MINUTES OF THE CORPORATE COMMITTEE
MONDAY, 20 JUNE 2011

Councillors	Amin, Gorrie, Griffith, Jenks, Khan, McNamara, Meehan(Chair), Watson, Whyte and Williams
Apologies	None
Also Present:	Kevin Bartle, Julie Parker, Nicola Webb, Anne Woods, Marc Dorfman, Paul Dossett, Roger Melling, Keith Brown, Michael Jones.

MINUTE NO.	SUBJECT/DECISION	ACTON BY
CC01	**APOLOGIES FOR ABSENCE(IF ANY)** There were no apologies for absence received.	
CC02	**URGENT BUSINESS** There were no items of urgent business to be considered.	
CC03	**DECLARATIONS OF INTEREST** Cllr Jenks declared a personal interest as a member of the Haringey Pension Scheme and also as a volunteer with the Citizens Advice Bureau and as a Friend of Cooperscroft, owned by TLC, which were both admitted bodies of the Pension Fund. There was further personal declaration of interests from Councillors Khan, Whyte, as members of the Council's Pension scheme. Cllr Watson declared a personal interest as a deferred member of the Haringey Pension Scheme.	
CC04	**DEPUTATIONS/PETITION/ QUESTIONS** There were no deputations, petitions or public questions put forward.	
CC05	**MINUTES** The minutes of the following committees were agreed as accurate records: General Purposes 29 March 2011 Special General Purposes 18 April 2011 Special General Purposes 04 May 2011 Audit 19th April 2011 Pensions 12th April 2011	

	Remuneration 14 April 2011 In relation to minutes of the General Purposes held on the 19th May, they were agreed subject to the replacement of the word "cleansing" with "ground maintenance" in resolution v, GPCO 153.	AS
CC06	**CORPORATE TERMS OF REFERENCE & PROTOCOLS** Consideration was given to the Committee's terms of reference which had been agreed at Full Council on the 23 May 2011. It was noted that a minor amendment was required to page 6 sections D. The term "deferred member", was included in error and required replacement with the term "employee representative". This amendment to the terms of reference would proceed to full Council for agreement in July as part of a recommendation from the Constitution Working Group. Section f, of the terms of reference, indicated that amendments to the Corporate Committee's protocols required the agreement of the political groups of the Council. It was agreed that consultation on any changes must also include the Corporate Committee itself and this additional requirement should be reflected in the terms of reference.	AS
CC07	**QUARTERLY PENSION FUND UPDATE INCLUDING INVESTMENT STRATEGY REVIEW UPDATE** In keeping with the Committee's statutory responsibilities, they received an update on the performance of the pension fund and the latest position concerning the review of the investment strategy. This included information on the: investment asset allocation and strategy, investment performance, responsible investment activity, budget management and, late payment of contributions. The Committee were advised that half of the corporate bonds along with UK Gilts had been moved out of the fund and Index Linked Gilts now invested in. This was in line with the requirements of the revised investment strategy previously agreed by the Pensions Committee. The next stage of the revised Investment strategy would involve the recruitment of passive fund managers with an advertisement to be placed in the Official Journal of the European Union. The interview process was expected to commence in early September with an appointment decision expected to be put forward to the Corporate Committee at their next ordinary meeting on September. The Committee noted that investment performance in this quarter was on target with out performance in bonds, property and private equity outweighing underperformance in equities. The Committee further learned that the Pension budget was overspent due to: lower dividend income being received than anticipated, higher lump sums withdrawn from the fund due to additional early retirements and higher than average transfer values paid. TLC was the only employer making late contributions despite monthly reminders of the statutory timescales.	

