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## Full Council

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If you have any queries regarding this, please contact the Principal Support Officer (Committee Clerk) at the meeting.

To: The Mayor and Councillors of Haringey Council.

Dear Sir/Madam,

A meeting of the Council of the London Borough of Haringey will be held at the Civic Centre, High Road, Wood Green, N22 8LE on MONDAY, 19TH MARCH, 2018 at 7.30 pm HRS, to transact the following business:

### **AGENDA**

#### **1. FILMING AT MEETINGS**

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

2. **TO RECEIVE APOLOGIES FOR ABSENCE**
3. **TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972**

4. **DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

5. **TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 26 FEBRUARY (PAGES 1 - 8)**
6. **TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL**
7. **TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE (PAGES 9 - 10)**
8. **TO RECEIVE THE REPORT OF THE MONITORING OFFICER**
9. **TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM**
10. **STATEMENT OF MEMBERS' ATTENDANCE 2017/18**  
Report to follow.
11. **TO RECEIVE REPORTS FROM THE FOLLOWING BODIES**

(1) Standards Committee - Members' Allowances, Protocol on Member-Officer Protocol and Constitution (Pages 11 - 42)

(2) Cabinet - Intermediate Housing Strategy (Pages 43 - 56)

(3) Staffing and Remuneration - Pay Policy Statement (Pages 57 - 70)

**12. ALEXANDRA PARK AND PALACE CHARITABLE TRUST GOVERNANCE REVIEW (PAGES 71 - 110)**

**13. HARINGEY DEBATE: MENTAL HEALTH IN HARINGEY**

**14. TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10**

**Oral question one**

Cllr Connor for the Cabinet Member for Adult Social Care and Culture:

*Haringey currently has 65% of care rated as Good, and 0% rated as Outstanding as at October 2017 This is significantly less than the National picture, where 77% of care homes are rated as Good and 1% as Outstanding.*

*Should the Council be looking to pay more for the care they commission, which in turn allows the home to pay the London Living Wage? Wouldn't the Cabinet member agree that paying a decent wage would attract good staff and drive up standards?*

**Oral question two**

Cllr Ozbek to the Leader of the Council:

*Will the Leader of the Council join with me in voicing her concerns about the recent Turkish air strikes on Afrin, one of three Kurdish cantons in Northern Syria, and the subsequent ground attacks which have resulted in civilian casualties. Many Haringey residents have connections to the region and are concerned about the ongoing problems in Afrin, which has until now has been a crucial safe haven for people fleeing ISIS in the region. Will the Leader join me in condemning these unprovoked acts by the Turkish state?*

**Oral question three**

Cllr Morris to the Cabinet Member for Children and Families:

*Children's Services have delivered less than a quarter of their projected savings this year. Will the service be able to achieve its projected savings over the next financial year?*

**Oral question four**

Councillor J Mann to the Cabinet Member for Finance and Health:

*How the Council is working with Registered Social Landlords in the borough to support mental health?*

**Oral question five**

Cllr Newton to the Cabinet Member for Corporate Resources:

*In the forward plan from 2nd February 2018 to 31st March 2018, there was a decision relating to the possible disposal of the Ground Floor of 54 Muswell Hill to the Haringey CCG, which was scheduled for the 6th March. However, this decision does not appear in the most recent iteration of the document. Can you please provide an explanation?*

**Oral question six**

Cllr Wright to the cabinet Member for Economic Development, Social Inclusion and Sustainability:

*Can the Cabinet Member update us on the outcome of the Wood Green Business Improvement District ballot?*

**15. TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13**

**Motion G: Progress since 2014**

Proposer: Councillor Kober

Seconder: Councillor Reith

This Council notes:

- The Government's continued austerity agenda which has seen 40% real terms reduction in government funding since 2010
- This has required the council to cut budgets and find savings totalling over £160m.
- At the same time we have experienced growth in demand for services - particularly in adults and children's services, temporary accommodation and No Recourse to Public Funds
- Set out alongside the 2015-18 Medium Term Financial Strategy, we were determined that whilst the savings required made the context very challenging, we would not be in the business of managing decline
- As we approach the end of the current electoral cycle in May, it is important to reflect on the significant progress that has been achieved
- Working in partnership with central and regional government, neighbouring boroughs, our health and police partners, the voluntary and community sectors, we have made good progress against all five of the priority outcomes identified at the beginning of the electoral term.

This council further notes:

- The council has made great strides in giving all children the best possible start in life. In 2014 we pledged that education should be 'outstanding for all'. Today 99% of the boroughs nursery, primary, secondary and special schools have met that standard.
- Today 50% of Haringey's secondary schools are outstanding compared with 36% in London and 22% nationally

- Our children are also achieving at a higher level than most across the UK; in 2017, at A Level 37% of Haringey students achieved grades A\* or A compared to 26% nationally
- Outcomes for Haringey's most vulnerable children are improving: in 2016 our attainment scores for Looked After Children were among the highest for any borough in the country
- We have attracted new high quality education providers to the borough including the Harris Academy Tottenham, Ada - the national college for digital skills and the London Academy of Excellence
- Against a national backdrop of spending on adult services falling by 13.5% since 2010, Haringey has continued to prioritise protection of vulnerable adults. Close to 90% of adults in this group in Haringey reported that the council's services make them feel 'safe and secure' - significantly higher than the 81% London average
- There has been investment in health services including a new GP practice in Tottenham Hale which the council worked hard to secure
- Through effective partnerships with community groups and close working with the police, fear of crime is 30% lower among residents
- We have worked to make Haringey safer for pedestrians and cyclists through the introduction of a borough wide 20 mph limit and more dedicated cycle lanes. There has been a 73% reduction in the number of fatalities and serious injuries on Haringey's roads.
- As one of the first boroughs in the country to sign up to stretching carbon reduction targets, we have led the way in this area and continued to make good progress
- We have increased the number of Green Flag parks in the borough to 25 - the fourth highest in London
- Haringey is open for business. We have supported the borough to attract well over £1 billion inward investment and supporting businesses in locating, growing and creating jobs in Haringey
- We are on track to secure among the largest job growth of any London borough over the next 20 years
- Since the start of the term we have directly supported over 900 local people into jobs and apprenticeships
- Our STEM commission - the first in the country - has created a route map to connect Haringey's young people to the opportunities of the new economy while the council's support for the Fashion Technology Academy is training hundreds of adults a year in this fast growing sector
- We have delivered the first new council homes in Haringey for 30 years
- Hornsey Depot has been transformed into Smithfield Square - a mixed use development of over 400 homes - almost 50 per cent affordable - and a new supermarket
- Significant challenges remain in meeting housing need in Haringey with over 3,000 families in temporary accommodation and 9,000 on the council waiting list. We have attracted £500m public sector investment which has leveraged a further £3bn from the private sector to build new homes

- Almost 15 years on from initial plans, the council has given the green light to plans to redevelop the biggest brownfield site on Wood Green. Clarendon Square will deliver 1,700 new homes and 500 new jobs
- A £1bn High Road West Development in North Tottenham has been confirmed which will deliver 1,400 new homes, a new library and learning centre, community park and other facilities.
- The future of Grade II \* listed Hornsey Town Hall has been secured through a multi-million pound refurbishment project to restore the Hall's former majesty
- The £26m restoration of Alexandra Palace's East wing and Victorian theatre is underway, largely funded by a £20m award from the Heritage Lottery Fund

This council resolves

- To pass a vote of thanks to the councillors, officers and partners that have worked to secure these outcomes for the borough.

### **Motion H: Policing**

Proposer: Councillor Newton

Seconder: Councillor Connor

Council notes:

1. That figures from the Metropolitan Police indicate that rates of 'violence and sexual offences' in Haringey rose by 37% between September 2014 and September 2017.
2. That a number of young people in the borough have been victims of homicides in the past year and many more have been affected by other forms of violence.
3. The recent closure of two out of the three police stations in the borough.
4. The Metropolitan Police Service is currently rolling out changes to its structure, which will mean Haringey no longer has a designated command unit.
5. That the Commissioner of the Metropolitan Police Service has stated that the number of police officers employed by the Metropolitan Police Service available for duty is projected to fall from the current level of around 30,000 to "between 27,500 and 28,000".
6. That Haringey has seen a loss of youth centre provision.

Council believes:

1. The current policing situation in London is not providing young people with the security they deserve.
2. There are innovative approaches to reducing crime against young people, such as the Violence Reduction Unit run by Glasgow Police, that might be fruitfully explored in the context of London and Haringey. However, overstretched organisations tend to be reactive rather than proactive, and the funding difficulties of the Metropolitan Police are likely to prevent new approaches being trialled and implemented.
3. That this is not just an issue of policing but that further resources are needed for the police to work with partners to improve the safety of young people.

4. That the loss of youth centres has constrained the ability of public agencies in Haringey to reach out to potential young offenders and divert them onto a less destructive path.

Council resolves:

1. That the Leader and the Leader of the opposition will write to the Mayor of London and the Home Secretary urgently requesting them to provide the funding necessary to keep young people in Haringey safe.

Zina Etheridge  
Chief Executive  
River Park House  
225 High Road  
Wood Green  
London N22 8HQ

Friday, 9 March 2018

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**MINUTES OF THE MEETING OF THE FULL COUNCIL HELD ON  
MONDAY, 26TH FEBRUARY, 2018, 7.30 - 8.50 pm**

**PRESENT:**

**Councillors: Stephen Mann (Mayor), Peray Ahmet, Kaushika Amin, Jason Arthur, Eugene Ayisi, Dhiren Basu, David Beacham, Patrick Berryman, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Gideon Bull, Vincent Carroll, Clive Carter, Joanna Christophides, Pippa Connor, Ali Demirci, Isidoros Diakides, Natan Doron, Joseph Ejiofor, Gail Engert, Tim Gallagher, Joe Goldberg, Eddie Griffith, Makbule Gunes, Bob Hare, Emine Ibrahim, Adam Jogee, Claire Kober, Toni Mallett, Jennifer Mann, Stuart McNamara, Liz McShane, Peter Mitchell, Martin Newton, Ali Gul Ozbek, James Patterson, Sheila Peacock, Lorna Reith, Reg Rice, Viv Ross, Alan Strickland, Bernice Vanier, Ann Waters, Elin Weston and Charles Wright**

**59. FILMING AT MEETINGS**

The Mayor drew attendees' attention to the notice on the Summons regarding filming at meetings.

**60. TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Adamou, Adje, Clare Bull, Elliott, Morris, Opoku, Stennett, and Tucker, and for lateness from Councillor Hearn.

**61. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972**

There were no late items of urgent business.

**62. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**63. TO ASK MEMBERS WHETHER THEY NEED TO MAKE A DECLARATION IN ACCORDANCE WITH SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RELATION TO UNPAID COMMUNITY CHARGE OR COUNCIL TAX LIABILITY WHICH IS TWO MONTHS OR MORE OUTSTANDING.**

The Chief Executive drew attention to the need for any Members to declare any make any declarations in accordance with Section 106 of the Local Government Finance Act 1992 in relation to unpaid Community Charge or Council Tax liability which was two months or more outstanding.

No such declarations were made.

**64. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETINGS OF THE COUNCIL HELD ON 4 DECEMBER 2017 AND 7 FEBRUARY 2018**

The minutes of the meetings held on 4 December 2017 and 7 February 2018 were agreed as a correct record.

AGREED.

