considers the external auditor's annual letter, relevant reports and the report to those charged with governance and comments on the scope and depth of external audit work. • Approves the internal audit charter, the risk-based internal audit plan and the approach to sources of assurance. • Considers the Head of Internal Audit's Quarterly and Annual Reports. • Reviews and monitoring treasury management arrangements in accordance with Treasury Management in the Public Services.
Overview and Scrutiny Committees	<ul style="list-style-type: none"> • There is one Overview and Scrutiny committee, and four scrutiny panels (Adults and Health, Children and Young People, Climate, Community and Culture and Housing, Planning and Development) • Holds cabinet and officers to account and scrutinises performance
Head of Paid Service	<ul style="list-style-type: none"> • Overall corporate management an operational responsibility for the council (including management for all employees) • The provision of professional advice to all parties in the decision-making process and come and responsibility for a system of record keeping for all the council's decisions, representing the council on partnerships and external bodies. • The Head of Paid Service will determine how the council's functions are discharged, the number and grade officers required to discharge the functions and how officers are organised
Chief Finance Officer (s151)	<ul style="list-style-type: none"> • Accountable for developing and maintaining the council's governance, risks, and control framework. • Ensuring lawfulness and financial prudence of decision-making and the administration of financial affairs
Monitoring Officer	<ul style="list-style-type: none"> • Monitoring, reviewing, and maintaining the Constitution and showing lawfulness and fairness of decision-making. • Supporting Standards Committee, conducting investigations, and undertaking other actions in respect of matters referred to him/ her by the Standards Committee • Proper officer for access to information • Advising whether decisions are within the budget and policy framework. • Providing advice on the scope of powers and authority to take decisions, Maladministration, financial impropriety, probity and budget and policy framework issues. • Contributes to all the effective corporate management and governance of the council

Council Team	Leadership	<ul style="list-style-type: none"> • implement the policy and budgetary framework set by the council and provides advice to cabinet and the council on the development of future policy and budgetary issues. • Oversees the delivery of the council's corporate delivery plan and implementation of council policy
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APPENDIX A - Principles, behaviours and actions that demonstrate good governance in practice at Haringey Council

Haringey Council's Local Code is based on the following principles which we are working towards with the overall aim of 'Achieving the intended outcomes while acting in the public interest at all times'

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law	A1 - Behaving with integrity	<ul style="list-style-type: none"> ▪ We will have a Council Member's Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will have an Officer's Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will have strong Haringey commitments and behaviours which underpins everything we do. ▪ We will have an Anti-Fraud and Corruption Strategy in place, including a whistle-blowing and anti-bribery and anti-money laundering policies. ▪ We will ensure staff are aware of the strategy and policies and know how to access them. ▪ We will encourage, support and protect staff to speak up if they encounter wrongdoing. ▪ We will maintain a members' complaints process.
	A2 - Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> ▪ We will operate a Standards Committee, which champions high standards of ethical governance from ethical Members. ▪ We will provide corporate training and induction programmes to ensure that Members and Officers receive appropriate training to assist them in effectively executing their duties and understand the standards of behaviour expected of them. ▪ We will operate effective and transparent procedures for declaration of interests, gifts and hospitality for Members and Officers. ▪ We will publish Members' declarations on the Council's website - declarations at meetings and Register of Interests can be found under each Councillor on the 'Your Councillors' page.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		<ul style="list-style-type: none"> ▪ We will operate procurement policies to ensure that commitment to our social values and integrity is delivered by external suppliers delivering services on our behalf and ensure that we follow compliance with legislation, realise value for money and public accountability. ▪ We will encourage the public to easily raise concerns about Member and Officer behaviour.
	A3 - Respecting the rule of law	<ul style="list-style-type: none"> ▪ We will appoint a Monitoring Officer (Assistant Director for Legal & Governance) who will be a member of the Council Leadership Team (CLT) and ensures that decisions are taken in a lawful and fair way, ensures procedures are followed and that all applicable statutes and regulations are complied with. ▪ We will put in place measures to address breaches of our legal and regulatory powers. The Council's Monitoring Officer (the Assistant Director for Legal & Governance) has statutory reporting duties in respect of unlawful decision making and maladministration. Similarly, the Chief Finance Officer (the Director of Finance) has statutory reporting duties in respect of unlawful and financially imprudent decision making. ▪ We will appoint Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles. These include: <ul style="list-style-type: none"> ○ Head of Paid Service (Chief Executive) ○ Monitoring Officer (the Assistant Director for Legal & Governance) ○ Chief Finance Officer (Director of Finance) ▪ We will support all Council and Cabinet meetings by attendance of relevant statutory officers to ensure law and regulations are not breached. ▪ We will make sure that all decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
B. Ensuring openness and comprehensive stakeholder engagement	B1 - Openness	<ul style="list-style-type: none"> ▪ We will ensure that decisions taken by Council (the meeting attended by all Councillors), as well as those taken by Committees or by the Executive are recorded on our website, alongside the reasons and the evidence considered. ▪ We will publish notification online of the intention to take the most significant executive decisions in our Forward Plan. ▪ We will allow attendance at the majority of decision making meetings and provide recordings of these. ▪ We will allow the use of social media and filming at public meetings. ▪ We will have a Scheme of Delegation to provide a clear transparent, effective, and accountable decision-making process. ▪ We will have in place a Member's Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will have an Officer Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will consult and engage to inform the best interventions or courses of action. ▪ We will maintain arrangements for responding to complaints and Members' Enquiries.
	B2 - Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> ▪ We will develop and maintain relationships with leaders of other organisations across the private, public and voluntary sector contributing to the vision for Haringey and the Corporate Delivery Plan. ▪ We will maintain a register of our significant partnerships to assess the level of assurance for the governance arrangements of each partnership and highlight areas where improvements may be required to further strengthen these arrangements. ▪ We will have effective monitoring of the performance and outcomes delivered through the companies, Joint Ventures and charities which the Council is a party to.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
	B3 - Engaging with individual citizens and service users effectively	<ul style="list-style-type: none"> ▪ We will use appropriate methods to engage and consult to ensure the reach is as broad and inclusive as possible, including but not limited to community engagement, formal consultation, and working with residents and service users to design services that best meet their needs. ▪ We will actively seek our residents' engagement and input at the before proposal stage in our work and reshaping of service, the Haringey Deal. ▪ We will work with Voluntary, Community and Social Enterprise (VCSE) organisations to assist in effective engagement with Haringey's diverse communities within neighbourhoods and communities of identity groups. ▪ Maintain effective channels for dialogue and debate with residents, including via different social media platforms. ▪ Maintain effective complaints and compliments handling and monitoring procedures, so that we can identify where improvements in service delivery are needed and learn effectively from the complaints that we have received including feedback from the Ombudsman. ▪ Maintain effective Members Enquiries process.
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	C1 - Defining outcomes	<ul style="list-style-type: none"> ▪ We will maintain a current Corporate Delivery Plan which sets out the priorities which the Council will focus on to play its part in delivering the vision for the borough. ▪ We will ensure that outcomes are focused on achieving delivery of the overall vision for the Haringey Council. ▪ We will engage and consult with residents, partners and other key stakeholders when designing key strategies and the Corporate Delivery Plan. ▪ We will put the Corporate Delivery Plan priorities at the heart of our budget, business planning, and service planning processes. ▪ We will maintain and review a capital programme setting out the Council's longer term investment requirements linked to policy objectives.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		<ul style="list-style-type: none"> ▪ We will commit to service managers, ensuring that Service Plans are clearly communicated to all staff, so that they understand the role that they will play in delivering the Corporate Plan priorities. ▪ We will consult with the businesses and residents of Haringey in the design of our budget proposals to understand their priorities, and to be transparent about financial limitations. ▪ We will develop a Medium-Term Financial Strategy which sets out financial assumptions and provides a set of goals for financial decision making for the planning period ahead.
	C2 - Sustainable economic, social, and environmental benefits	<ul style="list-style-type: none"> ▪ We will consider the full combined economic, social and environmental implications of our decisions through, for example, data analysis and consultation with affected parties so that our decisions advance the achievement of the Council's vision. ▪ We will set out the impact a decision will have on the Corporate Delivery Plan outcomes and include both an Equality Impact Assessment and an impact analysis of the project, policy or programme on carbon emissions reduction and adapt to climate change in any reports which recommend a decision. ▪ We will maintain up to date plans to address climate change and provide regular online progress updates on delivery. This includes progress towards becoming a Net Zero Carbon Borough by 2041 and Net Zero Carbon Council by 2027. ▪ We will provide political leadership on our equality, diversity, and inclusion (EDI) priorities at Lead Member level, and senior officer leadership (CLT) level. ▪ We will ensure that services are clear about their role in meeting the Public Sector Equality Duty (S149 of the Equality Act 2010). ▪ We will commit to progressing EDI for our workforce, informed by our Employee Network Groups and the represented Trade Unions.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		<ul style="list-style-type: none"> ▪ We will strive to enact plans and strategies by engaging with our stakeholders to boost productivity in the borough, reduce poverty and create an economy that is inclusive and benefits everyone. ▪ We will have a set of social value priorities and an approach for promoting social value, particularly through our procurement. We will continually look to refine and update our approach, introducing innovations where possible.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	D1 - Determining interventions	<ul style="list-style-type: none"> ▪ We will provide decision makers with accurate, relevant and timely performance information and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery. ▪ We will ensure any cabinet reports, where a decision is required to be taken, have legal, finance and procurement comments provided, thus ensuring that relevant implications have been considered. ▪ We will seek to continuously enhance the insights made available to decision makers, for example by delivering improvement programmes focusing on key areas such as Property and Housing. ▪ We will seek continuous feedback from residents and those who use our services both in planning service changes and improvements, for example through surveys, consultations or bespoke feedback gathering. ▪ We will have effective delegation of decision making to officers so that they can deal with the day-to-day running of services without the need to constantly refer matters back to elected Members. Details of what decisions are taken in this way are included in the Scheme of Delegation in the Council's Constitution.
	D2 - Planning interventions	<ul style="list-style-type: none"> ▪ We will plan our activity at a strategic level through our budget and business planning cycle, in consultation with internal and external stakeholders, to ensure services delivered across