	Comment was made on the value of the financial service comments in section 11.1 of the report. The Committee was advised that this information was to be regarded in the context of the change in investment strategy which was still quite recent and had involved the key shift in policy of discontinuing with Active fund managers. As part of the previous strategy, Active fund managers were funded to select investments that they believed would perform better than the whole market. This had its merits and drawbacks with excess returns in some areas but underperformance in others. Following extensive research, advice and work by officers and the Pensions working group the decision had been taken by the Pensions Committee to change the direction of the strategy and instead enlist passive fund managers that will hold investments in an index. The Committee noted that passive fund managers do not seek to they cannot select investments that perform better than average, but that they ensure that the but the pension fund can expect to gets the same proportion index rate of return on investments as indicated by the share index in use market index they are instructed to follow providing more certainty on the rate of return from investments.	
	It was further explained to the Committee that this was one part of the pension fund structure which had been examined but changes to the remaining part of the pensions fund structure still needed to be addressed. In response to this concern, the Chair recommended re-establishing the Pensions working group which had previously consisted of the 3 non voting members of the Pensions Committee, a Labour and Liberal Democrat member of the Pensions Committee.	HLDMS
	In relation to section 15 of the report which set out the performance of the individual categories of investments compiling the pension fund, a request was made to specify the benchmark/index information the performance was related to provide a better understanding of under or over performance. The Committee noted that this information would be provided in future reports.	NW
	Understanding was sought on the cause for the increased cost to the pension fund incurred by increased redundancies. The reason was that employees accessing redundancy, who were 55 and over, also had access to their benefits from the pension fund.	
	Information was sought on the actions being undertaken to address the late payments being made by TLC, an admitted body, to the pension fund. In response the Committee were advised that this situation was monitored on a monthly basis. These were the only employers making the late contributions to the fund. The interest charge accrued by the organisation was 81pence and therefore it would not be financially beneficial to the Council to charge them interest for their late payments. The Committee were assured that this organisation would continue to be monitored.	

	RESOLVED That the information received in respect of the activity in the quarter to 31 March 2011 be noted.	
CC08	**PENSION FUND GOVERNANCE COMPLIANCE STATEMENT** The Committee were asked to consider an updated draft of the Pension Fund Governance compliance statement. This was in compliance with the Local Government Pension Scheme (Administration Regulations 2008). The compliance statement was attached at appendix one and provided information to the Committee on how the Council were compliant with the statement .Members were further asked to consider the appointment of an independent adviser to the Committee to advise on Pension fund matters. Debate ensued on the appointment of an independent advisor with favourable comments on the previous independent advisors work for the Council. His support was felt to be essential in the revision of the strategy and his attendance at Pension meetings felt to be value for money compared to the fees that were now being put forward for a new appointment. The Committee asked whether the resignation was confirmed and if there was any opportunity to speak to the previous advisor about remaining in post. The Lead Finance Officer advised that confirmation had been received from the independent advisor of his resignation. He had communicated that the reason for his resignation was due to other work commitments held and the feeling that his work with the Council had come to conclusion. However, following the Committee's comments the Lead Finance officer offered to speak with him informally and advise him of the Committee's high regard for his work and ascertain the possibility of him continuing in this role. Notwithstanding this, it was agreed that a letter of thanks should be sent to him from the Council for his services. Going forward with the appointment, it was suggested that there was need to explore the cost of an independent advisor against the duties that he/she would be expected to fulfil. There was a comment about the full advice from the Local Government pension scheme (Administration Regulations 2008) not being appended to the report. Although, the relevant sections of this advice were included in Appendix 1 of the attached report, it was agreed that the full documentation, from which this advice was extracted, would be provided to interested members of the Committee. Following comments from the non voting representatives of pensioners, employees and admitted bodies on the essential contributions of the independent advisor in revising the investment strategy and given that there was more work to be done on the remaining part of the pensions structure, the Chair of the Committee concluded that there was a need to	KB NW NW