**65. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL**

The Mayor outlined some of his activity since the last meeting, including hosting long-serving members of staff to tea to thank them for their service, his recent announcement of the winners of his “What makes me happy” competition, whose designs were being screen-printed by Studio 306 for launch at his forthcoming Laughter Yoga event.

He also outlined his recent visit to Texas with the Haringey Young Musicians, who were invited following their support for Midland High School when their visit to London was affected by the terrorist attack in London Bridge. He was proud that Haringey Young Musicians had created friendship and unity from an effort to divide communities.

**66. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE**

The Chief Executive drew Members’ attention to the decision taken between meetings in relation to the membership of the Regulatory Committee.

NOTED.

**67. TO RECEIVE THE REPORT OF THE MONITORING OFFICER**

The Monitoring Officer had no matters to report.

**68. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM**

No requests to make deputations or present petitions had been received for this meeting.

**69. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES**

The Chair of the Corporate Committee moved her Committee's report and the recommendations it contained, which the Mayor confirmed would be considered under the next item.

**70. 2018/19 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (2018/19 - 2022/23)**

The Mayor invited the Monitoring Officer to outline the requirement for votes.

It was noted that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, and the Council's Standing Orders required the Council to record in the minutes how each Councillor voted, including any abstentions, when determining the Council's Budget and the level of Council Tax to be levied.

The only requirement was to record in the minutes of the meeting how each member voted, and given that there were 10 amendments and a substantive motion to be voted on, it could be recorded in the minutes of the meeting how each member voted, including any who have abstained, by a show of hands.

The Mayor then called on Councillor Arthur to introduce the budget and move the budget report – 2018/19 Budget – and the recommendations a-q at pages 24 and 25 of the agenda pack. Councillor Kober formally seconded the motion, and reserved her right to respond during the debate.

The Mayor then invited Councillor Engert to move her group's 10 amendments, as set out in the tabled papers. Councillor Newton formally seconded the amendments and reserved the right to speak during the debate.

The Mayor then opened the debate, in which Councillors Connor, Wright, Ross, Gideon Bull (who declared an interest as an employee of the National Health Service), Carter, Peacock, Hare, Diakides, Goldberg and Kober contributed to the discussion. Councillor Engert and then Councillor Arthur responded to the debate.

The Mayor then called for a vote on Budget Amendment 1. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 1 was declared LOST.

The Mayor then called for a vote on Budget Amendment 2. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright),  
and

No abstentions,

Budget Amendment 2 was declared LOST.

The Mayor then called for a vote on Budget Amendment 3. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright),  
and

No abstentions,

Budget Amendment 3 was declared LOST.

The Mayor then called for a vote on Budget Amendment 4. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright),  
and

No abstentions,

Budget Amendment 4 was declared LOST.

The Mayor then called for a vote on Budget Amendment 5. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 5 was declared LOST.

The Mayor then called for a vote on Budget Amendment 6. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 6 was declared LOST.

The Mayor then called for a vote on Budget Amendment 7. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 7 was declared LOST.

The Mayor then called for a vote on Budget Amendment 8. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 8 was declared LOST.

The Mayor then called for a vote on Budget Amendment 9. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 9 was declared LOST.

The Mayor then called for a vote on Budget Amendment 10. There being 7 Members in favour (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

40 Members opposed (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

No abstentions,

Budget Amendment 10 was declared LOST.

The Mayor then called for a vote on recommendations a-q contained at pages 24 and 25 paragraph of the agenda pack.

There being 40 Members in favour (Councillors Ahmet, Ayisi, Amin, Arthur, Basu, Berryman, Bevan, B Blake, M Blake, Brabazon, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Gallagher, Goldberg, Griffith, Gunes, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Rice, Strickland, Vanier, Waters, Weston, Wright), and

7 Members opposed (Councillors Beacham, Carter, Connor, Engert, Hare, Newton and Ross), and

No abstentions,

The Recommendations were AGREED.

## **RESOLVED**

That Council agree:

- a. To approve the proposed 2018/19 Budget and Medium Term Financial Strategy (2018-23) agreed by Cabinet on 13th February 2018 as updated for the final settlement figures described in paragraph 1.2 and Annex 1A of the attached report, including the outcomes from the budget consultation exercise, which are attached as Annex 1 and Annex 6;
- b. To approve the increase in the Haringey Council tax of 3% relating to the Adult Social Care precept;
- c. To approve the General Fund budget requirement for 2018/19 of £250.110m, net of Dedicated Schools Grant, as set out in table 6.1 and Annex 1A of the attached report.

- d. To approve the Cash Limit for 2018/19 of £250.11m as set out in Annex 2 of the attached report;
- e. To approve the 2018/19 General Fund capital programme set out in Appendix 3 to the Cabinet budget report (Annex 1 of the attached report);
- f. To approve the policy on the flexible use of capital receipts as set out in section 8 and Appendix 11 of Annex 1 of the attached report;
- g. To approve the update on the use of flexible capital receipts set out in para 6.2 of the attached report.
- h. To approve the Housing Revenue Account Budget 2018/19 as set out in Appendix 2 to the Cabinet budget report (Annex 1 of the attached report);
- i. To approve the 2018/19 Housing Revenue Account (HRA) capital programme set out in Appendix 4 to the Cabinet budget report (Annex 1 of the attached report);
- j. To note the Greater London Authority (GLA) proposed precept (para. 7.11 of the attached report);
- k. To delegate authority to the Chief Finance Officer, in consultation with the Cabinet Member for Finance and Health, to reflect any final changes to the level of the GLA precept in the Council's Council tax billing information set out in Annex 5 of the attached report;
- l. To approve the creation and maintenance of a Budget Resilience Reserve as set out in the Reserves Policy at Annex 3a of the attached report;
- m. To approve the estimated level of non-earmarked General Fund reserves and the specific and other reserves as set out in Annex 3b of the attached report;
- n. To approve the reserves policy including the Chief Finance Officer's (CFO) assessment of risk and the assessment of the adequacy of reserves, as set out in Annex 3 (a – c) of the attached report;
- o. To note the report of the Chief Finance Officer under Section 25 of the Local Government Act 2003 on the robustness of the estimates and the adequacy of proposed reserves set out in section 9 of the attached report;
- p. To approve the Treasury Management Strategy Statement 2018/19 set out in Annex 4 of the attached report; and
- q. To pass the budget resolution including the level of Council Tax, in the specified format, and to determine that the Council's relevant basic amount of Council Tax for the year is not excessive as set out in Annex 5 of the attached report.

CHAIR:

Signed by Chair .....

Date .....

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# Haringey Council Municipal Year 2018/19

										2019				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
Mo						1 S&R						1	Mo	
Tu	1					2 OSC HWB (day)			1 New Year's D.			2	Tu	
We	2			1		3 JHWB(day,Hgy) Lib Dem Group			2			3 Lib Dem Group	We	
Th	3 Election			2		4 Scrutiny A	1 Scrutiny A		3			4	Th	
Fr	4	1		3 Lib Dem Group		5	2		4	1	1	5	Fr	
Mo	7 Early May Bank Hol.	4 OSC Licensing A	2 Scrutiny C Scrutiny D	6	3 Licensing B	8 Planning	5 SDJC - Isl	3 Corporate	7	4 Licensing A Scrutiny B	4 Standards Scrutiny A	8 Planning	Mo	
Tu	8 Lab Group 1	5 MLD daytime	3 CPAC MLD	7	4 Scrutiny A	9 Cabinet	6 Licensing A APPCT Board	4	8 Scrutiny D	5 Corporate	5 Regulatory	9 Cabinet	Tu	
We	9 Lib Dem AGM (tbc)	6 MLD daytime Lib Dem Group	4 Lib Dem Group	8	5 Lib Dem Group	10	7 Lib Dem Group	5 JHWB(Day, Is) Lib Dem Group	9 Lib Dem Group	6 Lib Dem Group	6 JHWB(day,Hgy) Lib Dem Group	10	We	
Th	10 MLD	7 MLD daytime	5 Regulatory MLD	9	6 Scrutiny B	11 Scrutiny B Standards	8 Scrutiny B	6 Standards	10 Labour Group	7 Scrutiny C	7 Scrutiny B	11 Licensing B	Th	
Fr	11	8	6	10	7	12	9	7	11	8	8	12	Fr	
Mo	14 Labour Group2	11 Planning	9 Planning Corporate	13	10 Planning	15 APPCT CC Licensing B	12 Planning	10 Planning	14 Planning OSC	11 Planning S&R	11 Planning Scrutiny C	15	Mo	
Tu	15 MLD	12 MLD	10 Standards APPCT Board	14	11 Cabinet	16 Scrutiny C	13 Cabinet	11 Cabinet	15 Licensing B	12 Cabinet	12 Cabinet	16	Tu	
We	16 Lib Dem AGM (tbc)	13 JHWB (day, Is)	11 HWB (day)	15	12	17	14	12	16	13	13	17	We	
Th	17	14 Labour Group	12 SDJC - Hgy Licensing A	16	13 Pensions Scrutiny C	18 Regulatory Scrutiny D	15 Scrutiny C Scrutiny D	13 Scrutiny A	17 CPAC	14 Scrutiny D	14 Pensions Scrutiny D	18	Th	
Fr	18	15	13	17	14	19	16	14	18	15	15	19 Good Friday	Fr	
Mo	21 MLD	18 MLD	16 Full Council	20	17 Scrutiny D LD Conf	22	19 OSC	17 S&R Licensing A	21 Regulatory Pensions	18	18 Full Council	22 Easter Monday	Mo	
Tu	22 MLD	19 Scrutiny A Scrutiny B	17 Cabinet	21	18 LD Conf	23	20 Pensions	18 Scrutiny B Scrutiny C	22 Cabinet	19 HWB (day)	19 Licensing A	23	Tu	
We	23	20	18	22	19	24	21	19	23	20	20	24	We	
Th	24 Annual Council Regulatory	21 MLD	19 OSC Pensions	23	20 Corporate	25	22	20	24	21	21 CPAC	25 APPCT CC	Th	
Fr	25	22	20	24	21	26	23	21	25	22	22	26	Fr	
Mo	28 Spring Bk. Hol.	25 S&R Licensing B	23	27 August Bank Hol.	24 Licensing A Lab Conf	29 CPAC	26 Full Council	24	28 OSC	25 Full Council	25 OSC S&R	29	Mo	
Tu	29 MLD	26 Cabinet	24 MLD	28	25 Lab Conf	30 Labour Group	27 Licensing B	25 Christmas Day	29 APPCT CC Scrutiny A	26 Licensing B APPCT Board	26 Corporate	30 APPCT Board	Tu	
We	30	27	25	29	26 Lab Conf	31	28	26 Boxing Day	30	27	27		We	
Th	31 MLD daytime & evening	28 Labour Group	26	30	27 Labour Group		29 Labour Group	27	31 Labour Group	28 Labour Group	28 SDJC - Camd		Th	
Fr		29	27	31	28		30	28			29		Fr	
Mo			30					31					Mo	
Tu			31 MLD										Tu	

CPAC = Corporate Parenting Advisory Committee,  
MLD = Member Learning and Development,

SDJC = Shared Digital Joint Committee  
APPCT = Alexandra Park and Palace

HWB=Health & Wellbeing Board  
JHWB=Joint HWB

NB: Scrutiny Panels to be formed by  
OSC at first meeting

Holidays

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## **REPORT OF STANDARDS COMMITTEE**

### **FULL COUNCIL 19 MARCH 2018**

Chair: Councillor Amin

#### **INTRODUCTION**

This report from the Standards Committee of 8 March 2018 recommends that Full Council revoke the Members Allowance Scheme for 2017/18 and approve the new Members Allowance Scheme for 2018/19, to take effect from 1 April, adopt a revised Protocol on Member/Officer Relations and include in the Council's Constitution a requirement for the Council to receive an annual update on progress toward reducing carbon emission in the borough.