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		<p>different parts of the organisations and partners complement each other and avoid duplication.</p> <ul style="list-style-type: none"> ▪ We will have consistent and effective service planning, with each service completing an individual service plan. Services will ensure that their priorities and activities set out in their service plan all contribute towards delivery of our Corporate Delivery Plan, and that there is also a focus on continuous improvement. ▪ We will consider risks in all of our strategic planning and mitigate and monitor these risks. ▪ We will have in place appropriate key performance indicators (KPIs) and review these quarterly to measure quality and progress. ▪ We will have in place a Business Continuity framework to ensure the resilience of the organisation to any eventuality and to help ensure continuity of service to our key customers.
	D3 - Optimising achievement of intended outcomes	<ul style="list-style-type: none"> ▪ We will integrate and balance our service priorities, affordability, and other resource constraints, considering the full cost of operations over the medium and longer term, including both revenue and capital spend budgets. This includes producing a medium-term financial plan. ▪ Develop and maintain a programme and project function to deliver identified savings. ▪ We will take an integrated approach to the deployment of revenue and capital spend, aligned to delivery of the Council priorities. ▪ We will look to achieve social value through all procurement and consider this at pre-tender and tender stage to ensure that appropriate desirable outcomes can be offered by suppliers in their tender

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	E1 - Developing the entity's capacity	<ul style="list-style-type: none"> ▪ We will have a Workforce Development Plan in place which support staff to develop the skills and behaviours to enable us to effectively deliver against our Corporate Delivery Plan, and to continue to transform our culture. ▪ We will enact our Equality, Diversity and Inclusion (EDI) Action Plan, which aim to create a more inclusive Council, where our workforce fully reflects the rich diversity and talent of the communities we serve at all levels. ▪ We will deliver change programmes which will continue to reshape how services are delivered internally and externally, using new technologies, ways of working and new delivery models. ▪ We will implement a quarterly review of progress against the capital programme and change programme ▪ We will manage our assets well and will have an Asset Management Plan in place. ▪ We will review and report on medium-term financial plan regularly to monitor resources against priorities and services. ▪ We will review operations, performance and use of assets on a regular basis. ▪ We will work closely with partners and the community to provide best outcomes for residents and the borough.
	E2 - Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> ▪ We will have a clear Protocol on Member / Officer Relations, ▪ We will have a clear Protocol on Decision Making. ▪ We will provide newly elected Council Members with an induction into the work of the Council and their role as a local member. ▪ We will provide ongoing elected Member development and training, including briefings by officers into any new developments which affect their role.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		<p>Haringey's commitment to achieving good governance in practice includes:</p> <ul style="list-style-type: none"> ▪ We will ensure that all staff have regular one to ones with their manager, known as "My Conversation" sessions. These will include discussions on: <ul style="list-style-type: none"> ○ performance objectives and development goals ○ training and development needs ○ health and wellbeing. ▪ We will listen to the views of our staff through regular events, forums and surveys and use the learnings to inform and improve the way that we prioritise, operate, and communicate. ▪ We will run events which give all staff the opportunity to connect with priorities, and engage with the senior leadership, for example in question-and-answer sessions. ▪ We will ensure that all managers are aware of, understand and are following key corporate people management policies and processes. ▪ We will support the physical, mental, social, and financial wellbeing of our workforce. This includes having a Workforce Wellbeing Strategy and provide support and guidance on the Intranet, a 24/7 Employee Assistance Programme for staff and their families.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
F. Managing risks and performance through robust internal control and strong public financial management	F1 - Managing risk	<ul style="list-style-type: none"> ▪ We will have a Risk Management Strategy in place, and operate a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations ▪ We will keep corporate and directorate level risk registers to managed and monitor risk. ▪ We will have clear policies in place to help manage risk, in different areas, e.g. Health and Safety, Safeguarding, Anti-Corruption. ▪ Ensure that staff are regularly trained to ensure that they manage risk effectively using appropriate methodologies, including the management of safeguarding risks in line with professional standards. ▪ We will consider emerging pieces of legislation and policy changes to understand and prepare for their potential impact. ▪ We will maintain Overview and Scrutiny Committees, which hold decision makers to account and play a key role in ensuring that public services are delivered in the way that residents want. ▪ We will ensure that where appropriate officers know how to engage with and support the Overview and Scrutiny Committee.
	F2 - Managing performance	<ul style="list-style-type: none"> ▪ We will ensure that services use timely and accurate performance information and insight about service delivery, to support intervention to address any barriers to good performance. ▪ We will provide CLT with concise, clear, and integrated finance and performance reports to support effective resources allocation, and to shine a light on any challenges so that they can be addressed.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
	F3 - Robust internal control	<ul style="list-style-type: none"> ▪ We will maintain Overview and Scrutiny Committees, which hold decision makers to account and play a key role in ensuring that public services are delivered in the way that residents want. ▪ We will ensure that where appropriate officers know how to engage with and support the Overview and Scrutiny Committee and provide training for Committee members. ▪ Maintain a risk based programme of internal audits which are informed by the Council's risk registers. ▪ We will maintain an effective internal audit and ensure it's compliance with the Public Sector Internal Audit Standards. ▪ We will maintain an effective counter fraud service and report the outcome of its work to the Audit Committee. ▪ The Head of Audit and Risk will present a summary of all audit work annually to the Audit Committee highlighting analysis of audit work. ▪ We will ensure the Audit Committee receives an annual update on the Council's governance arrangements.
	F4 - Managing data	<ul style="list-style-type: none"> ▪ We will comply with data protection legislation, and ensure that data processing is carried out fairly, lawfully, and transparently. ▪ We will review and supplement our information governance policies, and keep our Record of Processing Activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner's Office (ICO). ▪ We will ensure that all valid requests from individuals to exercise the right to make a request to find out what personal data we hold on them are dealt with as quickly as possible, and by no later than the timescales allowed in the legislation.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		<ul style="list-style-type: none"> ▪ We will ensure that it is clear to all staff and Members that they are personally accountable for using the Council's information responsibly and appropriately. ▪ We will ensure that staff and Members are appropriately trained in protecting information. ▪ We will maintain our systems for data management across the organisation.
	F5 - Strong public financial Management	<ul style="list-style-type: none"> ▪ We will approach Financial Management in a way which ensures that public money is safeguarded at all times, ensuring value for money. Our approach supports both long-term achievement of objectives, and shorter term financial and operational performance. This is outlined in the Council's Medium Term Financial Strategy. ▪ We will, via Financial Regulations and through the leadership of the Director of Finance, ensure that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The Director of Finance ensures well developed financial management is integrated at all levels of planning and control including management of financial risks, systems, and processes. ▪ We will comply with the Financial Management Code (FM Code) which sets out the standards of financial management expected for local authorities and is designed to support good practice, and to assist local authorities in demonstrating their financial sustainability. As part of this we will carry out credible and transparent financial resilience assessments. ▪ We will ensure that the Director of Finance reports to Council on the robustness of the estimates made for the purposes of the budget calculations, and the adequacy of the proposed financial reserves. ▪ We will follow CIPFA's Prudential Code and Treasury Management Code of Practice which set out the risk framework through which the Council manages its balance sheet and makes capital investment decisions.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		<ul style="list-style-type: none"> ▪ We will maintain strategies and processes detailing our approach to decision making on capital investments, and treasury management (including debt management and cash investing). ▪ We will maintain sound financial procedure rules to ensure consistency and clear financial protocols ▪ We will ensure effective anti-fraud and corruption arrangements ▪ We will ensure external auditors produce annual audit reports and the annual audit letter and report to the Audit Committee ▪ We will ensure effective information governance arrangements are in place to support compliance with existing and emerging legislation for data protection
G. Implementing good practices in transparency, reporting, and audit to deliver	G1 - Implementing good practice in transparency	<ul style="list-style-type: none"> ▪ We will publish information, including reports, in a manner which is accessible to residents and other stakeholders. ▪ We will make our website set out in a clear and easily accessible way, using infographics and plain language. ▪ We will follow the Local Government Transparency Code, which includes requirements and recommendations for local authorities to publish certain types of data.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
effective accountability	G2 - Implementing good practices in reporting	<ul style="list-style-type: none"> ▪ We will make reports publicly available online, which shows the Council's progress towards its vision and priorities as set out in the Corporate Delivery Plan. ▪ We will provide integrated finance and performance monitoring information to CLT. This will enable monitoring of delivery of our Corporate Delivery Plan priorities, support effective resource allocation, and help to identify any challenges so that they can be addressed.
	G3 - Assurance and effective accountability	<ul style="list-style-type: none"> ▪ We welcome peer challenge, internal and external review and audit, and inspections from regulatory bodies, considering arising recommendations. ▪ We will monitor the implementation of internal and external audit recommendations. Assurance reports will be presented to the Audit Committee and the Council's external auditors, summarising the Council's performance in implementing recommendations effectively and within agreed timescales. ▪ We will follow the Public Sector Internal Audit Standards (PSIAS), which includes a commitment to develop audit plans which are designed to invite comment from management and the Audit Committee.