	continue with the Pensions Member and Officer working group. Nominations for membership of this group would be sought from the Liberal Democrat Chief Whip .The Corporate Committee would task this group which should provide reports back to the Committee on its work as before.	HLDMS
	It was agreed that recommendations 4.2 and 4.3 regarding the appointment of the independent advisor and the engagement with Crispin Derby to support this appointment process be subject to discussions with the Chair of the Corporate Committee.	NW
	RESOLVED	
	i. That the revised Governance Compliance Statement be approved.	
	ii. That the proposed appointment of an independent adviser to the Committee on Pension Fund matters be the subject of further discussions with the Chair.	NW
	iii. That the proposal to engage with Crispin Derby Limited to support this appoint process be the subject of discussions with the Chair.	NW
CC09	**ACADEMIES – DEFICIT RECOVERY PERIODS** The report explained to members of the Committee how the new school academies were allowed to join the fund as separate employers and as the Council currently had a pension fund deficit, the element of the deficit relating to the school staff would transfer to the Academy. The report put forward options with legal advice for the Committee to consider on the conditions, length and calculation of the deficit recovery period for new Academies joining the Pension Fund as separate employers. In relation to section 9.1 of the report, which indicated a deficit of £665,000 would transfer to Alexandra Park Academy, it was understood that this was limited to non teaching staff. Understanding was sought on what the outcome would be for the Pension fund should an Academy be served notice, ceasing to become financially viable and unable to repay their creditors. In this event, the Committee asked whether it be prudent to have an agreement in place with academies for pension liability. The Committee learnt that, in the eventuality that an Academy folded, the pupils with staff would be transferred to other schools in the borough which were already part of the pension scheme. Therefore the assumption was that the deficit would transfer with the employee. To further plan for this unique eventuality, clarification was sought on whether it would be advisable to consider and consult on a deficit recovery period which was related to the academy funding guarantee period of 7 years. The Committee were	

	advised that this would have an impact on the previous agreement made with Grieg City Academy in which a 20 year deficit recovery period had already been agreed. The Committee also noted that out of 15 other boroughs, 12 boroughs were to consult on a 20 year deficit recovery period. **RESOLVED** i. It be noted that the deficit recovery period for new academies of 20 years is set out in the Funding strategy. ii. That the calculation of deficits transferring to academies be done by applying the Council's funding level at the point of transfer. iii. That a consultation be undertaken with a view to amending the Funding Strategy statement to reflect the possibility of an academy being served notice and to enable assessments of employer covenant to be reflected in deficit recovery periods.	 KB KB
CC10	**GRANT THORNTON GRANT REPORT FOR 2009/10** The Committee received a report from Grant Thornton, the Council's appointed external auditors, on its grant certification work .Each year the Council was required to obtain certification for a number of its external grant claims. This was part of the process for the Council continuing to receive subsidy for its benefit claims from DWP. In order for this certification to be provided it involved investigation, analysis and verification of benefit claims processed, by the Council's appointed auditor's .The Committee were asked to consider these findings which provided detail of the Council's overall performance in relation to grant claims. Paul Dossett, of Grant Thornton, explained that Housing and Council Tax Benefit claims were far the most complex in local government. He explained that he DWP will usually take a robust view about errors identified during the audit process. They further use an extrapolation process for assessing the overall impact of errors that is reflective of their requirements, rather than the overall judgement used by accountants and auditors in considering the accuracy of numbers produced by Councils. There was no concept of materiality in assessing errors under the audit regime which governed Grant Thornton's work on this claim. Following on from the certification work completed in 2008/09 and the issues identified, account was given in the 2009/10 certification work to measures taken by the Council to remedy the level of errors in benefit claims. Further work continued in this area and a better performance was expected for the 2010/11. Concern was expressed at the formulation of the report by Grant Thornton as key information was not provided at the start of the report but in the appendices, such as the 50k overspends in budget allocated	

to external audit work, the ratio of cases that contained errors. It was recommended that the key risks to the Council as result of audit findings and the level of risks to subsidy should be at the start of the report. The report needed to more clearly set out how much at risk the council were of not receiving subsidy payments from DWP for benefit claims due to the amendments to claims.