#### **MEMBERS' ALLOWANCES 2018/19**

As announced at Full Council in March 2017, the Standards Committee has undertaken a review of our scheme of Members' allowances over the last municipal year. We reviewed practice in other London boroughs and the guidance prepared by the Independent Panel on the Remuneration of Councillors in London, which the Council has a duty to consider before adopting an allowance scheme (found at Appendix B of the attached report). The outcome of our review is contained in the attached report and appendix A, and was presented at a recent all-Member briefing.

In reviewing the scheme, the Committee sought to contain expenditure on allowances within the current budget, but to ensure the scheme was fairer and more able to accommodate any potential outcome of the forthcoming election. We recommend a small increase of 1% to allowances, which follows the recommendation of the Independent Panel and would be funded by the savings generated by re-banding some allowances.

We also agreed some small changes to other aspects of the Allowances scheme, including Dependents' Carers' Allowances and co-optees'.

To note, it is a statutory requirement, under the Local Authorities (Members Allowances) (England) regulations 2003, to adopt a Members' Allowances Scheme for the following financial year by 31 March each year. The Committee agree that the recommended Allowances Scheme is a marked improvement on the current scheme and should accommodate any outcome of the forthcoming election – though we also noted that it would be possible for the scheme to be further revised should it be required in the next municipal year.

#### **PROTOCOL ON MEMBER/OFFICER RELATIONS**

Over the past year, the Committee has also reviewed the current Member/Officer Protocol to ensure the relationship between elected Councillors and officers, which is so fundamental to the Council's effectiveness in serving its residents, is supported by a clear and sound protocol. The Committee ensured the principles underpinning the

existing protocol were maintained, and looked at a number of other boroughs' equivalent documents to develop the document attached at Appendix C.

This was recently presented at an all-Member briefing, where Members had opportunity to suggest amendments to the draft protocol. The attached draft, agreed at the Standards Committee on 8 March, incorporates these suggestions and is now recommended to Council for adoption.

## **REPORTING ON REDUCING CARBON EMISSIONS**

The Committee received a request that the customary annual update on the progress toward reducing carbon emissions in the borough be included in the Council's Constitution to ensure it is continued in the future. The Committee agreed that this should be done, and agreed to recommend an insertion in the Council Procedure Rules to this effect.

## **WE RECOMMEND**

That Full Council:

1. Revoke the Members Allowance Scheme for 2017/18 as of 31 March;
2. Approve the new Members' Allowances Scheme for 2018-19, as set out in Appendix A of the attached report, to take effect from 1 April 2018;
3. Adopt the revised Protocol on Member/Officer relations, found at Appendix C of the attached report;
4. Agree the insertion of a requirement for an annual update on progress of reducing carbon emissions in the borough, as set out at paragraph 6.8 of the attached report.

**Report for:** Standards Committee 8 March 2018

**Title:** Update on the Work Programme - Procedure Rules, Member-Officer Protocol and Members' Allowances

**Report**

**authorised by :** Bernie Ryan, Assistant Director Corporate Governance and Monitoring Officer

**Lead Officer:** Michael Kay | 020 8489 2920 | michael.kay@haringey.gov.uk

**Ward(s) affected:** N/A

**Report for Key/**

**Non Key Decision: Non-Key**

**1. Describe the issue under consideration**

1.1 Following the Committee's work on the Members' Allowances Scheme and the Member-Officer Protocol, and the presentation to all Members on the work, to formally agree that the attached documents be recommended to Full Council for agreement.

**2. Cabinet Member Introduction**

N/A.

**3. Recommendations**

3.1 The Committee is asked:

- A. To recommend the Members' Allowances Scheme at Appendix A to Full Council.
- B. To recommend the Member-Officer Protocol at Appendix C to Full Council.
- C. To agree and recommend to Full Council the recommendation that the Council's progress on reducing carbon emissions be considered by the Full Council each year.

**4. Reasons for decision**

4.1 The Council has a legal duty under the Local Authorities (Members Allowances) (England) Regulations 2003 to adopt a Members' Allowances Scheme before the end of each year to cover the following year. The Council can amend a scheme any time during the year but can only revoke a scheme with effect from the beginning of the year. The scheme must make provision for basic allowances and, if they are to be paid, special responsibility, dependents' carers, travelling and subsistence and co-optees' allowances.

4.2 As set out in previous reports to the Standards Committee (of July, September and November), the Council's existing Protocol on Member-Officer relations required significant amendment to be fit for purpose and regularly referred to.

The Committee has overseen the preparation of a refreshed protocol to ensure relations between Members and Officers are under-pinned by an helpful guide.

- 4.3 It has become custom and practice for the Council to consider annually its progress toward reducing carbon emissions. Inclusion of this in the Constitution would ensure that the practice continues into the future.

## **5. Alternative options considered**

- 5.1 No alternative options were considered as there is a duty to adopt a Members' allowances scheme annually.
- 5.2 The existing protocol could have been retained, but as it is not well-updated and is over-long and poorly used, that would not be a helpful alternative.
- 5.3 The requirement to consider the progress on carbon reduction could not be included in the Constitution and instead depend on the commitment of Members at the time. This could damage confidence in the Council's commitment to carbon reduction, if it is seen that not reporting on the progress reflects a lack of progress.

## **6. Background information**

### Allowances Review

- 6.1 The Committee has considered the Members' Allowances review at each of its meetings since the review was announced to Council in March 2017. Those papers set out the rationale for the Committee's views, in particular the report to the February Committee. This report asks Standards Committee to consider the scheme proposed for 2018-19 and recommend it for approval by full Council, in accordance with Article 14.03 of the Council's Constitution. The changes to the Scheme for 2018-19 are shown in italics and underlined.
- 6.2 Before it can adopt a Members Allowances Scheme the Council has a duty to consider the recommendations of an Independent Remuneration Panel in relation to the payment of Members Allowances.
- 6.3 The Local Authorities (Members Allowances) (England) Regulations 2003 allow London Boroughs to use an independent remuneration panel set up for the purpose of making recommendations across London. London Councils set up a panel for this purpose in 2001 and its most recent report was published in June 2014 and is attached as Appendix B. Although the IRP makes recommendations, it is for each individual council to decide the level of remuneration and for which roles. The 2018 recommendations have been considered in the preparation of the proposals at Appendix A, and were considered by the Committee in its previous discussions on this matter.
- 6.4 Following the Committee's agreement in February on the outline propositions, the proposals were presented to all members at a briefing on 28 February. Around a third of Members were in attendance, and the proposals were welcomed as a way of remedying some historic inconsistencies with the Allowances Scheme.

Member-Officer Protocol

- 6.5 The Committee considered a full draft of the protocol at its November meeting, and the draft at appendix C reflects the Committee's comments, as well as those of the Senior Leadership Team of the Council's officers.
- 6.6 This draft protocol was also presented to Members at the briefing on 28 February, and Members welcomed the proposals, and had some additional suggestions for inclusion. The Chair invited any Member to make suggestions to her in advance of the meeting, where they could be tabled for consideration prior to agreement of a draft to be presented to Full Council on 19 March.

Carbon Reduction Update

- 6.7 At the February meeting of the Committee, the Chair mentioned that she had received a request that the annual update to Members on progress to reducing Carbon Emissions, normally taken at the Autumn Council meeting, be included in the Constitution. It has not been requested that this comprise part of the Council's Policy Framework, but rather as a routine item for the Council's consideration.
- 6.8 This request could be accommodated by updating the Council's Procedure Rules, to the effect of including the Carbon Reduction report as issue for the Council to consider on an annual basis. This would be achieved with the following insertion of a new paragraph xiv under paragraph 3, Ordinary Council Meetings, of Part 4 Section A – Council Procedure Rules:

**3. ORDINARY MEETINGS**

3.1 Ordinary meetings of the Council will take place in accordance with the calendar of meetings. Ordinary meetings will:

- (i) Elect a person to preside if the Mayor is not present
- (ii) Receive apologies for absence
- (iii) Deal with any business required by statute to be considered before any other business
- (iv) Receive any declarations of interest from members;
- (v) Approve the minutes of the previous meeting and any outstanding from previous meetings;
- (vi) Hold a Haringey Debate, on the agreed theme for that meeting. The form of the debate may include holding the debate as an Open Session under paragraph 30. Arrangements for how the debate will function are outlined in the full Council Protocol;
- (vii) Receive any announcements from the Mayor, the Leader, members of the Cabinet, the Head of Paid Service or the Monitoring Officer;
- (viii) To make appointments to Council committees and outside bodies;
- (ix) Hear deputations and receive petitions accepted under rules 11 & 12;

- (x) Receive questions from and provide answers to the public on matters notified under Rule 8;
- (xi) Provide answers to written questions from Members. Receive oral questions from Members, and provide oral answers;
- (xii) Deal with any business held over from the previous Council meeting;
- (xiii) Receive reports from the Cabinet and the Council's Committees when a decision or resolution of Council is required, and receive questions and answers at the meeting on any of those reports;
- (xiv) Receive an annual update from the relevant Cabinet Member on the progress toward reducing carbon emissions in the borough;
- ~~(xiv)~~ (xv) Receive reports about and receive questions and answers on the business of joint arrangements and external organisations;
- (xvi) Consider motions; and
- (xvii) Consider any other business specified in the summons to the meeting, including consideration of proposals from the Cabinet in relation to the Council's budget and policy framework and reports of the Scrutiny Committee for debate.

**7. Contribution to strategic outcomes**

Members of the Council are directly responsible for the setting and oversight of all strategic priorities.

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

**Finance and Procurement**

The proposals contained in this paper are contained within the available budget.

**Legal**

Legal implications are contained within the body of this report.

**Equality**

The decision to approve allowances to members does not have a direct impact on the equality duty of the council, other than that the scheme includes provision for payment for parent/carers allowances to facilitate the attendance of parents and carers at meetings and in relation to carrying out the general responsibilities of councillors.

**9. Use of Appendices**

Appendix A: Draft Members' Allowances Scheme 2018-19

Appendix B: 2018 report of the Independent Panel on the Remuneration of Councillors in London

Appendix C: Member Officer Protocol

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

N/A



# Part 6

## Members' Allowances Scheme

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### 1. SCHEME FOR THE PAYMENT OF MEMBERS' ALLOWANCES

- 1.01 Made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and in force for the municipal year ~~2017/18~~ 2018/19 (i.e. ~~1 April 2017 to 31 March 2018~~ 1 April 2018 to 31 March 2019).

### 2. BASIC ALLOWANCE

- 2.01 Each Councillor will be entitled to receive the sum of £10,810 by way of Basic Allowance.
- 2.02 If a Councillor does not serve as such for the whole 12-month period or becomes disqualified, he/she will only be entitled to receive pro-rata payment for the period(s) during which he/she actually was a serving Councillor. This principle applies to education representatives on scrutiny bodies and employee and employer representatives on the Combined Pensions Committee and Board (co-optees).

### 3. INCLUDED EXPENSES

- 3.01 Travel Expenses.  
The Basic Allowance includes all travel within the M25. Councillors are not entitled to any form of concession or special permit as Councillors for parking in the Borough.
- 3.02 Telephones and I.T.  
The Basic Allowance includes Councillors' telephone call charges, both mobile and landline, for which Councillors are billed individually. The Council meets the rental for apparatus, including broadband, and all datacharges.