Report for: Audit Committee – 18 July 2024

Item number: 7

Title: Treasury Management Update Report – Outturn 2023/24

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy S151 Officer)

Lead Officer: Tim Mpofu, Head of Finance – Pensions and Treasury
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/Non Key Decision: Non Key decision

1. Describe the issue under consideration

- 1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve treasury management reports on a semi-annual and annual basis.
- 1.2. The Council's Treasury Management Strategy for 2023/24 was approved at a full Council meeting on 2 March 2023. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 1.3. This report provides an update to the Audit Committee on the Council's treasury management activities and performance during the financial year ending 31 March 2024, in accordance with the CIPFA Code.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Audit Committee is requested:

- 3.1. To note the treasury management activity undertaken during the financial year to 31 March 2024 and the performance achieved which is attached as Appendix 1 to this report.
- 3.2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

4. Reason for Decision

4.1. Not applicable.

5. Other options considered

5.1. Not applicable.

6. Background information

6.1. The Council's treasury management activity is underpinned by CIPFA's Treasury Management in Public Services: Code of Practice (the CIPFA Code), which requires local authorities to produce annually, Prudential Indicators and a Treasury Management Strategy Statement.

6.2. CIPFA has defined Treasury management as: "The management of the authority'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."

6.3. The CIPFA Code recommends that members are informed of treasury management activities at least twice a year. Following an amendment to the Council's constitution in 2023, it was determined that the reviewing and monitoring of treasury policy, strategy and activity is delegated to the Audit Committee. This Committee receives quarterly treasury management update reports, including a mid-year and annual report.

6.4. However, overall responsibility for treasury management remains with full Council, and the Council approved the Treasury Management Strategy Statement and set the Prudential Indicators for 2023/24 on 2 March 2023.

6.5. Government guidance on local authority treasury management states that local authorities should consider the following factors in the order they are stated:

Security → Liquidity → Yield

6.6. The Treasury Management Strategy reflects these factors and is explicit that the priority for the Council is the security of its funds. However, no treasury activity is without risk and the effective identification and management of risk are integral to the Council's treasury management activities.

Economic Background

6.7. During the financial year, UK inflation (CPI) rates declined from 8.7% to 3.2%, reaching the Bank of England's 2% target in May 2024. In a bid to tackle inflation, the Bank of England's (BoE) Monetary Policy Committee (MPC) increased the Bank Rate from 4.25% to 5.25% in August 2023 and has maintained it at 5.25% since then.

6.8. Despite weak economic growth and a technical recession in late 2023, wage growth peaked at 8.5%, with unemployment steady at around 4%. The BoE expects a gradual recovery in early 2024, with inflation slightly above target due to domestic pressures on prices and wages. Arlingclose, the Council's

treasury advisor, maintains its central view that the Bank Rate has peaked at 5.25%, with potential rate cuts expected later in 2024.

6.9. Further details can be found in section 2 of Appendix 1 to this report.

Borrowing Activity

6.10. The Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.

6.11. There has been a significant increase in the cost of both short-term and long-term borrowing over the past two years, although these increases are now stabilising.

6.12. The table below shows the movement in rates offered across the various PWLB maturities on 31 March 2024. The rates shown are included the 0.20% certainty discount rate offered by the PWLB to qualifying authorities.

PWLB Maturity	Jun-23	Sep-23	Dec-23	Mar-24
10 year	5.25%	5.26%	4.19%	4.74%
20 year	5.36%	5.64%	4.90%	5.18%
50 year	4.95%	5.43%	4.67%	4.41%

6.13. As part of its strategy for funding previous and current years' capital programmes, the Council held £819.4 million in loans on 31 March 2024. The Council has a significant capital programme which will largely be financed by new borrowing in the upcoming years. The Council plans to maintain a balanced portfolio of short and long-term borrowing.

6.14. Further details on the borrowing activity of the Council over the period can be found in section 4 of Appendix 1 to this report.

Treasury Investment Activity

6.15. In accordance with the CIPFA Code and government guidance, the Council aims to strike an appropriate balance between risk and return, when making treasury investments. The aim is to prioritise the security and liquidity of its investments before seeking the optimum rate of return or yield.

6.16. Throughout the period, the Council's investment balances ranged between £164.9m and £24.2m, ending at £33.9m on 31 March 2024.

6.17. Overnight deposit rates for the Debt Management Account Deposit Facility and Money Market Funds increased from approximately 4.00% in April 2023 to 5.34% by March 2024.

6.18. The table below shows how the Council's current Treasury investments compare with other local authorities.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Ave. Maturity (Days)	Rate of Return
31.03.2023	3.67	AA-	0%	10	3.96%

31.03.2024	3.67	AA-	0%	1	5.19%
Similar Local Authorities	4.80	A+	70%	24	5.10%
All Local Authorities	4.82	A+	61%	9	5.10%

6.19. Further details on the Council's treasury investment activity over the period can be found in section 5 of Appendix 1 to this report.