The Director of Corporate Resources explained that there were set thresholds for Councils to comply with for subsidy payments which she would provide a separate short written explanation on .In terms of the 2009/10 there was a lower threshold of £1.3m. If error rates based on extrapolation exceeded this lower threshold the level of subsidy would be reduced. For 2009/10 the council was at risk of being over the threshold. For 2010/11 it was estimated the council was £300k below the threshold.

Other key information important to members was the cost of the remedial action being undertaken by officers to limit benefit claim errors and whether this was a higher cost then the benefit to be accrued by the Council. The Chair of the Committee asked that this cost be kept under review and reported back to the Committee in the returning report in 3 months time.

JP

Clarification was sought on the actions being undertaken to address the ratio of benefit claims found to have errors by the external auditors. The Committee noted that training had since been targeted to areas where the most errors had occurred. The errors relating to the inclusion of child benefit income in claims had been dealt with. Appendix A of the cover report set out the actions being taken each year which had helped reduce error levels dramatically. The area of how earned income was calculated was being reviewed to progressively isolate the risk of error. There was further internal audits completed, which showed that error rate was reducing. Focus on this area with the impending reductions in staff in Customer Services & Benefits and Local Taxation would continue. A further internal audit would be undertaken in two months time to assess the continued progress. The rate of progress was key information required by the committee as the number of claims could go up but the rate or error could go down. This was acknowledged and Members asked to keep in mind that the Council had 37500 benefit claims in 2009 and 41500 live cases in 2010. They were further asked to note that the Council received 35000 pieces of paper to process each month concerning benefit claims.

RESOLVED

i. That the management responses contained in the attached action plan be agreed. JP

ii. That a report back on the endeavours to reduce the rate of error in benefit claim processing be reported back to the in 3 month's JP

	time.	
CC11	**PROGRESS UPDATE** Paul Dossett, of Grant Thornton, introduced their audit progress report for June 2011. This document informed the Committee of their planned work with the Council and the areas which they would be examining. This included the Accounts Audit, value for money work on the arrangements in place for financial resilience, and a review of the Council's progress with introducing Personal Budgets to Adult Social Care users. These findings would be reported back to the Corporate Committee at the September meeting. Also to be reported back, as part of the ISA260 report were , the summaries of the follow up work on :the review of partnership working , workforce management, and review of governance arrangements. Further details of the work on Grant claim certification would also included for information. Understanding was sought on how the areas for external examination were chosen and whether there was an opportunity to examine the Children and Young People's service budget which had overspent in the previous financial year. The Committee noted that the Council's risk register and risk assessment formed the basis of the decisions made on which areas of Council working to audit. The Committee learned that financial resilience encompassed a wide area and would incorporate issues around high spend budgets. The report on financial resilience to Committee in September would also provide the external auditors views on the Council's progress with the medium term budget which Children and Young People would feature in. In addition, internal audit would be completing an audit exercise to review the quarter one financial positions of directorates to provide assurance or raise concerns on whether the budget positions being reflected were based on accurate information. There was also a separate internal audit exercise examining Council expenditure on procurement on an ongoing basis, high spend areas, including those in the Children's services, would provide assurance on compliance with the Council's financial procedure rules and contract standing orders. To keep the Committee up to date with the audit exercises being completed, the Annual Audit Plan, which had been agreed by the Audit at the start of the financial year in April, would be circulated to Corporate Committee members. The dispute among NHS and Charities commission on the consolidation	 AW