### 4. MAYORAL ALLOWANCES

- 4.01 The additional allowances for the Mayor and Deputy Mayor are:
- (a) The Mayor is entitled to an additional allowance of £16,965 ~~16,797~~.
- (b) The Deputy Mayor is entitled to an additional allowance of £4,238 ~~4,196~~.

## 5. SPECIAL RESPONSIBILITY ALLOWANCES

5.01 For the period ~~1 April 2017 to 31 March 2018~~ 1 April 2018 to 31 March 2019, Haringey Council will allocate Special Responsibility Allowances in six bands, to Councillors who take on certain additional roles, in accordance with Table A below. If a Councillor does not serve as such for the whole period or becomes disqualified, he/she will only be entitled to receive pro-rata payment for the period(s) during which he/she actually was a serving Councillor.

**Table A**

<b>Band</b>	<b>Position</b>	<b>Special Allowance</b>	<b>Total Allowance</b>
Band 4	<ul style="list-style-type: none"> <li>• Leader</li> </ul>	<u>£33,926</u> <del>£33,590</del>	<u>£44,746</u> <del>£44,293</del>
Band 3B	<ul style="list-style-type: none"> <li>• 9 or fewer x Cabinet Members</li> <li>• <del>Opposition Leader</del></li> </ul>	<u>£25,443</u> <del>£25,191</del>	<u>£36,253</u> <del>£35,894</del>
Band 3A	<ul style="list-style-type: none"> <li>• Chair of Overview and Scrutiny Committee</li> </ul>	<u>£23,134</u> <del>£22,905</del>	<u>£36,944</u> <del>£33,608</del>
Band 2B	<ul style="list-style-type: none"> <li>• <del>Chair of Corporate Committee</del></li> <li>• Chief Whip</li> <li>• Chair of Regulatory Committee</li> <li>• Chair of Alexandra Palace and Park Board</li> <li>• <u>Leader of the Principal Opposition</u></li> <li>• <del>Opposition Deputy Leader</del></li> <li>• <del>Opposition Chief Whip</del></li> </ul>	<u>£16,965</u> <del>£16,797</del>	<u>£27,775</u> <del>£27,500</del>
Band 2A	4 x Councillors serving on Overview and Scrutiny Committee	<u>£15,421</u> <del>£15,268</del>	<u>£26,231</u> <del>£25,971</del>
Band 1	<ul style="list-style-type: none"> <li>• Chair of Combined Pensions Committee and Board</li> <li>• Chair of Staffing and Remuneration Committee</li> <li>• Chair of Standards Committee</li> <li>• <u>Chair of Corporate Committee</u></li> <li>• <u>Vice Chair of Regulatory</u></li> <li>• <u>Leader of the second Opposition Group or Deputy Leader of the Principal Opposition</u></li> <li>• <u>Chief Whip of the Principal Opposition</u></li> </ul>	<u>£8,482</u> <del>£8,298</del>	<u>£19,292</u> <del>£19,101</del>

**6. MULTIPLE RESPONSIBILITIES**

6.01 Where a Councillor holds more than one post of special responsibility, he/she may only receive one Special Responsibility Allowance. Where a Councillor holds more than one post of special responsibility and the posts have Special Responsibility Allowances of different monetary values, the Councillor would receive the higher one. For the purposes of this paragraph, the Mayor and Deputy Mayor count as posts of special responsibility.

**7. CO-OPTES' ALLOWANCES**

7.01 Each education representative on scrutiny bodies and each employee and employer representative on the Combined Pensions Committee and Board is entitled to an allowance of £154 per meeting attended, to a maximum of £616.50. No allowances are payable to others who are not elected Councillors.

**8. BABYSITTING AND DEPENDANTS ALLOWANCE**

8.01 Councillors and non-elected members can claim this allowance based on the following:

(a) That reimbursement be made at the London Living Wage ~~a maximum rate of £8.60 per hour~~. The period of payment should include the time of the meeting, together with reasonable travelling time of the member, plus any necessary travelling expenses of the carer to and from their home.

(b) Children over the age of 16 must not be claimed for, unless suffering from an illness or disability making constant care essential.

**9. TRAVELLING AND SUBSISTENCE ALLOWANCE**

9.01 Councillors can claim this allowance for attending approved meetings, training and conferences etc. only to the extent that it involves travel outside the M25. Claims must be based on the following:

(a) The mileage rate for travel by private car is 34.6 pence per mile. An extra 3 pence per mile is payable for each passenger for whom a travelling allowance would otherwise be payable. The cost of tolls, ferries and parking charges can be claimed.

(b) The mileage rate for travel by solo motor cycle is :

Not exceeding	150 cc	8.5 pence per mile
Over	150 cc but not over 500 cc	12.3 pence per mile
Over	500 cc	16.5 pence per mile

- (c) On public transport only the ordinary or cheaper fare can be claimed where more than one class is available.
- (d) The cost of a taxi, including a reasonable tip, can be claimed only in case of urgency or where public transport is not practicable or reasonably available.
- (e) The maximum rates for subsistence allowance on approved duties are as follows:

For an absence of more than 4 hours before 11.00 £4.92

For an absence of more than 4 hours including lunchtime between 12.00 and 14.00 £6.77

For an absence of more than 4 hours including the period 15.00 to 18.00 £2.67

For an absence of more than 4 hours ending after 19.00 £8.38

## **10. CLAIMS AND PAYMENTS**

- 10.01 Where a Councillor is also a Councillor of another authority, that Councillor may not receive allowances from more than one authority in respect of the same duties.
- 10.02 The Basic Allowance and Special Responsibility Allowances will be paid in equal monthly instalments.
- 10.03 The Co-optees' Allowance must be claimed by, and will be paid at, the end of the municipal year, subject to paragraphs 2.02 above and 10.05 below.
- 10.04 All claims for Travelling and Subsistence Allowance and Babysitting and Dependents Allowance must be made within two months of the relevant meeting or the costs being incurred by the Councillor or non-elected member, subject to paragraph 10.05 below.
- 10.05 If any Allowance under paragraphs 10.03 or 10.04 is not claimed within the prescribed time limit, the Democratic Services Manager shall have a discretion to make the payment nonetheless.
- 10.06 Any Councillor or non-elected member may elect to forego his/her entitlement to all or part of any allowance by giving written notice at any time to the Democratic Services Manager.

# The Remuneration of Councillors in London 2018

Report of the Independent Panel



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## Introduction

The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations') authorise the establishment by the Association of London Government (now London Councils) of an independent remuneration panel to make recommendations in respect of the members' allowances payable by London boroughs. Such a panel ('the Panel') was established and reported in 2001, 2003, 2006, 2010 and 2014. It now comprises Sir Rodney Brooke CBE DL (Chair), Steve Bundred and Anne Watts CBE.

The Regulations require a review of the scheme every four years as a minimum. The current Panel has therefore completed a review of remuneration for councillors in London. We present our findings and recommendations in this report.

As a preparation for our work, we invited all London boroughs to give their views on the operation of the existing scheme. We are grateful for the feedback, which confirms that the existing London scheme of members' allowances is still fit for purpose. We make recommendations accordingly (**recommendations throughout the report are in bold type**). However, where issues have arisen from the comments we received, we have addressed them in this report.

## The role of elected members

In our previous reports we reflected on the importance of the role of elected members. We repeat at Appendix B the job profile for councillors which we originally included in our 2010 report. The feedback we have received is that it continues to be appropriate.

The Local Governance Research Unit, based at Leicester Business School, recently launched a Councillor Commission as an independent review of the role and work of the councillor. The Commission's report points out that councillors oversee million-pound budgets, balancing complex financial pressures at a time of severe cutbacks in local authority spending, making decisions which will affect their areas for decades to come. In London each Borough Council is responsible for services crucial to its residents. Each has a revenue budget of up to £1.4bn as well as a substantial capital programme. The scale of their turnover and other financial activities are in many instances comparable with those of large publicly quoted companies.

Councillors are faced with unenviable choices. Demand for local authority services continues to grow. In particular, there is rapid growth in the number of old people with a corresponding increase in demand for social care. London itself faces acute housing problems. Councillors have an increased responsibility for health. Thus the strain on and competition for resources increase the demands made on elected members. The responsibilities and accountabilities are made clear after a tragedy like the Grenfell Tower fire.

The evidence we received confirms that the workload and responsibilities of councillors continue to increase and that their role has become more complex, and not only in the areas of social care, housing and health. There has been growth in the number of sub-regional meetings, partnerships and joint bodies (such as Boards for Health & Wellbeing and Safer Neighbourhoods) which require the commitment and time of leaders, cabinet members and front-line councillors. Partnership engagement makes great demands on councillors. There has been a marked increase in informal meetings, such as working groups, forums and community gatherings as well as formal meetings like local authority companies. The expectations of the public continue to rise.

While valuable to democracy, the use of social media adds to the pressure on councillors by increasing demands from their constituents in several different ways. Communication with councillors is not only easier but immediate. The public expects a speedy response, so that it is now more difficult for councillors in employment to deal with concerns as quickly as voters expect. Not only do social media make it easier for their constituents to get hold of councillors, but they also enable an isolated concern to become an organised campaign.

## Recruitment of councillors

We received evidence that it is increasingly difficult to recruit people of quality who are prepared to stand for office as councillors. Though the low level of allowances was mentioned as a reason for this, a major disincentive is the time commitment required of a councillor. That time commitment (as well as finance) can make it difficult to combine the role with a job and a family life. As one councillor commented to the Leicester Business School Commission, 'Serving on outside bodies means that I am working every day of the week, weekends too'. As was pointed out in responses we received, the problem is exacerbated in London, where councillors are on the whole younger than in other parts of the country and often in employment. They also face substantially higher costs of living.

Though the time commitment may be the main disincentive to service as a councillor, it is important that, as far as reasonably possible, financial loss does not prevent people from becoming councillors. Allowances are not shown by polls to be something which influences councillors to take on the role, though they are instrumental in making it possible for some people to do so. Allowances should be set at a level that enables people to undertake the role of councillor, while not acting as an incentive to do so. If it is important that there are no financial incentives to being a councillor, it is equally important that there should not be a financial disincentive. It is clearly desirable that service as a councillor is not confined to those with independent means.

Since our last report the Government has removed the possibility of councillors joining the local government pension scheme. We believe that access to the pension scheme can be an important factor in making service as a councillor financially possible for a wider range of people. It is particularly significant for those who, like elected mayors, leaders and portfolio holders, give most or all of their time to service in local government and lose the opportunity to contribute to a pension scheme elsewhere. Loss of access to a pension scheme imposes a further financial penalty on councillors.

We do not repeat the arguments for appropriate remuneration for councillors which we have set out in our previous reports. We believe them to be self-evident. But we do repeat our belief in the importance of local democracy and the role of councillors within it.

## The current financial and political climate

Because of the current financial climate, the local government pay settlement in recent years has been severely limited. Since our last report there have been three awards of 1%. Acutely sensitive to the current financial austerity, some boroughs have frozen members' allowances and failed to apply the pay awards to them. Indeed some boroughs have even reduced members' allowances.

Our recent reports have made no recommendations for increasing the levels of members' allowances other than continuing provision for annual adjustments in accordance with the annual local government pay settlement. As the Government-appointed Councillors' Commission pointed out in their 2007 report, the recommendations of the London Panel has led to some convergence of members' allowances across London. Indeed, the Councillors' Commission recommended a similar system for the country as a whole. Following our recommendations, there is now considerable congruity in the basic allowance made by London boroughs.