Treasury Management Prudential Indicators

6.20. The Council measures and manages its exposures to treasury management risks using several indicators that are set when the Treasury Management Strategy is approved in advance of the new financial year.

6.21. The Chief Finance Officer reports that all treasury management activities carried out during the year were fully compliant with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

6.22. A more detailed assessment of the Council's compliance with the agreed upon Treasury Management Indicators can be found in section 8 of Appendix 1 to this report.

7. Contribution to Strategic Outcomes

7.1. None.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. Finance Comments are included throughout the attached report.

Legal

8.2. The Head of Legal Services has been consulted on the content of this report which is consistent with legislation governing the financial affairs of the Council. In particular, the Council must comply with the requirements of the Local Government Act 2003, the Local Authorities (Capital Financing & Accounting – England) Regulations 2003 and the CIPFA Treasury Management code.

8.3. In considering the report Members must take into account the expert financial advice available to it and any further oral advice given at the meeting of the Committee.

Equalities

8.4. There are no equalities issues arising from this report.

9. Use of Appendices

9.1. Appendix 1 – Treasury Management Outturn Report 2023/24

10. Local Government (Access to Information) Act 1985

10.1. Not applicable

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Appendix 1 - Treasury Management Outturn Report 2023/24

1. Introduction

- 1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 1.2. The Council's treasury management strategy for 2023/24 was approved at a full Council meeting on 2 March 2023. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

2. External Context (provided by the Council's treasury management advisor, Arlingclose)

Economic background

- 2.1. The UK's inflation rates declined during the period. At the start of the reporting period, UK Consumer Price Index (CPI) inflation was 8.7%, falling to 3.2% in March 2024. This downward trend persisted with rates reaching the Bank of England's (BoE) 2% target in May 2024.
- 2.2. The Bank of England's Monetary Policy Committee (MPC) started the financial year with a Bank Rate of 4.25%. In August 2023, the MPC increased the Bank Rate to 5.25% as the UK economy showed resilience against higher inflation and interest rates. The Bank Rate remains at 5.25%, as the MPC has decided to keep the rate unchanged at all subsequent meetings.
- 2.3. Although financial markets adjusted their interest rate expectations downwards, anticipating a single cut later in the year, the MPC's focus remains on assessing how long rates need to be restrictive to control inflation over the medium term. The table below provides an extract of the Bank Rate over the past four quarters.

	Jun-23	Sep-23	Dec-23	Mar-24
BoE Bank Rate	5.00%	5.25%	5.25%	5.25%

- 2.4. Throughout the period, the UK's economic growth remained weak. The country entered a technical recession in the second half of 2023, following two consecutive quarters of negative growth. Furthermore, throughout the 2023 calendar year, GDP growth only expanded by 0.1% compared to 2022. Although the economy may somewhat recover in Q1 2024, the data suggests that previous increases in interest rates and higher price levels are suppressing growth. This trend is expected to continue to affect inflation for the remainder of 2024.
- 2.5. The labour market data provided a mixed message for policymakers. Although, employment and vacancies have declined, pay growth consistently rose, peaking at an annual growth rate of 8.5% for total pay in July 2023. Wage growth remains above the BoE's forecast.
- 2.6. The unemployment rate remained steady at around 4% during the period. The table below shows an extract of the annual unemployment rate reported over the past four quarters.

	Jun-23	Sep-23	Dec-23	Mar-24
Unemployment rate	4.3%	4.1%	3.8%	4.4%

- 2.7. The Bank's Monetary Policy Reports have indicated stronger domestic inflationary pressures, with effects on domestic prices and wages likely taking longer to unwind. The Bank's expectations for the UK economy in the first half of 2024 are positive, with a gradual recovery from a mild recession. Headline CPI is forecast to dip below the 2% target quicker due to declining energy prices, keeping inflation slightly above target for much of the forecast horizon.
- 2.8. Arlingclose, the Council's treasury advisor, maintains its central view that 5.25% is the peak Bank Rate. The adviser also suggests that interest rates will likely begin to be cut later in 2024. The short-term risks are to the upside, with the BoE expected to hold rates until September or possibly even Q4 2024. The emerging upside risks to inflation could restrict the scope of monetary easing.
- 2.9. The US Federal Reserve also raised rates over the period, reaching a peak range of 5.25-5.50% in August 2023, where they have remained since. Initially, US policymakers emphasized the risks of inflation and the possibility of raising interest rates further. However, their stance gradually became more accommodative, resulting in a relatively dovish outcome at the December FOMC meeting. Recent economic projections suggest that interest rates will be cut by a total of 0.75% in 2024.
- 2.10. Over in Europe, the European Central Bank (ECB) raised rates to historically high levels, pushing its main refinancing rate to 4.5% in September 2023. In June 2024, the ECB cut its main refinancing rate by 0.25% to 4.25%. Economic growth in the region remains weak, with a potential recession looming. However, inflation remains high and above the ECB's target, putting pressure on policymakers to balance these factors.

Financial markets

- 2.11. Financial market sentiment remained uncertain, and bond yields were volatile. In the first half of the year, yields rose as interest rates continued to be increased in response to rising inflation. From October, interest rates started declining and fell sharply in December due to falling inflation and dovish central bank attitudes, leading financial markets to expect some interest rate cuts in 2024. However, in January, when it became clear that inflation was stickier than expected and the BoE and the Federal Reserve were data-dependent and not inclined to cut rates soon, yields rose again, ending the period over 50 basis points higher than when it started.
- 2.12. The table below shows the movement of the major benchmark gilt yields throughout the period.

Benchmark Gilt Yield	Jun-23	Sep-23	Dec-23	Mar-24
5 year	4.67%	4.29%	3.48%	3.83%
10 year	4.39%	4.45%	3.54%	3.92%
20 year	4.51%	4.84%	4.13%	4.40%

- 2.13. The Sterling Overnight Rate (SONIA) averaged 4.96% over the period.

Credit review

- 2.14. In January 2024, Arlingclose updated its temporary stance in response to a more favourable credit market outlook. It increased its advised maximum unsecured duration limit for all banks on its counterparty list from the temporary 35-day limit to 100 days.
- 2.15. The credit rating agencies, S&P and Moody's, revised the UK sovereign outlook to stable, with Barclays Bank and several German and Australian banks also receiving upgrades. Fitch revised the outlook on the UK sovereign rating to stable from negative, citing decreased risks to public finances.
- 2.16. Credit default swap prices generally fell over the financial year, despite initial elevation due to fallout from Silicon Valley Bank and other lenders.

- 2.17. Heightened market volatility is expected to remain a feature, at least in the near term and credit default swap levels will be monitored for signs of ongoing credit stress. As always, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

3. Local Context

- 3.1. On 31 March 2024, the Council had net borrowing of £819.4m arising from its revenue and capital income and expenditure. The Capital Financing Requirement (CFR) measures the underlying need to borrow for capital purposes. A breakdown of the CFR is summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.03.24 Actual £m	31.03.23 Actual £m
General Fund CFR	677.1	720.4
HRA CFR	542.9	471.1
Total CFR¹	1,220.0	1,191.5
Less: Other debt liabilities ²	(31.0)	(22.0)
Borrowing CFR - comprised of:	1,189.0	1,169.5
External borrowing	819.4	783.3
Internal borrowing	369.6	386.2

¹subject to audit

²finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

- 3.2. The Council continued to pursue its long-standing strategy of keeping borrowing and investments below their underlying levels, also known as internal borrowing. This approach aims to manage both interest rate risk and refinancing risk. The goal is to minimise interest costs and provide flexibility when deciding whether the Council should take on new borrowing from external sources.
- 3.3. The treasury management position on 31 March 2024 and the change over the year is shown in Table 2 below.