	of NHS charities into group accounts of an NHS body was highlighted and understanding sought on how this action of consolidation set out in the Audit Accounts memorandum, which would be relevant to the Alexandra Park and Palace Trust Accounts, could be taken forward. The were advised by Paul Dossett that CIPFA had yet to resolve its final position on this matter and in turn provide guidance on how relevant charities are to be consolidated into local authority accounts. Therefore it was advisable to await this information, expected in September, before any action was taken. **RESOLVED** That the Audit Progress report be noted.	
CC12	**DRAFT ANNUAL GOVERNANCE STATEMENT 2010/11** The Committee considered the draft Annual Governance Statement which it was responsible for approving as part of its terms of reference. The Council was required to produce an Annual Governance Statement for publication with the Council's annual accounts. This document commented on the Council's governance framework as a whole. It was noted that Corporate Governance encompassed an underlying set of legislative requirements, governance principles and management processes. The comments of the Committee were required on the draft and would be incorporated into the final report, to be considered by the in September along with the accounts. The Audit Committee's previous discussion on the use of consultants and the compliance with contract standing orders was referred to and clarification sought on why this was not further expanded on in the statement. In response, it was noted that there was reference to the 50 system reviews undertaken by internal audit, of which 4 had received limited assurance in paragraph 4.9. A further follow up report on the use of consultants with information on a further audit in this area would be the subject of a report to Committee in July. The Committee noted that the determination of a significant issue to be highlighted in the AGS would be based on the materiality of spend and impact on the Council. However given the reference previously made by Grant Thornton to the issues around the process to recruiting and retaining consultants it was accepted that it was also a matter of judgement about what issues could be viewed as significant. It was recommended that the final draft highlight the changes, deletions and additions to the statement since the previous year. It was agreed that the comments pertaining to limited assurance reports in section 4.9 be expanded upon and further information be included on the issues arising from the Council's use of consultants. **RESOLVED** i. That subject to the above additions the draft Annual Governance	AW

	Statement be approved. ii. That the timescale and processes for approval of the draft Annual Governance Statement be noted	
CC13	**ANNUAL AUDIT REPORT AND ASSURANCE STATEMENT 2010/11** As part of the Committee's terms of reference, they were responsible for considering the annual internal audit report. This report informed members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2010/11 in the Council and contained a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies. The Committee were further asked to note that the 2006 CIPFA Code of Practice required the Head of Audit and Risk management to report on this in order to satisfy the requirements of the CIPFA Code of Practice which were set out in paragraph 15.2 of the report. Appendix A contained the annual report which provided a summary of the internal audit work completed by the Council for the last financial year. The Committee were advised that the Head of Audit and Risk management had unrestricted access to all systems, files, and processes to carry out internal audit duties. Clarification was sought on the methods used for independent assurance on internal controls. The Committee learned that this was done in a combination of ways; through member scrutiny of the key findings of internal audit that were reported on a quarterly basis to the corporate committee, via external audit and on occasions from obtaining the perspectives of other boroughs. In response to a question on the audit of departments and teams completed, the Committee noted that the purpose of the internal audit team was not to specifically audit departments as a whole but investigate and audit systems and processes. A list of previous years' audit work could be provided to interest Councillors, to enable them to cross reference the areas of concern they had in mind. In relation to paragraph 3.3 which outlined the work of the housing benefit team on recovering fraudulent over payments in housing benefit, understanding was sought on the approach taken to benefit recovery. As assumed by the Committee, the team would look at the cases where there was good opportunity for the recovery of funds. The team would also seek court judgements for securing the assets of fraudulent applicants. **RESOLVED** That the content of the annual audit report and assurance statement for	AW