However, most London boroughs have not adopted our recommendations in their entirety and there remain substantial differences in the amount of special responsibility allowances. We fully recognise that now is not the time to contemplate a general increase in councillors' allowances. Nevertheless we hope that in the longer term the financial situation will permit further convergence of members' allowances around our recommendations.

## Level of Basic Allowance

In our last report we recommended that there should be a Basic Allowance paid to every councillor of £10,703. Updated for the local government staff pay awards since then, the figure is now £11,045. Given the loss of pension rights; growth in the volume and complexity of the work of councillors; and the limited increase in the Basic Allowance since our last report, we believe that there is a strong case for considering a larger increase. The basic allowance is now less than the allowances paid by many similar authorities outside London. In Wales, for example, the government-



appointed commission sets the basic allowance at £13,400 for members of local authorities with populations which are generally substantially lower than those of London boroughs.

However we reluctantly accept that, in the current financial climate, it would be inappropriate to recommend a general increase in members' allowances (beyond the annual updating). Pegging an annual increase to staff pay awards will ensure that councillors can receive annual increases which are in line with those received by staff. **We therefore recommend that the Basic Allowance be set at £11,045.** We believe that it remains sensible to frame recommendations which are common across London.

### Special Responsibility Allowances

Given the extent of the responsibilities of leaders of London boroughs, the Panel's first report in 2001 recommended that their remuneration should equate to that of a Member of Parliament. [Our recommendations for other special responsibility allowances are related to that recommended for leaders.]

Since then the increase in the remuneration of Members of Parliament has substantially exceeded the annual local government pay increase to which we tied the special responsibility allowance for the leader of a London borough. At the time of our last report an MP received a salary of £67,060 while our recommendation for a borough leader (increases having been restricted to the local government staff pay increases) was for total remuneration of £65,472, a difference of £1,588. Updated for the local government pay awards, our recommendation for the current total remuneration of a London borough leader would be £68,130. Meanwhile the salary of MPs has increased to £76,011, a difference of £7,881. Moreover MPs continue to be entitled to a pension as well as to sundry other benefits (such as termination payments) which are not available to leaders.

In our current consultation we enquired whether the remuneration of an MP remains a sound comparator to fix the remuneration of a borough leader. In general the responses agreed that the comparator was appropriate and, if anything, that the Leaders of London boroughs warranted a higher remuneration than an MP, because they had greater financial responsibility and legal burdens, and especially given the differential pension arrangements. Indeed one respondent authority suggested that the direct responsibilities of a Leader should command the salary of a Junior Minister.

We sympathise with the responses. Certainly the way in which MPs' remuneration has outpaced that of leaders would prompt a review of the Leaders' allowances had the Panel not had regard to the current stringent economic circumstances. For the same reasons which prompt us to peg the Basic Allowance, **we recommend that the special responsibility allowance for a Leader should be in accordance with our former recommendation, plus the subsequent local government staff pay awards, ie £57,085. We recommend the maintenance of its relation to other special responsibility allowances, as set out in the Appendix to this report.** Nevertheless we hope that parity of the remuneration of the Borough leaders with the remuneration of Members of Parliament will be restored when the economic situation eases and that the other Special Responsibility Allowances will then be adjusted accordingly.

### Interpretation of the Scheme

The responses from the boroughs generally indicated no problems with interpretation of our recommendations, though many had adopted lower figures, especially for special responsibility allowances. We continue to believe that the scheme we propose is sufficiently flexible to accommodate the varying political management arrangements of different London boroughs. Specifically, we were asked for guidance on what percentage of councillors should receive a special responsibility allowance. **We reiterate our view that no more than 50% of councillors should receive a special responsibility allowance. We also continue to believe that no member should receive more than one special responsibility allowance though we accept that there might exceptionally be special circumstances where allocation of more than one Special Responsibility Allowance might be justified, eg where members undertake a number of different time-consuming roles such as sitting on licensing hearings.**

We were asked to give more detailed guidance on the roles allocated to different bands and whether these could be tied to the time commitment required of a role, expressed as a percentage of the time commitment of the Leader. However, we believe that the percentages we identify should be tied not only to time commitment but also to levels of responsibility.

## Training and Support

The responsibilities of councillors are substantial, extensive and complex. We have mentioned the Grenfell Tower tragedy as a chilling instance of those responsibilities. **We believe that every borough should have an ongoing programme of member training and development and that members should be expected to participate. We believe that members should be provided with logistical and clerical support to help them deal with their workload.**

## Barriers to being a councillor

It is important that obstacles to becoming a councillor should be removed wherever possible. Child care costs can be a significant deterrent to service as a councillor. **We repeat our strong view that in appropriate cases when they undertake their council duties, councillors should be entitled to claim an allowance for care of dependents. The dependents' carers' allowance should be set at the London living wage but (on presentation of proof of expense) payment should be made at a higher rate when specialist nursing skills are required.**

**We also repeat our belief that members' allowances schemes should allow the continuance of Special Responsibility Allowances in the case of sickness, maternity and paternity leave in the same terms that the council's employees enjoy such benefits (that is to say, they follow the same policies).**

## Travel and Subsistence allowances

**We continue to believe that the Basic Allowance should cover basic out-of-pocket expenses incurred by councillors, including intra-borough travel costs and expenses. The members' allowances scheme should, however, provide for special circumstances, such as travel after late meetings or travel by councillors with disabilities. The scheme should enable councillors to claim travel expenses when their duties take them out of their home borough, including a bicycle allowance.**

## Allowances for Mayor or Civic Head

Many councils include the allowances for the mayor (or civic head) and deputy in their members' allowance scheme. However these allowances do serve a rather different purpose from the 'ordinary' members' allowances, since they are intended to enable the civic heads to perform a ceremonial role. There are separate statutory provisions (ss 3 and 5 of the Local Government Act 1972) for such allowances and councils may find it convenient to use those provisions rather than to include the allowances in the members' allowance scheme.

## Update for inflation

**We continue to recommend that for a period of four years the allowances we recommend should be updated annually in accordance with the headline figure in the annual local government pay settlement.**

We have been asked whether it is necessary for the annual updating to be formally authorised by the council each year. The Regulations do seem to make this obligatory.

Sir Rodney Brooke CBE DL

Steve Bundred

Anne Watts CBE

London, January 2018

## Appendix A

Basic allowance £11,045

### Special responsibilities – beyond the basic allowance

#### The case for special allowances

The reasons for payment of additional special responsibility allowances should be clearly set out in local allowances schemes. Special allowances should come into play only in positions where there are significant differences in the time requirements and levels of responsibility from those generally expected of a councillor.

#### Calculation of special allowances

The proposed amounts for each band are a percentage of the figure suggested for a council leader depending upon levels of responsibility of the roles undertaken and are explained below. We believe that the SRA, which the previous panel recommended for the leader of a London council (updated), continues to be appropriate.

### Categories of special allowances

The regulations specify the following categories of responsibility for which special responsibility allowances may be paid:

- Members of the executive where the authority is operating executive arrangements
- Acting as leader or deputy leader of a political group within the authority
- Presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more other authorities, or a sub-committee of such a joint committee
- Representing the authority at meetings of, or arranged by, any other body
- Membership of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods
- Acting as spokesperson of a political group on a committee or sub-committee of the authority
- Membership of an adoption panel
- Membership of a licensing or regulatory committee
- Such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above, whether or not that activity is specified in the scheme.

### Local discretion

It is for the councils locally to decide how to allocate their councillors between the different bands, having regard to our recommendations and how to set the specific remuneration within the band. They must have regard to our recommendations. We believe these should have the merits of being easy to apply, easy to adapt, easy to explain and understand, and easy to administer.

## **BAND ONE**

The posts we envisage falling within band one include:

- Vice chair of a service, regulatory or scrutiny committee
- Chair of sub-committee
- Leader of second or smaller opposition group
- Service spokesperson for first opposition group
- Group secretary (or equivalent) of majority group
- First opposition group whip (in respect of council business)
- Vice chair of council business
- Chairs, vice chairs, area committees and forums or community leaders
- Cabinet assistant
- Leadership of a strategic major topic
- Acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
- Acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods
- Leadership of a specific major project.

### **Remuneration**

We propose that band one special responsibility allowances should be on a sliding scale of between 20 – 30 per cent of the remuneration package for a council leader.

This would be made up as follows:

Basic allowance: £11,045

Band One allowance: £2,582 to £9,397

**Total: £13,627 to £20,442**

## **BAND TWO**

The types of office we contemplate being within band two are:

- Lead member in scrutiny arrangements, such as chair of a scrutiny panel
- Representative on key outside body
- Chair of major regulatory committee e.g. planning
- Chair of council business (civic mayor)
- Leader of principal opposition group
- Majority party chief whip (in respect of council business).

### **Remuneration:**

We propose that band two allowances should be on a sliding scale between 40 – 60 per cent, pro rata of the remuneration package for a council leader.

This is made up as follows:

Basic allowance £11,045

Band two allowances: £16,207 to £29,797

**Total: £27,252 to £40,842**

## **BAND THREE**

We see this band as appropriate to the following posts:

- Cabinet member
- Chair of the Health and Wellbeing Board
- Chair of the main overview or scrutiny committee
- Deputy leader of the council

### **Remuneration:**

We propose that band three allowances should be between 70 – 80 per cent pro rata of the remuneration package for a council leader.

This is made up as follows:

Basic allowance: £11,045

Band three allowance: £36,917 to £43,460

**Total: £47,962 to £54,505**

## **BAND FOUR**

### **Leader of cabinet**

This is a full-time job, involving a high level of responsibility and includes the exercise of executive responsibilities. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service.

### **Remuneration:**

We propose that the remuneration package for a council leader under band four of our scheme should be £68,130.

This is made up as follows:

Basic allowance: £11,045

Band four allowance: £57,085.

**Total: £68,130**

## **BAND FIVE**

### **Directly elected mayor**

A directly elected mayor has a full-time job with a high level of responsibility and exercises executive responsibilities over a fixed electoral cycle. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service. However we believe this post remains different to that of the strong leader with cabinet model. The directly elected mayor is directly elected by the electorate as a whole. The strong leader holds office at the pleasure of the council and can be removed by the council. We believe that the distinction is paramount and this should be reflected in the salary level.

### **Remuneration:**

We propose that a directly elected mayor should receive a remuneration package of 25 per cent higher than that recommended for a council leader and that it should be a salary set at **£85,162**.

## Appendix B

### On behalf of the community – a job profile for councillors

#### Purposes:

1. To participate constructively in the good governance of the area.
2. To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery.
3. To represent effectively the interests of the ward for which the councillor was elected, and deal with constituents' enquiries and representations.
4. To champion the causes which best relate to the interests and sustainability of the community and campaign for the improvement of the quality of life of the community in terms of equity, economy and environment.
5. To represent the council on an outside body, such as a charitable trust or neighbourhood association.