Table 2: Treasury Management Summary

Type of Borrowing/Investment	31.03.23 Balance £m	Movement £m	31.03.24 Balance £m	31.03.24 Weighted Av. Rate %
Long-term borrowing	718.3	61.1	779.4	3.22%
Short-term borrowing	65.0	(25.0)	40.0	5.87%
Total borrowing	783.3	36.1	819.4	3.35%
Short-term investment	15.0	(15.0)	0.0	0.00%
Cash and cash equivalents	78.9	(45.0)	33.9	5.19%
Total investments	93.9	(60.0)	33.9	5.19%
Net borrowing	689.4	96.1	785.5	

4. Borrowing Activity

- 4.1. CIPFA's 2021 Prudential Code emphasises that local authorities should not borrow to invest primarily for financial returns. Local authorities should not make any investment or spending decision that increases the capital financing requirement, resulting in new borrowing, unless such decisions are directly and primarily related to the functions of the local authority. Local authorities are no longer permitted to secure PWLB loans for purchasing investment assets primarily for yield unless the loans are for refinancing purposes.
- 4.2. The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in the future.

Borrowing strategy during the period

- 4.3. As outlined in the treasury strategy, the Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising longer-term stability of the debt portfolio.
- 4.4. There has been a significant increase in the cost of both short-term and long-term borrowing over the past 2 years, although these increases are now stabilising. Gilt yields fell in late 2023, hitting April 2023 lows in December 2023 before rebounding slightly in the first quarter of 2024. Gilt yields have remained volatile, with upward pressure from persistent inflation and downward pressure from decreasing inflation and a weak economy.
- 4.5. The table below shows the movement in rates offered across the various PWLB maturities on 31 March 2024. The rates shown are included the 0.20% certainty discount rate offered by the PWLB to qualifying authorities.

PWLB Maturity	Jun-23	Sep-23	Dec-23	Mar-24
10 year	5.25%	5.26%	4.19%	4.74%
20 year	5.36%	5.64%	4.90%	5.18%
50 year	4.95%	5.43%	4.67%	4.41%

- 4.6. The cost of short-term borrowing from other local authorities has generally risen with the Bank Rate over the year. Interest rates peaked at around 7% in late March 2024 as many authorities required cash simultaneously. These rates have returned to normal levels in the first quarter of the 2024/25 financial year.
- 4.7. On 15 June 2023, a new HRA PWLB rate was made available to qualifying authorities. This rate offers a further 0.40% discount to the currently available certainty rate. This rate will be available until June 2025. The discounted rate is meant to support local authorities borrowing for the Housing Revenue Account (HRA) and refinancing existing HRA loans. It provides an opportunity for the Council to undertake additional HRA-related borrowing and replace any maturing HRA loans during this period.
- 4.8. As part of its strategy for funding previous and current years' capital programmes, the Council held £819.4 million in loans on 31 March 2024, an increase of £36.1 million compared to 31 March 2023.
- 4.9. The outstanding loans on 31 March are summarised in Table 3 on the following page.

Table 3: Borrowing Position

	31.03.23		31.03.24	31.03.24	31.03.24
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Type of Borrowing	Balance £m	Net Movement £m	Balance £m	Weighted Ave. Rate %	Weighted Ave. Maturity years
Public Works Loan Board	593.3	86.1	679.4	3.00%	23.8
Banks (LOBO)	125.0	(25.0)	100.0	4.73%	34.6
Local authorities	65.0	(25.0)	40.0	5.87%	0.3
Total borrowing	783.3	36.1	819.4	3.35%	24.0

- 4.10. The Council's short-term borrowing costs (from other local authorities) have continued to increase with the rise in the Bank Rate. The average rate of the Council's short-term loans at 31 March 2024 was 5.87% compared to 3.16% at 31 March 2023. As a result, the Council has taken fewer new short-term loans compared to previous years.
- 4.11. The Council has a significant capital program that extends into the foreseeable future. A large proportion of this program will need to be financed by borrowing. This borrowing will be undertaken by the Council during the current and upcoming years. The Council's borrowing decisions are not based on any single outcome for interest rates, and it maintains a balanced portfolio of short and long-term borrowing.

LOBO Loans

- 4.12. On 1st April 2023, the Council held £125m of LOBO loans, where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.
- 4.13. With market interest rates having risen, the probability of call options on the LOBOs being called has been higher than in the recent past. £125m of LOBO loans had call option dates during the year to 31 March 2024.
- 4.14. Lenders exercised options on the following of the Council's loans.

	Amount £m	Rate	Final Maturity	Proposed Rate	Action taken by Council
Loan 1	25	4.70%	28/09/2066	6.10%	Repaid at no cost and refinanced by PWLB equal instalments of principal loan @ 4.61%, for 15 years.

- 4.15. The Council currently holds £50m of LOBO loans, with call dates within the next 12 months. The Council continues to engage with treasury management advisors, Arlingclose, to assess the likelihood of the options being exercised. If the option is exercised, the Council plans to repay the loan at no additional cost. In doing so, the Council will use any available cash or borrow from other local authorities or the PWLB to repay the LOBO loans.

5. Treasury Investment Activity

- 5.1. The CIPFA Treasury Management Code now defines treasury management investments as investments that result from the Council's cash flows or treasury risk management activity. These investments represent balances that need to be invested until the cash is needed for use in the course of business.
- 5.2. The Council holds significant invested funds, which represent income received in advance of expenditure, as well as balances and reserves held. Throughout the period, the Council's investment balances ranged between £164.9m and £24.2m due to timing differences between income and expenditure. The investment position on 31 March 2024 is shown in Table 4 below.

Table 4: Treasury Investment Position

Type of Investment	31.03.23 Balance £m	Net Movement £m	31.03.24 Balance £m	31.03.24 Weighted Ave. Rate %	31.03.24 Weighted Ave. Maturity
Debt Management Office	93.9	(60.0)	33.9	5.19%	2 days
Total Investments	93.9	(60.0)	33.9	5.23%	1 day

- 5.3. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, taking into account the security and liquidity of its treasury investments before seeking the optimum rate of return or yield. The Council aims to strike an appropriate balance between risk and return when making treasury investments, while minimising the risk of incurring losses from defaults and receiving unsuitably low investment income.
- 5.4. The Bank of England's Bank Rate increased by 1% over the period, from 4.25% at the beginning of April 2023 to 5.25% by the end March 2024. Short term rates peaked at 5.7% for 3-month rates and 6.7% for 12-month rates during the period, although these rates subsequently began to decline towards the end of the period.
- 5.5. At the end of March 2024, the Debt Management Account Deposit Facility's (DMADF) deposit rates ranged between 5.08% and 5.19%. The Money Market rates also ranged between 5.24% and 5.34%.
- 5.6. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Ave. Maturity (Days)	Rate of Return
31.03.2023	3.67	AA-	0%	10	3.96%
31.03.2024	3.67	AA-	0%	1	5.19%
Similar Local Authorities	4.80	A+	70%	24	5.10%
All Local Authorities	4.82	A+	61%	9	5.10%

Scoring:

AAA = highest credit quality = 1; D = lowest credit quality = 26

Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

6. Treasury Performance

- 6.1. The Council measures the financial performance of its treasury management activities in terms of its impact on revenue budget as shown in Table 6 below.

Table 6: Treasury Performance

Borrowing costs	Actual £m	Budget £m	Over/under £m
General Fund borrowing	9.8	16.9	(7.1)
HRA borrowing	17.2	18.6	(1.4)
Total borrowing costs	27.0	35.5	(8.5)
Treasury investment income	3.2	0.5	(2.7)

- 6.2. The budget for investment income in 2023/24 was £500k based on an average investment portfolio of £20 million at an interest rate of 2.50%. However, over the course of the year, treasury investments generated an average rate of return of 4.93% with an average investment portfolio balance of £81.1m. This was largely due to the Bank of England increasing the base rate during the year, as well as the Council holding larger cash

balances as a result of new long-term borrowing and receiving larger than expected government grants.

7. Non-Treasury Investments

- 7.1. The definition of investments in CIPFA's revised 2021 Treasury Management Code includes all the financial assets of the local authority, as well as other non-financial assets that the local authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes or (made explicitly to further service objectives) or for commercial purposes (made primarily for financial return).
- 7.2. The Investment Guidance, issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government, broadens the definition of investments to include all assets held partially or wholly for financial return.