	2010/11 be noted.	
CC14	**TREASURY MANAGEMENT 2010/11 OUT-TURN & QUARTER 1 2011/12 UPDATE** In line with the Committee's terms of reference they received a report on the treasury management activity and performance in 2010/11. They further received an update on the Treasury management activity for the first financial quarter of the 2011/12 year. The Council were continuing with the emphasis of internal borrowing as opposed to external borrowing. The investment balances were considerably invested in Money Market accounts and the Committee learned that the Council had received £11m back from previously invested Icelandic deposits. In April 2011 the Icelandic District court ruled that Local Authority deposits in Landsbanki and Gltnir had priority status but other creditors had challenged this decision. Therefore an Icelandic supreme court hearing was expected in 2011 which would determine the expected rate of recovery of these remaining deposits. Further key information noted by the Committee was that Clydesdale bank had been suspended from the Council's lending list following Moody's review of its long term rating. There had been one breach of £130k of the lending limits .This was for a single day, following which procedures had been reviewed to ensure this was not repeated. Information was sought on the safeguards in place to ensure that the breach in the lending limit did not occur again. The Committee were given assurance that a number of measures were in place to detect when money market funds were close to their limits meaning action was required. There was an alert system in place which managers had access to advising the amounts for investment and the level of management that was required to agree these. The Committee were aware that there was, apart from the ratings available from credit rating agencies, other checks in place to ascertain the credit worthiness of banks and financial organisations, and they asked how these checks had been put to recent use. It was noted that withdrawal of Clydesdale bank and Santander UK from the Councils lending list had arisen from determining creditworthiness as a whole and not relying solely on the credit rating agencies advice. In response to questions on the cost of borrowing from the PWB, it was noted that this was at a good rate of 35per £1000k borrowed. The cost of borrowing from another local authority was less than £100, which was paid in broker fees. In response to the suggestion that cash flow forecasts could be included in the quarterly financial report considered by Cabinet, the lead finance officer advised that this information could be mentioned in the report to	

Cabinet but it was important to note that a lot of issues impacted on these forecasts.

Information was sought on the likely timescales for returning back to the Council the total funds invested with Icelandic banks. In response it was noted that the exact time lines could not be predicted but it was likely to be a matter of years. Officers have subsequently advised it is currently anticipated that if priority status is confirmed, the Glitnir funds would be recovered by the end of 2011 and Landsbanki by 2018. It was important to note that the Heritable position would not be affected by the supreme court judgement, as it is being dealt with under a UK administration process with an estimated recovery rate of 80-85% by the end of 2012, with 56% already received.

	Original deposits	Distributions to date	Outstanding balances	Expected Recovery	Expected Timing
Heritable	£19.8m	£11.2m	£8.6m	80-85%	By end of 2012
Landsbanki	£15.2m	Nil	£15.2m	95% if priority 38% if not	By end of 2018
Glitnir	£2.0m	nil	£2.0m	100% if priority 38% if not	If priority Dec 11; 2015 if not
Total	£37.0m	£11.2m	£25.8m		

RESOLVED

i. That the Treasury management activity and performance during 2010/11 in accordance with the CIPFA Treasury management Code of Practice be noted.

ii. That the Treasury management activity for the first quarter of 2011/12 be noted.

CC15 RESTRUCTURING OF THE PLANNING REGENERATION & ECONOMY SERVICE (PR&E)

The Assistant Director of Planning, Regeneration, and Economy introduced the report which set out the restructuring of his service. A previous report with the principle of the restructure had been agreed by the General Purposes Committee in October 2010. Following consultation and further additional consideration been given to the Rethinking Haringey report ,restructure of urban environment , and work on shared economy service with Waltham Forest(the subject of a separate report) there was to be a reduction of 38 posts in this restructured service. This would be through a deletion of 17 vacant posts, 12 posts through voluntary redundancy, leaving a final reduction of 9 posts by compulsory redundancy. The PRE structure would consist of the following services:

- Building control

- Carbon Management and Sustainability service
- Development Management and Planning Enforcement
- Shared Economic service with Waltham Forest
- Business development and business support.

The service would take on planning enforcement and there would not be a reduction to posts in this related area. It was envisaged that there would be a proactive approach to planning enforcement taken by the Planning part of the service with this seeing Development Management and Planning Enforcement reintegrated. There would be 9 planning officers allocated to dealing with planning applications and 3 to enforcements. However, as part of the new generic way of working for the service all the Planning officers would be expected to deal with applications, enforcement and the tasks that would accompany these such as appeals, letters, public consultation, guidance to applicants and presentations to Committees. The planning officers would work across all the geographical areas of the borough to help build up a wide knowledge of areas together with having responsibility for certain areas of the borough as part of the emerging proposals for Area Committee's and Area Forums.