#### Key Tasks:

1. To fulfil the statutory and local determined requirements of an elected member of a local authority and the authority itself, including compliance with all relevant codes of conduct, and participation in those decisions and activities reserved to the full council (for example, setting budgets, overall priorities, strategy).
2. To participate effectively as a member of any committee or panel to which the councillor is appointed, including related responsibilities for the services falling within the committee's (or panel's) terms of reference, human resource issues, staff appointments, fees and charges, and liaison with other public bodies to promote better understanding and partnership working.
3. To participate in the activities of an outside body to which the councillor is appointed, providing two-way communication between the organisations. Also, for the same purpose, to develop and maintain a working knowledge of the authority's policies and practices in relation to that body and of the community's needs and aspirations in respect of that body's role and functions.
4. To participate in the scrutiny or performance review of the services of the authority, including where the authority so decides, the scrutiny of policies and budget, and their effectiveness in achieving the strategic objectives of the authority.
5. To participate, as appointed, in the area and in service-based consultative processes with the community and with other organisations.
6. To represent the authority to the community, and the community to the authority, through the various forums available.
7. To develop and maintain a working knowledge of the authority's services, management arrangements, powers/duties, and constraints, and to develop good working relationships with relevant officers of the authority.
8. To develop and maintain a working knowledge of the organisations, services, activities and other factors which impact upon the community's well-being and identity.
9. To contribute constructively to open government and democratic renewal through active encouragement of the community to participate generally in the government of the area.
10. To participate in the activities of any political group of which the councillor is a member.
11. To undertake necessary training and development programmes as agreed by the authority.
12. To be accountable for his/her actions and to report regularly on them in accessible and transparent ways.

## Appendix C

### The independent panel members

**Sir Rodney Brooke CBE DL** had a long career in local government, including as chief executive of West Yorkshire County Council, Westminster City Council and the Association of Metropolitan Authorities. He was knighted in 2007 for his contribution to public service.

**Steve Bundred** was chairman of Monitor, chief executive of the Audit Commission and chief executive of the London Borough of Camden.

**Anne Watts CBE** has an extensive career in equality and diversity and governance that spans the private, voluntary and public sectors with organisations including the Open University, the University of Surrey, the Commission for Equality and Human Rights and Business in the Community. She chaired the Appointments Commission.





# Part Five, Section B

## Protocol on Member/Officer Relations

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## 1. Introduction

- 1.1 The relationship between elected members and officers is fundamental to the successful working of the Council. This relationship is based on honesty, mutual respect and trust, and this protocol is intended to support that relationship by giving guidance on roles and relationships to build a common understanding and set of expectations. The protocol also sets out what should happen on the rare occasions when things go wrong. All Members and officers should abide by this protocol. Political group leaders in respect of members, and the Chief Executive and Monitoring Officer in respect of officers, are responsible for ensuring the protocol is upheld.
- 1.2 This protocol should be read and understood alongside relevant legislation and the respective Codes of Conduct.<sup>1</sup> If any questions arise from this protocol, advice should be sought from the Chief Executive or Monitoring Officer.
- 1.3 The Council operates a zero tolerance policy to bullying and harassment.

## 2. Role of Members and Officers

- 2.1 The respective roles of members and officers can be summarised as follows:
- Both members and officers are servants of the public and are indispensable to one another, but their responsibilities are distinct from one another. Members are democratically elected, operate politically, are accountable directly to the public and serve as long as their term of office lasts. Officers are politically impartial and are responsible to the Council as their employer. Their role is to give advice to members and the authority and carry out the work of the authority under the direction and control of the full Council, Cabinet and their committees. Officers are accountable to the Chief Executive as Head of Paid Service.

### Members

- 2.2 Members have four main areas of responsibility:
- a) Determining the Council's policies and giving political leadership
  - b) Monitoring and reviewing the performance of the authority in implementing policy and delivering services
  - c) Representing the authority externally
  - d) Acting as advocates on behalf of their constituents.
- 2.3 It is not the responsibility of members to involve themselves in the day-to-day management of the Council or its services. They should not seek to give instructions outside their areas of responsibility or terms of reference of their respective Committee.

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<sup>1</sup> This would include the Members' Code of Conduct, the Employee Code of Conduct, Social media policy etc.

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- 2.4 All members, including members of the Opposition or of Scrutiny Committees or Panels, have the same rights and obligations as individual members in their relationships with officers and should be treated equally.

**Members of the Cabinet, Chairs and Vice Chairs**

- 2.5 Members of the Cabinet, Chairs and Vice Chairs have additional responsibilities, entailing different relationships and more regular contact with officers. They still must respect the impartiality of officers, and must not ask them to undertake work of a party political nature or that could prejudice their impartiality.

**Officers**

- 2.6 The role of officers is to give advice and information to members and to implement the policies determined by the Council, the Cabinet and their committees.
- 2.7 Certain officers have responsibilities in law over and above their obligations to the authority and members. These are known as statutory officers and include the Chief Executive/Head of Paid Service, Monitoring Officer and Chief Finance Officer (s151 officer). Members must respect these responsibilities and not obstruct or victimise officers in the discharge of them.

**Communications**

- 2.8 The Council's Communications team are able to support the Cabinet and Chairs of Committees – including Scrutiny Panels – when they act as spokespeople for the Council. There are specific statutory restrictions on the use of public resources for the Council's communications, which are followed by officers and must be respected by members.

**Children's Services**

- 2.9 It is recognised that the Director of Children's Services has a close working relationship with the statutory Lead Member for Children's Services (the Cabinet Member for Children and Families) and will regularly report to them in relation to the DCS role. The Director of Children's Services and the Cabinet Member for Children and Families must work together to provide a clear and unambiguous line of local accountability.

**Arms-Length Organisations**

- 2.10 When the Council establishes arms-length organisations to exercise its functions, for example Homes for Haringey, the employees of the organisation should be considered as officers for the purposes of this protocol.

**3. Expectations**

- 3.1 Members and officers can expect the following from each other:
- (a) A working partnership;
  - (b) An understanding of and support for respective roles, workloads and pressures;

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- (c) Respect, dignity and courtesy;
- (d) Integrity, mutual support and appropriate confidentiality;

3.2 Members can expect from officers:

- (a) A commitment to the authority as a whole, and not to any political group;
- (b) Timely response to enquiries and complaints in accordance with agreed procedures;
- (c) Professional, accurate, honest and impartial advice, not influenced by political views or preference;
- (d) Regular, up-to-date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold;
- (e) Awareness of and sensitivity to the political environment;
- (f) Training and development [from officers] in order to carry out their roles effectively;
- (g) Not to have personal issues raised with them by officers outside of the Council's agreed policies and procedures;
- (h) That officers will at all times comply with the relevant Code of Conduct;
- (i) Support for the role of members as the local representatives of the authority.

3.3 Officers can expect from members:

- (a) Political leadership and direction;
- (b) Not to be subject to bullying or harassment. Members should have regard to the seniority and experience of officers in determining what are reasonable requests, having regard to the powerful relationship between members and officers, and the potential vulnerability of officers, particularly at junior levels;
- (c) That members will not use their position or relationship with officers to advance their personal interests or those of others or to influence decisions improperly;
- (d) That members will not publicly name officers or make detrimental remarks about officers during public meetings. Where members are chairing or otherwise in a position of authority on committees they will do their best to ensure that meetings are conducted in such a way that officers are not subjected to bullying or harassment by members of the public attending meetings;
- (e) That members will not draw officers into political or group discussions;
- (f) That members will at all times comply with the relevant Code of Conduct.

**Limitations upon behaviour**

3.4 The distinct roles of members and officers necessarily impose limitations upon behaviour. By way of illustration, and not as an exclusive list:

- (a) Close personal relationships between members and officers can confuse these separate roles and get in the way of the proper discharge of the authority's functions, not least in creating the perception by others that a particular member or officer may secure advantageous treatment. They should therefore be avoided;

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- (b) The need to maintain the separation of roles means that there are limits to the matters on which they may seek the advice of officers, both in relation to personal matters and party political issues;
- (c) Relationships with particular individuals or party groups should not be such as to create public suspicion that an employee favours that member or group above others.

#### **4. Provision of information**

- 4.1 Members should be provided with adequate information about services or functions upon which they may be called upon to make or scrutinise decisions, or which affect their constituents. In the normal course of events, this information will be made routinely available by officers in the form of reports, departmental plans, updates etc. Members are encouraged to make use of existing sources of information wherever possible.

#### **Members of the Cabinet, Chairs and Vice Chairs**

- 4.2 Members of the Cabinet, Chairs and Vice Chairs have additional responsibilities, entailing different relationships and more regular contact with officers.
- 4.3 In order for them to discharge their responsibilities as Cabinet members, administration portfolio holders will be briefed by Directors<sup>2</sup> on service issues, proposals and policy development. Directors may from time to time nominate other officers to attend these meetings. Directors may also brief committee Chairs on matters relevant to the terms of reference of the committee. These informal meetings may be on a one off or regular basis, in accordance with the requirements of the member concerned.

#### **Ward Councillors**

- 4.4 Officers should keep members apprised of developments that are relevant to their role as a ward councillor. Ward councillors should be kept up to date with all major policy developments, public consultations and proposed changes to service delivery affecting their ward.

#### **Major Incidents and Emergencies**

- 4.5 A separate guidance document on *The Role of Elected Members in Major Incidents Affecting the London Borough of Haringey* is available to members and sets out arrangements and communications during a major incident.

#### **Members' Enquiries**

- 4.6 Any member may ask the relevant Director to provide him or her with such factual information, explanation and advice about the Department's functions as he or she may reasonably need in order to assist him/her in discharging his

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<sup>2</sup> The term 'Director' has the meaning as set out at Part 3 Section E Section 1 of this Constitution and shall include the following officers: the Chief Executive, members of the Strategic Leadership Team, all Directors and Assistant Directors and the General Manager of Alexandra Palace & Park (as appropriate)

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or her role as a member of the Council or acting for and on behalf of the Council as an appointed representative to another body. These requests will be met where the member has a legal right to the information. If that right arises under the Freedom of Information Act, the Member shall not be required to make a formal FOI request.

- 4.7 All such information should be provided in accordance with the Member Enquiry Process. Where there are established alternative procedures, the enquiry will be put through those procedures and not dealt with as a Member Enquiry.
- 4.8 Where a member requests a service on behalf of a constituent that will be dealt with as a 'service request' by the appropriate service team.
- 4.9 Any requests for information made by political group assistants on behalf of members of their group should be treated in exactly the same way as if those members had made the request themselves. The political group assistants, when making such requests should clearly indicate on which member's behalf they are acting.

**Briefings to political groups**

- 4.10 The Leader of the Council or the Leader of any other political group may request the Chief Executive or relevant Director to prepare a briefing or written report on any matter relating to the authority for consideration by the group. Such requests must be reasonable and should not seek confidential or personal information. In considering such a request, officers should be mindful of the need to support members by providing factual information. However if an officer deems the nature of the request to be unreasonable the request will be referred to the Chief Executive for determination, were necessary in consultation with the Leader(s) of the political group(s).
- 4.11 Officer reports to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Reports will not deal with any political implications of the matter or any option and officers will not make any recommendation to a political group.
- 4.12 Any briefing offered to or requested by a party group will be offered to any other party groups. Where possible such briefings should be to all or a combination of party groups.

**Officer attendance at political group meetings**

- 4.13 The Leader of the Council or the Leader of any other political group may request the Chief Executive or relevant Director to attend a meeting of the group to advise on any matter relating to the authority.
- 4.14 Attendance at a meeting of a political group should be on the basis of equality of access, and members and officers should avoid officers being exposed to

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political discussions when delivering a briefing. Officers may decline to attend or provide a representative where they are of the opinion that the particular issue is of such a political nature that it would be inappropriate to attend.

- 4.15 Any briefing offered to or requested by a party group will be offered to any other party groups. Where possible such briefings should be to all or a combination of party groups. No officer of the Council shall attend any political group meeting which includes non-Council members.
- 4.16 Officers' advice to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Advice will not deal with any political implications of the matter or any option and officers will not make any recommendation to a political group.
- 4.17 Officers will request the confidentiality of any matter which they are privy to in the course of attending a political group meeting.