8. Compliance

- 8.1. The Chief Finance Officer reports that all treasury management activities carried out during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.
- 8.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	31.03.24 Actual £m	2023/24 Operational Boundary £m	2023/24 Authorised Limit £m	Complied?
Borrowing	819.4	1,402.3	1,452.3	Yes
PFI and Finance Leases	31.0	21.1	23.2	No
Total debt	850.4	1,423.4	1,475.5	Yes

- 8.3. Although not classed as borrowing, the Council's PFI balances and finance leases increased during the financial year. This increase was primarily due to several rental lease renewals during the financial year.
- 8.4. The operational boundary is a management tool for in-year monitoring. Therefore, it is not significant if the operational boundary is breached on occasion due to variations in cash flow, and this is not considered a compliance failure. However, the council's overall debt remained well below this limit throughout the entire financial year.

9. Treasury Management Indicators

- 9.1. As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

Security

- 9.2. The Council has adopted a voluntary measure to assess its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. To calculate this score, a value is assigned to each investment based on its credit rating (AAA=1, AA+=2, etc.), and the arithmetic average is taken, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.03.24 Actual	2023/24 Target	Complied?
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Portfolio average credit score	3.67 (AA-)	7.0 (A-)	Yes
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Liquidity

- 9.3. The Council has adopted a voluntary measure to monitor its exposure to liquidity risk. This is done by tracking the amount of cash available to meet unexpected payments over a rolling three-month period, without borrowing additional funds.

	31.03.24 Actual/£m	2023/24 Target/£m	Complied?
Total cash available within 3 months	33.3	20.0	Yes

Interest Rate Exposures

- 9.4. This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

	31.03.24 Actual	2023/24 Target	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.08m	£2m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£0.6m	£2m	Yes

- 9.5. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

Maturity Structure of Borrowing

- 9.6. This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.03.24 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	12.6%	50%	0%	Yes
12 months and within 24 months	3.8%	40%	0%	Yes
24 months and within 5 years	7.7%	40%	0%	Yes
5 years and within 10 years	13.1%	40%	0%	Yes
10 years and within 20 years	13.2%	40%	0%	Yes
20 years and within 30 years	10.0%	40%	0%	Yes
30 years and within 40 years	12.8%	50%	0%	Yes
40 years and within 50 years	26.8%	50%	0%	Yes
50 years and above	0.0%	40%	0%	Yes

- 9.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.
- 9.8. In the past, the Council has extensively used short-term borrowing (less than 1 year in duration) from other local authorities as an alternative to longer-term borrowing from the PWLB. This was due to lower interest rates at the time, resulting in revenue savings.
- 9.9. However, short-term borrowing exposes the Council to refinancing risk. This is the risk that rates will rise quickly over a short period of time, and will be at significantly higher rates when loans mature and new borrowing is required. With this in mind, the Council has set a limit on the total amount of short-term local authority borrowing as a proportion of all borrowing.

	31.03.24 Actual	2023/24 Target	Complied?
Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing	4.88%	30%	Yes

Principal Sums Invested for Periods Longer than a year

9.10. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	nil	nil	nil
Limit on principal invested beyond year end	£10m	£10m	£10m
Complied?	Yes	Yes	Yes

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REPORT OF THE Alexandra Palace and Park Board No. 1, 2024/25

FULL COUNCIL 22 July 2024

Chair: Cllr Emine Ibrahim

Vice Chair: Councillor Sean O'Donovan

Approval in reduction of non-voting co-opted members of the Alexandra Palace and Park Board and subsequent changes to the Constitution of the Consultative Committee

Describe the issue under consideration

- 1.1 In light of recent approval to the recruitment of two youth trustees and an independent lead trustee for fundraising who will attend Alexandra Palace Board, there is also a need to consider the number of non-voting participants now likely to be attending the Alexandra Palace and Park and Board meetings. There will now be 3 consultative members, 1 Observer (Chair of the SAC) two youth trustees and an independent lead trustee for fundraising, making a total of 7 non councillor participants. This number is higher than the number of Council Appointees (elected members) and will have an impact on the efficiency of the Board.
- 1.2 On the 15th of July 2024, we considered reducing the number of Consultative Committee representative members from 3 to a maximum of 2, reducing the overall number of non-voting participants to 6. This was keeping in mind that the Youth representatives were unlikely to attend all meetings and the independent lead for fundraising will attend those meetings where fund raising is part of an agenda item. Therefore, on average non -voting participants will likely be a maximum of four per meeting.
- 1.3 We also noted that often Consultative Committee meetings have been inquorate and we have considered reducing the quorum of the Consultative Committee from 4 to 3 Councillors in line with Council Committee Procedure Rules (a quarter of the whole membership).

BACKGROUND

- 2.1 The Consultative Committee was established in the 1980's and in the Council Constitution is listed as a Sub Committee of the Alexandra Park and Palace Board. Further to consideration of Council reports held on file, since 2001, there has been an annual appointment of 3 Consultative members to the Board on a non-voting capacity and to provide views of the committees and to report back to the committees from each board meeting.
- 2.2 In 2001, there was a higher number of Council appointees to the Alexandra Park and Palace Board with 9, reducing to 7 in 2008 and then 6 in 2014. The current number of Council Appointees is 6 and the number of non-voting co-optees has not been reviewed to consider if there is an appropriate ratio. We agreed that recommendations will be made to the Council's Constitution Working Group and, subsequently the Council's Standards Committee to amend Part Three, Section B, Section 4 paragraph 4.2 of the Council's Constitution to reduce the Consultative Committee councillor members from 7 to 6.
- 2.3 We noted that the Trust is not required by the Act of Parliament to include any members of the SAC or Consultative Committee on the board. Members of the Board appointed by the Consultative Committee and Statutory Advisory Committee have no voting rights and have no delegation of authority conferred upon them, other than their own appointing committees' terms of reference.
- 2.4 As the Consultative Committee is a Sub Committee of the Board, we noted that the decision to reduce the number of Co-optees is for consideration of the Board and recommendation to Full Council.
- 2.5 We gave consideration to the following to support the recommendations:
- Council appointees are regular attendees at the Consultative meetings, and they already hear firsthand the views of the community group representatives.
 - Board meetings will consider commercially exempt information and as non-voting coopted members are not legally deemed voting members of the Board, and so they are not required to adhere to the same code of conduct and confidentiality rules as a voting member. This is at significant odds with Council practice and guidance for exempt information.
 - That the voice of the consultative committee is still maintained with the 2 representatives.
 - The need to follow the corporate plan objectives of ensuring young people have a voice.
 - The value and expertise that the fund-raising lead to support the community fundraising aspirations of the Board.
- 2.6 There is a need to consider the responsibilities of the elected trustees of the board, who will be focused at matters of legal, financial, and managerial detail relevant to the operation of the Trust and the management of the meeting will be

crucial to maintaining this focus. The good committee practice guide advocates an optimum size could be four or five members including the chair.

3.Statutory Officers comments

Financial Implications

- 3.1 The non-voting members do not get an allowance and there are no financial implications

Comments of the Assistant Director of Legal and Governance and Legal Implications

- 3.2 Local authorities have long been able to include within the membership of their committees persons who are not elected members of the appointing authority.
- 3.3 The position now is that the general effect of the power to co-opt in the LGA 1972,s. 102(3), has been modified by the LG&HA 1989, s. 13, by defining, in somewhat complex terms, the two categories of voting and non-voting members of a committee, sub-committee or joint committee.
- 3.4 Local authorities have a general power to co-opt persons from outside their membership to any committee, other than a committee for regulating or controlling finance, appointed under the enabling power of the 1972 Act to set up committees.
- 3.5 The provisions as to co-option do not apply to statutory committees where the constitution of the particular committee and the duty or power to co-opt are regulated by the enactment concerned. The power to co-opt rests with the full Council and not with committees, although the selection of persons to serve as co-opted members is usually left to the committees. This is also reflected in the Council Constitution in the Committee Standing Orders Part 4 Section B, paragraph 2.
- 3.6 The former restriction on the number of co-opted members to not more than one-third of the membership of a committee no longer applies. Although, persons holding politically restricted posts are prohibited from membership of a local authority, this prohibition does not appear to affect co-option on to committees.