Some members of the Committee, which had not been on the membership of the General Purposes Committee when an earlier report on this restructure had been considered, sought an understanding of how the proposals for the restructure of the service had been developed and further pointed to the number of responses in the consultation to the restructure which did not correlate to any real change to the proposals. In answer to these questions, the Assistant Director for Planning, Regeneration and Economy explained that following the initial report to in October the service had further been required to seek further savings as part of the Urban Environment restructure, they had looked at having a more efficient base for the service and including Local Development Framework function in the restructure .It had also been necessary to examine the staff that were currently in disparate teams before proposals could be finalised and consulted on. Previous to this there had been discussion with all the teams on the planned restructure of the service dating back 2 years. This had helped ensure that the final restructure proposals were acceptable to staff. Most of the queries received from the consultation were noted to be questions about the restructure and not disagreement with it. These were answered close to the closure date of consultation.

Understanding was sought on the reasoning behind the reduction of 8 physical regeneration posts and how this would work in the new Carbon management and sustainability service. It was noted that the Planning officers taking on these duties would be efficiently deployed across the borough to enable their expertise to be fully utilised.

In answer to how the service would combat the reduction in funding income, there were new government funding initiatives to be announced in October 2011 which the Council would compete for. They would also further utilise on the partnership around regeneration projects to seek funding.

Justification was sought for the SM graded posts which was to cover Business Development and Technical support. Members noted that this manager was not solely managing back office functions but would deal with frontline technical staff as part of this role.

Clarification was sought on how the new teams will deal with developers which are not adhering to planning policy or those developers which will seek to get through the planning process at whatever cost and without real regard to Council's overall planning policies. The Assistant Director for PRE explained that as part of the generic planning job descriptions there would be a reliance on planning policy knowledge and this, together with enforcement duties, would help meet these challenges. Also as part of working in the Area Committee and forum structure planners would build up knowledge of the issues in particular areas. This will enable them to be in a better position to deal with pre application issues.

The rational for adding building control to the structure was sought as previously this had been separated from Development Management. It was noted that this was in keeping with the aspiration for the service to distribute an enforcement workload.

In considering this report and the forthcoming report on the shared economy service with Waltham Forest, comment was made on whether a shared Planning & Regeneration service was likely to be looked at in future and whether this restructure had been completed with this in mind? Members noted that Planning was not in the list of shared service projects to be looked at with Waltham Forest. It had previously been signalled that there was the potential to look at developmental management, technical control, and planning control as areas of shared service but these was not current projects. There further followed some discussion on how much had been communicated about the Council's plans for shared services , what projects were being taken forward, who would be delivering these services, the communication and working process with Waltham Forest Council to develop these shared service proposals. To further elucidate on the issues raised it was agreed that there should be an update report back to the next Corporate Committee on shared services with Waltham Forest from the Chief Executive's Service. CE

A statement in the equalities impact assessment which described that the impact of the restructure on ethnic groups of staff was not significant was contended with. It was felt that this statement could not be made until the recruitment process was complete and the full impact on certain ethnic groups known. It was noted that the EQIA completed on a restructure was to identify the impacts on Black and Ethnic groups of staff going forward and not meant to be a final conclusion on impact of the restructure on BME groups. In response, it was noted that the Equalities team had approved the Equalities Impact Assessment that was attached to the restructure report. The judgement that there was not