**Members' Access to Reports and background papers**

- 4.18 Access to Cabinet, Committee or Sub-Committee papers and other documents or information is governed by:-
- (i) Local Government Acts 1972-2000 (particularly Schedule 12A)
  - (ii) Relevant case law
  - (iii) Access to Information Procedure Rules (Part 4 Section D of the Constitution)
  - (iv) Freedom of Information legislation
- 4.19 The rights of members can be summarised as follows:
- (i) Councillors generally enjoy the same access rights as members of the public in respect of public papers;
  - (ii) Members of the appropriate Cabinet, Committee or Sub-Committees will have a good reason for access to all exempt information on the Cabinet, Committee, Sub-Committee agenda under the common law "Need to Know" principles;
  - (iii) Members of the Overview and Scrutiny Committee will have a prima facie "Need to Know" where they require access to exempt Cabinet agenda items as part of their scrutiny function provided the subject matter relates to an action or decision that the member is reviewing or scrutinising as part of the agreed scrutiny work programme;
  - (iv) All other Members who require access to confidential/exempt Cabinet/Committee/Sub-Committee documentation will need to request disclosure under the Freedom of Information Act 2000 or demonstrate a "Need to Know".
- 4.20 It is important to note that these rights only apply where members are clearly carrying out their role as elected representatives. Where any member has a disclosable pecuniary interest or a personal and prejudicial interest in a matter

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the member will only be entitled to the same access as would be the case for a private individual, i.e. to inspect the reports, minutes and background papers relating to the public part of the Cabinet/Committee/Sub-Committee Agenda. In these circumstances, the member must make it clear that s/he is acting in his/her private capacity and not as a member of the Council.

- 4.21 More information can be found in the Access to Information Procedure Rules at Part 4 Section D of this Constitution.

**Confidential/Exempt Information**

- 4.22 Whilst members of the Council have the same rights as the public in seeking and obtaining public documents or information under Freedom of Information legislation, this is not the case in relation to exempt and confidential information.

- 4.23 Confidential information is information:
- (i) furnished to the Council by a Government Department on terms which forbid the disclosure of the information to the public, or
  - (ii) which may not be disclosed by or under any enactment or by a Court Order.

- 4.24 Exempt information is information to which the public may be excluded subject to certain qualifications. The categories of exempt information are set out in Schedule 12A to the Local Government Act 1972 and are reproduced in section 10 of the Access to Information Procedure Rules at Part 4 Section D of this Constitution. There may be some occasions when information may fall within one or more of the categories, but it is nevertheless in the public interest to disclose it under Freedom of Information legislation, without infringing personal rights or damaging the Council's position. If there is doubt in relation to individual items then they should be kept confidential until the Cabinet/Committee/Sub-Committee has taken a view as to whether they should be treated as exempt or not.

More information can be found in the Access to Information Procedure Rules at Part 4 Section D of this Constitution.

**Use of Council Information – Confidentiality**

- 4.25 Procedure Rules and specific local procedures (e.g. on contracts) require members and officers to maintain confidentiality in certain circumstances. Officers are bound by their contracts of employment and any breach of confidentiality will almost certainly lead to disciplinary action. Officers must distinguish between assisting an elected representative in the course of the member's Council business and dealing with the same person as a client or customer, e.g. a Housing Benefit claimant. In the latter case, officers will treat the member with the same degree of helpfulness, courtesy and confidentiality as would be afforded to any other member of the public in the same situation, and interpret the relevant rules and procedures as they would for any other client or customer.



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- 4.26 Equally, any Council information provided to a member on the basis of a 'Need to Know' must only be used by the member for the purpose for which it was provided, i.e. in connection with the proper performance of the member's duties as an elected representative of the Council. Confidential or exempt information provided to members may be discussed in the private session of Committee meetings or in private meetings of appropriate members and officers. However, it should not be discussed with, or released to, any other persons. Any information that is provided should be clearly marked as confidential before it is released to members.
- 4.27 Members abusing this trust may find themselves the subject of a complaint to the Standards Committee that they have contravened paragraph 3.3 of the Members' Code of Conduct which states that except in certain specified circumstances a member must not disclose information given to him/her in confidence by anyone, or information acquired by the member which he/she believes, or ought reasonably to be aware, is of a confidential nature.
- 4.28 Information disclosed privately or private discussions held during exempt Committee sessions, informal briefings or group meetings should not be disclosed by members or officers to any person not already privy to that information.

## **5. When Things Go Wrong**

- 5.1 Rarely, the relationship between members and officers will fall short of expectations. In such instances, it would always be preferable to deal with matters at an early stage and informally through conciliation through a senior manager or political group leadership or whips. This may not always be possible, in which case the following procedures should be followed.

### **Procedure for officers**

- 5.2 If conciliation via a senior manager is not possible, officers can have recourse to the Chief Executive, as appropriate to the circumstances. Officers also have recourse to the Council's Whistleblowing Procedure or can refer the matter under the arrangements for complaints under the Members' Code of Conduct, set out at Part 5 Section A of the Constitution.

### **Procedure for Members**

- 5.3 In the event that a member is dissatisfied with the conduct, behaviour or performance of an officer, the matter should be raised with the appropriate Director. Where the officer concerned is a Director the matter should be raised with the Chief Executive. Where the employee concerned is the Chief Executive the matter should be raised with the Monitoring Officer. If a Member is unsure how to proceed, or would wish to discuss the conduct of another Member toward officers, they should discuss this with their group whip.

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**REPORT OF THE CABINET TO FULL COUNCIL ON 19 MARCH 2018**

Chair:  
Councillor Claire Kober

Vice Chair:  
Councillor Joseph Ejiofor

**1. INTRODUCTION**

1.1 This report to Full Council arises from consideration of the following report by the Cabinet:

- Intermediate Housing Policy Statement

**2. SUMMARY OF CONSIDERATIONS****2.1 Intermediate Housing Policy Statement**

In January 2018 Cabinet agreed the Intermediate Housing Policy Statement. The Policy Statement sets out clarifications on a range of issues, intended to ensure that local people are better able to benefit from the intermediate housing that is developed in the borough. These include:

- the definition of intermediate housing and levels of affordability,
- Haringey's eligibility criteria and priority order for intermediate housing, with a greater stress on Haringey residents having priority for these homes,
- how the affordable housing mix should be flexed in different areas to ensure the overall delivery of borough-wide aims,
- the range of intermediate housing products the Council encourages in the borough,
- a greater weight on more affordable products such as intermediate rented housing, including London Living Rent.

The Cabinet also proposed amending Appendix C of the Housing Strategy 2017-2022, to reflect the Policy Statement. Appendix C explicitly provides for revisions to Appendices C and D, independently of any revision to the Strategy itself, as necessary.

The amendments to Appendix C:

- clarify that the Council is keen to promote a range intermediate housing, and that shared ownership is not the preferred product in all cases,
- note how the affordable housing mix should be flexed in different areas,
- reflect the new Mayor's London Housing Strategy,
- clarify that, to be considered affordable, housing costs should represent 40% of a household's net income. This change to the definition of affordability will also be incorporated in Appendix D of the Housing Strategy.

**WE RECOMMEND FULL COUNCIL:**

Agree and adopt the amended Appendix C of Haringey's Housing Strategy 2017-2022, attached as appendix 2 to the Cabinet Report, and the minor changes to Appendix D.

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**Report for:** Cabinet 16<sup>th</sup> January 2018

**Item number:**

**Title:** Intermediate Housing Policy Statement

**Report authorised by:** Lyn Garner – Strategic Director of Planning, Regeneration and Development

**Lead Officer:** Alan Benson, Head of Housing Strategy and Commissioning

**Ward(s) affected:** All

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

## 1. Describe the issue under consideration

- 1.1. Haringey's Housing Strategy 2017-2022 sets the direction of travel for housing provision in Haringey. It is centred around four priorities, the first of which is to 'achieve a step change in the number of homes built.' This includes provision for an increase in intermediate housing products, as set out in the adopted Local Plan.
- 1.2. The Council consulted on a draft Intermediate Housing Policy from November 2016 to January 2017. The policy and consultation focused mainly on eligibility and priority for the allocation of intermediate housing.
- 1.3. This report sets out a new Intermediate Housing Policy Statement. This expands on the policy for consultation, taking into account the results of the consultation. It also reflects changes in the policy environment, in particular the new Mayor's Draft Housing Strategy.
- 1.4. The policy statement sets clarifications on a range of issues, including:
  - the definition of intermediate housing and levels of affordability,
  - Haringey's eligibility criteria and priority order for intermediate housing, with a greater stress on Haringey residents having priority for these homes,
  - how the affordable housing mix should be flexed in different areas to ensure the overall delivery of borough-wide aims,
  - the range of intermediate housing products the Council encourages in the borough,
  - greater weight on the more affordable intermediate rented housing, such as London Living Rent, and
  - amending Appendix C of the Housing Strategy 2017-2022 in line with this policy statement.

## **2. Cabinet Member Introduction**

- 2.1. London's housing market has long been very polarised, with a dwindling stock of social homes available to those in the highest need and a lot of private housing only accessible to those on higher salaries. For many Londoners, including Haringey residents, there is a need for more housing accessible to those on low and middle incomes. Many residents on low and middle incomes do not qualify for social housing, but struggle financially to rent or buy privately.
- 2.2. Where intermediate homes are built in our borough, we want to make sure that Haringey residents are first in line to benefit from them. We also want to ensure that intermediate homes are offered first to those on lower incomes, so that intermediate housing goes to those residents who will benefit from it most.
- 2.3. This policy statement builds on the existing Local Plan policies to ensure that new intermediate housing in Haringey is affordable to and accessible by local residents on low to middle incomes. It will therefore ensure that a greater number of these local residents benefit from new intermediate homes being delivered in the borough.

## **3. Recommendations**

It is recommended that Cabinet:

- 3.1. Approve the Intermediate Housing Policy Statement set out at appendix 1.
- 3.2. Agree the changes to Appendix C of the Housing Strategy set out at appendix 2, and minor amendments to other appendices as set out at paragraph 6.16 of this report, and recommend that they be adopted by Full Council.

It is recommended that Council:

- 3.3. Agree and adopt the changes to Appendix C of the Housing Strategy set out in appendix 2, and the minor amendments to other appendices as set out at paragraph 6.16 of this report.

## **4. Reasons for decision**

- 4.1. Intermediate housing is becoming an increasingly important part of the housing offer, as provided for in Haringey's Housing Strategy. However, at present, the Council has no formal policy for prioritising who gets these intermediate homes, either for sale or for rent, neither does it have clearly articulated expectations on the types of products and affordability of these products that it would like to see.
- 4.2. This policy statement allows the Council to set out clear guidance on all these issues, in particular on local eligibility criteria, priority matrix, marketing requirements, tenure mix and products.

## **5. Alternative options considered**

- 5.1. An alternative option would be not to set a priority matrix or marketing arrangements for intermediate housing. This option was rejected to ensure that

intermediate housing is offered in the first place to those who will benefit from this most, and for whom market housing is most difficult to access. It also provides for Haringey residents to have greater priority access for intermediate housing products.

- 5.2. A separate alternative option would be not to amend Appendix C of the Housing Strategy. This was rejected partly since much of the content has been superseded by the Mayor's Housing Strategy and partly because it is not fully aligned with the outcomes of the consultation on this policy.