We Recommend

- 4.1 For Full Council to approve the changes to the Constitution of the Consultative Committee, reducing the number of members to be co-opted to the Board from 3 to a maximum of 2 as set out at appendix 1.

4.2 For Full Council to note that the Appointments to Committee appendix at agenda item 7 has been updated to reflect this change as required by Part Three Section B sub section 3 (Sub Committees and Panels).

5. Use of Appendices

Appendix 1 - Changes to the Consultative Committee Constitution

6. Local Government (Access to Information) Act 1985

7.1 Background documents:

Council Constitution

4th April 2011 Full Council Report – Alexandra Palace Proposals
15th March 2021 Trustee Board Report – Youth Trustees

Alexandra Palace and Park Board reports on 15th of July 2024

The background papers are located at George Meehan House, 294 High Road,
225 High Road, Wood Green, London N22 8HQ.

To inspect them or to discuss this report further, please contact Ayshe Simsek on
0208 489 2929.

**London Borough of Haringey
Alexandra Park and Palace Charitable Trust**

ALEXANDRA PARK & PALACE ~~AND PARK~~ CONSULTATIVE COMMITTEE

CONSTITUTION

1. OBJECT

1. To give representatives of appropriate local and national organisations the opportunity of full discussion on general matters affecting Alexandra Palace and Park.
2. To give the Board of Charity Trustees the opportunity of discussion and explaining to the organisations matters affecting the overall policy and efficient management of Alexandra Palace and Park.
3. To promote better understanding between the Board of Trustees, the Palace management and local organisations.
4. To enable appropriate local (and national) organisations to participate in decisions of direct concern to them.
5. To further the Alexandra Palace and Park as a conservation area.

2. CONSTITUTION

1. TITLE

The Committee shall be called “The Alexandra Palace and Park Consultative Committee”.

2. ORGANISATION

(a) Membership

- (i) The Board of Charity Trustees shall be the representatives of the Charitable Trust.
- (ii) Organisations which fulfil the criteria set out in sub-paragraphs (a) to (e) below shall be eligible to apply for membership of the Consultative Committee. Such application shall be made to the Alexandra Palace and Park Board for approval.
 - (a) Local residents associations, properly constituted, whose membership includes at least 50 households resident within Alexandra, Bounds Green, Fortis Green, Hornsey, Muswell Hill and Noel Park Wards of the London Borough of Haringey.

- (b) Local organisations which are not residents associations but which demonstrate a sufficient interest in the Palace as an historic building or an interest in the use of the Palace and Park for leisure and recreation purposes or an interest in the dissemination of information about the Palace and Park.
 - (c) National organisations which demonstrate a sufficient interest as defined in (b) above.
 - (d) Lessees for the time being of the London Borough of Haringey within the Alexandra Palace and Park; and
 - (e) Trade Unions representing staff employed by the London Borough of Haringey at Alexandra Palace and Park.
- (iii) Where an organisation has been accepted for membership of the Consultative Committee it shall be entitled to nominate a representative as follows:
 - (a) Local and national organisations – One named representative with full voting powers.
 - (b) Lessees – One named non-voting representative
 - (c) Trade Unions – One named representative with full voting powers.
- (iv) There shall not be more than 30 associations appointed to membership of the Consultative Committee at any one time.
- (v) For the avoidance of doubt it is hereby declared that:
 - (a) Where a Charity Trustee ceases to hold that position he/she shall cease to be a Member of the Consultative Committee and their successor shall automatically become a Member.
 - (b) Where a lease has come to an end by effluxion of time or otherwise the lessee shall no longer be entitled to membership of the Consultative Committee; and
 - (c) Where any person ceases to be the duly appointed representative of a local or national organisation, lessee or Trade Union, she/he shall not be entitled to membership of the Committee and the organisation shall be entitled to nominate a successor.
- (vi) Membership of the Consultative Committee from residents and local organisations shall be elected following nomination by voting at their A.G.M or at a general meeting to which all paid up membership is invited.

- (vii) Organisations accepted for membership of the Consultative Committee shall notify the Secretary of the name of their representative and deputy before the first Consultative Committee meeting of each Municipal Year. If for any reason neither the representative nor the deputy can attend a meeting of the Consultative Committee the organisation shall, wherever possible, inform the Secretary to the Consultative Committee before the meeting of the name of the person representing them.
- (viii) In the event of a vacancy arising, whether by resignation, removal or otherwise, applications for membership to fill the vacancy shall be considered within six weeks or as soon as reasonably possible thereafter.
- (ix) Organisations accepted for membership of the Consultative Committee shall, if requested by the Secretary, supply information concerning their membership, constitution and activities. Such information will usually be requested to be submitted not later than one month before the first meeting of the Consultative Committee in each Municipal Year. When requested, organisations should provide summaries of their objectives in relation to the running and any future developments at the Palace and Park.

(b) Chair

- (i) The Chair of the Consultative Committee shall be elected from the Full Membership of the Consultative Committee, at its first meeting after the commencement of each Municipal Year for 1 year and hold office until the first meeting of the following year.
- (ii) In the event of the Chair not being present at the meeting, the Consultative Committee shall elect a Chair for the meeting.

(c) Deputies

Any Member of the Consultative Committee unable to attend a meeting may be represented at that meeting by a duly qualified deputy, provided that such Member or the deputy gives notice to the Secretary before the meeting.

(d) Secretary

The Head of Local Democracy and Member Services or their representative shall be the Secretary to the Consultative Committee.

(e) Officers

Officers of the Charity shall attend meetings of and give advice to the Consultative Committee at the invitation of the Chair.

3. REPRESENTATION ON THE ALEXANDRA PALACE AND PARK BOARD

The Consultative Committee shall nominate ~~three~~ **a maximum of two** of its Members by majority vote of all Members present at the Consultative Committee, to act as representatives on the Board, without voting powers, but with an obligation to report the views of the Consultative Committee to the Board and decisions of the Board to the Consultative Committee.

4. TERMS OF REFERENCE

The Consultative Committee shall be primarily consultative in nature. Every aspect of Alexandra Palace and Park shall be open to discussion and consideration by the Consultative Committee.

5. RULES

- (i) The Consultative Committee shall meet at least three times a year, but a special meeting shall be called by the Secretary within seven days of receipt by him/her of a requisition signed by the Chair or on behalf of a majority of Member organisations, that meeting to be held within three weeks of receipt of the requisition.
- (ii) All meetings of the Consultative Committee shall be open to the press and public unless otherwise agreed by the Consultative Committee.
- (iii) Any Member of the Consultative Committee may request an item to be placed on the agenda for the next meeting. The matters to be discussed at a meeting of the Consultative Committee shall be determined by the Chair and stated upon the notice summoning the meeting. At the conclusion of each meeting the Chair may permit questions or comments upon matters of which notice has not been given provided they do not require a substantial decision from the Consultative Committee at that meeting and provided this could not more conveniently be referred to the next meeting. Individual management matters shall not be brought to the Consultative Committee unless the organisation concerned has first raised the matter with the General Manager, Alexandra Palace without satisfactory results.
- (iv) Meetings shall normally be held at Alexandra Palace and shall commence at 7.30 pm and terminate by 9.30 pm.
- (v) There shall be minutes taken of all meetings of the Consultative Committee for circulation to all Members of the Consultative Committee. The Minutes shall be submitted to the next or subsequent meeting of the Consultative Committee. Any recommendations shall be submitted to the Alexandra Palace and Park Board.
- (vi) Recommendations shall be arrived at only by agreement of a majority of Members entitled to vote. Voting shall normally be by show of hands.

- (vii) Any matter not provided in the rules and any question of interpretation shall be determined by the Alexandra Palace and Park Board.
- (viii) This Constitution as amended came into force on 24 November 1980 when it was approved by the Council. Any further amendment shall require the approval of the Alexandra Palace and Park Board and be reported to Council.