	a significant impact on a particular group was taken from the calculation, that if in the ring fences exercise all BME staff was unsuccessful, then this could drop the percentage of staff from 37% to 32%. It was accepted that this could be subject of interpretation and minor clarifications would be made to the EQIA to reflect the points raised in the discussion that there would be an impact on particular groups as a result of the restructuring proposals. **RESOLVED** i. That the responses to the formal consultation and the management responses to these be noted. ii. That the final restructuring proposal be approved. iii. It be noted that the two phases of recruitment will be: phase one July, recruit to management and assimilations, phase to October 2011, recruit to Carbon management and Sustainability service and completion of recruitment in all other teams. iv. That the amalgamation of environmental resources, transport planning, housing enabling fuel poverty teams together with the existing physical regeneration and policy teams to form a Carbon Management and Sustainability group be noted. v. That the amalgamation of the Planning Enforcement function with Development Management be noted. vi. It be noted that the impending formation of a shared economic development group with Waltham Forest , which was subject of the separate restructure to the Planning , Regeneration and Economy (PRE)restructure ,would be positioned in the PRE service.	MD MD
CC16	**ESTABLISHING A SHARED ECONOMIC SERVICE** Following an earlier report to the General Purposes Committee on the principles of a shared economic service with Waltham Forest Council a further final report was put forward to the Corporate to consider. The Assistant Director for Planning Regeneration and Economy service advised the Committee of an addition to recommendation 4.1. This was that the proposals for the ring fenced recruitment of staff be agreed apart from the Head of Economic Development which was an imminent matter for resolution between the two boroughs. In reference to the Memorandum of Understanding which was being worked on by the two boroughs and would set out the approach to shared services between them, information was sought by the on how	

	this was envisaged to work in practice. This was a similar question to those raised at the meeting of the General Purposes in March and clarification was further sought on: • How issues of location would be resolved • How the savings allocations would be shared • How the agreement would ensure that an equal service is provided to both boroughs – following each boroughs equal economic need for the service. • Apart from the staffing costs, how additional asset costs would be shared. • Employment processes, for example who will be employed by which borough and what would the reporting lines be? In response to the 4th point, the Council initiatives on smart working would mean that there was little asset cost associated with staff location. The Committee were advised that the would be a joint officer board that would be made up of the Assistant Director of Planning, Regeneration and Economy and his equivalent in Waltham Forest that would meet and to discuss and take forward on the Shared economic projects and policy . They would report to a joint HSP Enterprise board. In response to the remaining points these could be answered in the Chief Executives report to the on Shared Services. This report should also include further details of the costs of the service and provide an overall understanding of how shared services were envisaged to operate. In response to question on why the Economy service was taken forward as a shared service, it was noted that this was a policy decision taken by the Cabinet in February and the Corporate Committee were now being asked as the appropriate non executive to make the staffing decision on this policy decision. **RESOLVED** That a further report which responds to the above mentioned points be considered at the Special Corporate Committee planned for the 3rd week in July.	MD
CC17	**EXEMPT ITEMS OF BUSINESS** None received	
CC18	**EXEMPT MINUTES** The Committee received the Exempt minutes of the following meetings: Special Committee 29 March 2011 Special Committee 04 April 2011 Special Committee 19 April 2011 Special General Purposes Committee 19th May 2011 Pensions Committee 12 April 2011	

	Council and Employee Joint Consultative 01 Feb 2011 &31 March 2011. Remuneration 14 April 2011 Minutes of Staff Disciplinary Appeals and Grievance Hearings 7 April 2011 03 May 2011 09 May 2011 It was agreed that unless there were specific issues which require this parent's Committee's attention the minutes of the Special Committee's, and Disciplinary Hearings do not need to be received by the Corporate Committee. This was because the decisions relating to senior staffing recruitment or dismissal of staff had already been taken and the Committee would not have the power to overturn them. It was noted that the minutes of the public part of the meetings were published on the website following approval by the relevant Chair. The minutes of the Audit, General Purpose's, Remuneration and Pensions would no longer require approval as their business had now been concluded as part of the new governance arrangements.	AS
CC19	**NEW ITEMS OF URGENT EXEMPT BUSINESS** NONE	

Cllr George Meehan

Chair