(Previously amended by the Alexandra Palace and Park Board on 18th October 2011 and confirmed by Full Council on 21 November 2011. Last amended by the Alexandra Palace and Park Board 15th Of July 2024)

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REPORT OF STANDARDS COMMITTEE 1/ 2024/2025

FULL COUNCIL 22 July 2024

Chair: Councillor Ibrahim Ali

1. INTRODUCTION

- 1.2 Full Council is being asked to approve the appointment of Stephen Ross as an Independent Person, and Ian Balbi as Secondary Independent Person to the Standards Committee. This is under s28(7) of the Localism Act 2011 for a period of 4 years commencing 31 July 2024 and ending on 30 June 2028; Full Council is further asked to approve the allowance paid per annum to the Independent Person, and Secondary Independent person at £1250.00 and £250.00 respectively.

2 Appointment of Independent Persons under section 28(7) of the Localism Act 2011 (to support the operation of the Code of Conduct by the Standards Committee) from 31 July 2024 to 30 June 2028.

- 4.1 We considered the report set out at appendix 1 on the 18th of July 2024. We also held interviews with applicants on the 18th of July 2024 where we asked them detailed questions to assess their experience and expertise to fulfil this role. We carefully considered responses against the person specification and agreed to recommend Stephen Ross as the Independent Person and Ian Balbi as Secondary Independent Person under section 28(7) of the Localism Act 2011, to support the operation of the Code of Conduct by the Standards Committee. We noted that Independent Persons appointed to this position may also be appointed to a panel convened to consider a proposal to dismiss a Statutory Chief Officer under the Local Authorities (Standing Orders) (England) Regulations 2015.

WE RECOMMEND

That Full Council:

- 5.1 Approves the appointment of Stephen Ross as Independent Person, and Ian Balbi as secondary Independent Person under s28(7) of the Localism Act 2011 for a period of 4 years commencing 31 July 2024 and ending on 30th June 2028;
- 5.2 Approves the allowance to be paid to the Independent Person, and Secondary Independent person at £1250.00 and £250.00 per annum respectively.

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EXEMPT REPORT – NOT FOR PUBLICATION

This report is exempt from publication under para 1 of Part 1 of schedule 12A of the Local Government Act 1972

Para 1 relates to information that could identify or give information pertaining to an individual

Report for: Standards Committee – 18 July 2024
Item number:

Title: **Appointment of Independent Persons under section 28(7) of the Localism Act 2011 (to support the operation of the Code of Conduct by the Standards Committee) from 31 July 2024 to 30 June 2028**

Report authorised by: Fiona Alderman Assistant Director Legal and Governance & Monitoring Officer

Lead Officer: Ayshe Simsek Democratic Services and Scrutiny Manager

Ward(s) affected: None

**Report for Key/
Non-Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1 This report seeks the Committee's approval to recommend to full Council the appointment of Person A as Independent Person and Person B as Secondary Independent Person under section 28(7) of the Localism Act 2011, to support the operation of the Code of Conduct by the Standards Committee and to be considered for appointment to the Disciplinary, Grievance and Dismissal Panel when considering the dismissal of either the Head of Paid Service, the Chief Finance Officer or the Monitoring Officer.

2. Cabinet Member Introduction

N/A

3. Recommendations

That this Committee recommends:

- 3.1 That Full Council appoint Person A (name to be added on the rise of the Standards Committee Interview Panel) as Independent Person, and Person B

(name to be added on the rise of the Standards Interview Panel) as secondary Independent Person under s28(7) of the Localism Act 2011 for a period of 4 years commencing 31 July 2024 and ending on 30 June 2028;

- 3.2 That Full Council be recommended to approve the allowance paid per annum to the Independent Person, and Secondary Independent person be £1250.00 and £250.00 respectively.

4. Reasons for decision

- 4.1 The Council has a legal duty to put in place arrangements for having an Independent Person in relation to allegations of breaches of the Code of Conduct. It must also have in place arrangements for at least two Independent Persons to participate in recommendations in relation to the dismissal of statutory officers. The law requires that IPS appointed in relation to the Standards regime to be invited to participate in this process.
- 4.2 There has been a delay in the recruitment of the independent persons following internal changes in advertising and recruitment processes. There has also been staff shortages in Democratic services which facilitate and organise the process together and a need to take account the pre- election period and member's availability.

5. Alternative options considered

- 5.1 Under section 28(7) of the Localism Act 2011 the Council must appoint at least one Independent Person (IP) whose views are to be sought and taken into account by the Council before it makes its decisions on allegations about breaches of the Code of Conduct by Members or co-opted Members of the Council.
- 5.2 Under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 the Council must also have in place arrangements for inviting IPS to be involved in making recommendations to Council before any decision to dismiss a statutory officer is made. Authorities must invite any IPS supporting the Standards Committee for this purpose although it is also possible to use IPS from other authorities for this purpose where the authority considers it appropriate.

6. Background

- 6.1 The Independent Person is someone whose views are sought and taken into account by the Council before it makes a decision following an investigation into a breach of the Code of Conduct by a member. Their views can also be sought by the Council in circumstances other than these, and by a member or co-opted member who is the subject of a complaint of breach of the Code.
- 6.2 An IP must be appointed following an advertisement and application process and confirmation by full Council.

- 6.3 The Council has re- appointed the two existing Independent Persons in March 2023 and in March 2022. They were originally appointed in March 2020 and it is good practice to carry out a recruitment process every four years. The Council has a primary and a secondary/deputy IP and although only the primary IP has been engaged in respect of these duties, it is considered good practice to have a secondary IP as a reserve, not least because of the additional duties for which the IPS may now be used.
- 6.4 The law provides that a person may not be an IP if they are a Member, a co-opted Member or an officer of the Council, or a relative of close friend thereof. It also provides that a person may not be appointed if they were a Member or co-opted Member at any time during the 5 years ending 30 June 2024. However, the law does not place any restriction in relation to the length of appointment of an IP. It has been the practice of the Council to appoint IPS for a term of four years.
- 6.5 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 provide that where a decision to dismiss any statutory officer is to be taken by full Council, before that decision is taken the Council must invite at least 2 IPS to be members of a panel to consider the matter and take any recommendations from that panel into account before taking their final decision. The Disciplinary, Grievance and Dismissal Panel has been given the role of being the panel for these purposes in the Constitution, IPS appointed to support the standards regime must be invited to sit on this panel. If there are none, or they are unable to participate, any independent persons appointed by another authority may be invited to participate.
- 6.6 The current primary IP is remunerated at a rate of £1,250 per year and the secondary IP at a rate of £250 per annum. Councils can also remunerate IPS that are invited to participate in recommendations relating to the dismissal of the statutory officers, however the remuneration must not exceed that paid to the IPS under the standards regime.
- 6.7 The advert for the independent person was issued in late May and closed on the 30th of June. There were 3 applicants that met the Job description criteria and the Monitoring officer and Chair of the Committee agreed to offer an interview to all 3 applicants on the 18th of July 2024 and allow the Committee to make a decision on the appointments.
- 6.8 In accordance with section 28(7) of the Localism Act 2011 any appointment of Independent Persons is required to be agreed by Full Council, and so Full Council will be asked to confirm these appointments at its meeting on 22 July 2024

5. Statutory Officers comments

5.1 Comments of the Chief Finance Officer and Financial Implications

The cost of these posts is £1,500 and can be met from within existing budgets.

5.2 Comments of the Assistant Director of legal and Governance

These are included within the main body of this report.

5.3 **Equalities Comments**

Although Independent Persons are not employees or officers of the Council, and are statutory appointees, the recruitment process for them followed the recruitment process for employees/officers, including a person specification and appointment criteria against which the relevant skills and abilities were assessed. The advert for these positions was advertised widely in a number of local newspapers (as required in law) including in their online presence, as well as on the Council's own website.

6. **Use of Appendices**

None

7. **Local Government (Access to Information) Act 1985**

7.1 Background documents:

Recruitment of Independent Person – Standards Cttee – 31 October 2023
The background papers are located at River Park House, 225 High Road, Wood Green, London N22 8HQ.

To inspect them or to discuss this report further, please contact Ayshe Simsek on 0208 489 2920.