## 6. Background information

- 6.1. Haringey's Housing Strategy was agreed at Full Council on 21 November 2016. It provides a comprehensive picture of the housing challenges in Haringey, and the Council's over-arching plans to meet those challenges. Its first strategic objective is to achieve a step change in the number of new homes built. This includes an increase in intermediate housing products, as provided for in Haringey's Local Plan.

### Eligibility criteria

- 6.2. Intermediate housing is defined as products that are more expensive than social rented products, but less expensive than open market housing. Eligibility criteria are used to ensure that intermediate housing is accessed by residents who will most benefit from it. This is generally individuals and households who are not a priority for social housing but who are unable to afford market housing in the borough. In London, they are intended to meet the needs of households on a range of incomes, up to £90,000 a year for ownership products and £60,000 a year for rented products.
- 6.3. There are existing eligibility criteria for intermediate housing set by the Government and the Greater London Authority. The proposed policy statement specifies that within the Mayor's eligibility criteria Haringey wishes to see all intermediate products targeted at households with a maximum income of £40,000 for 1 and 2 bed properties and £60,000 for larger properties.

### Priority matrix

- 6.4. Haringey, like most other local authorities, has decided to specify its own local priority matrix. This is in line with the results of the consultation on the Intermediate Housing Policy.
- 6.5. The consultation on the draft Intermediate Housing Policy showed that
- a. 80% agreed with the proposed criteria for intermediate housing
  - b. 84% agreed with the order of priority for intermediate housing as set out in the draft policy, which was as follows:
    1. Haringey social housing tenant (including tenants in temporary accommodation who have been accepted by Haringey) and military personnel who have served within the last five years
    2. Haringey resident affected by regeneration scheme either tenant or leaseholder

3. Haringey resident
  4. Any other Haringey worker
  5. Resident in any other London borough
- 6.6. The proposed Intermediate Housing Policy Statement has taken on board these consultation results, but has simplified the priority matrix to three levels. It has also introduced additional criteria to reflect new policies in the Estate Renewal Rehousing and Payments Policy, and out of a desire to improve the mechanisms to prioritise existing Haringey residents for intermediate housing.
- 6.7. The proposed priority matrix is as follows for those who meet the eligibility criteria:
1. Priority 1
    - a. Haringey social housing tenants, including Housing Association tenants where Haringey has nominations rights to that property
    - b. Households on Haringey's housing register
    - c. Households who are required to move because of estate renewal schemes, including leaseholders and freeholders who are unable to purchase properties on the open market
    - d. Children of Haringey social housing tenants who are currently living with their parents
  2. Priority 2
    - a. Applicants who live or work in the borough
    - b. Members of the armed forces
  3. Priority 3  
Any other applicants living or working in another London borough.
- 6.8. The new priority criterion of those 'who are required to move because of estate renewal, including leaseholders and freeholders who are unable to purchase properties on the open market' has been introduced following the adoption of the Estate Renewal Rehousing and Payments Policy by Cabinet in October 2017.
- 6.9. The new priority criteria of 'Households on the housing register', 'and Children of Haringey social housing tenants who are currently living with their parents' have been introduced to ensure that Haringey residents are prioritised for intermediate housing. Allowing children of Haringey social housing tenants who live with their parents to access intermediate housing as a priority may enable them to remain as residents of the borough and assist in either addressing overcrowding in their parents' house, or allow their parents to move to a smaller property, if this will better suit their needs.

#### Marketing requirements

- 6.10. As well as eligibility criteria and a priority matrix, the Intermediate Housing Policy Statement also sets out an order for the marketing of these products. This further allows for those who will most benefit from intermediate housing in



Haringey to have the option to access it first. The marketing bands are as follows:

1. Band 1: Those living or working in Haringey with a maximum annual income of £40,000 for 1 and 2 bed properties and £60,000 for larger properties.
  2. Band 2: Those living or working in London with a maximum annual income of £60,000.
  3. Band 3: Those living or working in London with a maximum annual income of £90,000.
- 6.11. Analysis of shared ownership schemes sold in Haringey in the last two years is set out in the table below that shows the percentage sold to households with a Haringey connection. This indicates that there is scope to improve the proportion of shared ownership properties sold to residents with a Haringey connection.

Scheme	Housing Association	Units	%
Isobel Place	Newlon	68	46
Artizan Place	Sanctuary	21	71
West Green Road	NHHT	43	58
Watsons Road	NHHT	45	48
Rivers Apartments	Newlon	48	43
Skylark Apartments	Viridian	21	33
Chalkley House	Sanctuary	5	80
Birdsmouth Court	Sanctuary	30	97
John Cameron Court	Newlon	9	33

- 6.12. The priority matrix and the marketing bands are in place to ensure that a much higher percentage of homes are sold to households with a Haringey connection. A shift in the product mix from the current concentration on shared ownership to more intermediate rented units should also ensure that more of these are affordable to local residents.
- 6.13. This percentage will be regularly monitored to ensure that these mechanisms are delivering the desired outcomes.

#### Tenure mix and products

- 6.14. Objective 1 of the Housing Strategy also identifies that encouraging mixed tenures across all areas of the borough will provide more diverse and balanced communities. It sets out, in Appendix C, the tenure mix within the overall affordable housing offer as being 60% Social Rent / Affordable Rent and 40% intermediate housing products across the borough, except in Tottenham where these are reversed. The Intermediate Housing Policy Statement clarifies that, to achieve this overall borough-wide mix, this means that a higher percentage of Social Rent / Affordable Rent as part of the overall affordable housing offer should usually be sought in the rest of the borough.
- 6.15. The statement also clarifies that the Council does not have a preferred intermediate housing product, but that intermediate housing needs to be

affordable to local residents. Therefore intermediate rent, with affordability based on local incomes, may be more suitable in some cases than intermediate home ownership options.

- 6.16. On affordability overall, Appendix C is amended, in line with the Policy Statement, to clarify that intermediate housing costs should be less than 40% of net household income. This minor change is also incorporated into the other appendices to the Strategy. Appendix C is also amended to make clear the Council's preferred affordable housing products.

## **7. Contribution to strategic outcomes**

- 7.1. Priority 5 of Haringey's Corporate Plan states: "We will build more council owned homes while working with partners to provide greater numbers of affordable housing, while increasing the overall supply, including more shared ownership housing to help low and middle income earners get on the property ladder."
- 7.2. Haringey's Housing Strategy 2017-2022 seeks to deliver the housing priorities defined in Haringey's Corporate Plan, with four strategic objectives as follows:
- a) Objective 1 Achieve a step change in the number of new homes built
  - b) Objective 2 Improve support and help to prevent homelessness
  - c) Objective 3 Drive up the quality of housing for all residents
  - d) Objective 4 Ensure that housing delivers wider community benefits
- 7.3. The Housing Strategy provides a broad strategic direction for housing in the borough, but delivery of its objectives will be achieved through a range of housing related sub-strategies and policies. The Intermediate Housing Policy Statement is one of these documents and provides the detail to support the achievement of Objective 1.

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

### **9. Finance and Procurement**

- 9.1. This report requests that Cabinet approves the Intermediate Housing Policy Statement.
- 9.2. The Intermediate Housing Policy Statement sets out the priority and eligibility criteria.
- 9.3. As and when new projects are proposed as a result of the Intermediate Housing Policy Statement, a business case will be developed and brought forward through the Cabinet process. Financial implications will be considered as part of the assessment and formal adoption for each proposal.

## **10. Legal**

- 10.1. The Assistant Director Corporate Governance has been consulted in the preparation of this report and makes the following comments.

- 10.2. The Council's obligation to have and allocate housing according to an Allocation Scheme complying with Part VI of the Housing Act 1996 does not apply to allocations of its own stock other than on introductory or secure tenancies; the Council is therefore free to adopt a Policy for allocation of Intermediate Accommodation without reference to the obligations in that Act.
- 10.3. The broader policy setting for the Policy Statement is set out in the body of the report.
- 10.4. The Policy Statement should nevertheless be consistent with and advance the Council's overarching Housing Strategy. Linkages with that Strategy are set out in the body of the report.
- 10.5. While there is no statutory requirement for consultation on this policy, Haringey's own consultation policies require this. Consultation was carried out as set out in the body of this report at 1.2 and 6.5.
- 10.6. A full report on this and other housing policy consultations was brought to Overview and Scrutiny Committee on 9 February 2017.
- 10.7. The Policy Statement reflects the outcome of the consultation. While not bound by the outcome of the consultation, Cabinet in considering the Policy Statement should conscientiously take account of that outcome and also of the views of the Overview and Scrutiny Committee expressed on 9 February 2017.
- 10.8. Cabinet should also have regard to the Equalities Impact Assessment also annexed.

### 11. Equality

- 11.1. The Council has a Public Sector Equality Duty under the Equality Act 2010 (as amended) to have due regard to the need to:
  - a. Eliminate 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.
  - b. Advance equality of opportunity between people who share those protected characteristics and people who do not.
  - c. Foster good relations between people who share those characteristics and people who do not.
- 11.2. An Equalities Impact Assessment of the Intermediate Housing Policy Statement has been undertaken and is attached as Appendix 3.

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### 12. Use of Appendices

Appendix 1: Intermediate Housing Policy Statement  
Appendix 2: Appendix C of Haringey Housing Strategy 2017-2022  
Appendix 3: Equalities Impact Assessment

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

Haringey Housing Strategy 2017-2022

[http://www.haringey.gov.uk/sites/haringeygovuk/files/housing\\_strategy\\_2017-2022.pdf](http://www.haringey.gov.uk/sites/haringeygovuk/files/housing_strategy_2017-2022.pdf)

Consultation on Four Policies to Meet Housing Need

<http://www.minutes.haringey.gov.uk/documents/s90981/6.%20Report%20on%20Consultation%20on%20Four%20Housing%20Policies.pdf>

# Appendix C – Affordable, Intermediate and Specialist/Supported Housing Guidance

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## Introduction

The purpose of this appendix is to confirm for all affordable housing providers (including housing associations, private developers, the Haringey Development Vehicle and the Council's own development/regeneration teams) the tenure/dwelling mix and affordability levels the Council expects for new affordable housing provided in the borough. It is recognised that these expectations may be subject to viability and site constraints. This strategy also makes clear that the Council will lead by example in this area of policy.

Appendices C and D will be maintained by the Council as discrete guidance to private developers and affordable housing providers, particularly at the pre-planning stage of developments in the borough. It is anticipated that this approach will clarify the Council's expectations, thereby reducing abortive work and more frequently achieving successful developments which meet local needs. During the period covered by this strategy, revised versions of this appendix may be published as housing need develops and/or better information becomes available.

## Tenure Split

It is expected that the Council's Local Plan policies for affordable housing will form the starting point for the consideration of individual development proposals i.e. that development sites with capacity to provide 10 or more units will be required to provide the maximum amount of affordable housing reasonable, contributing to a borough-wide target of 40% affordable homes of all new homes delivered. The tenure split of the affordable housing provided will be a balance of 60% Social Rent / Affordable Rent and 40% intermediate housing, except in the Tottenham AAP area, where these proportions are reversed. Therefore, to achieve the overall borough-wide tenure split, there is a need to deliver a higher percentage of the affordable homes as Social Rent / Affordable Rent in the rest of the borough, in particular in the west of the borough, where there are currently much lower levels of existing social rent. Here the Council wishes to see as high a proportion as possible of the new affordable homes being delivered as Social Rent / Affordable Rent.

In terms of the specific types of low-cost rented homes and intermediate homes, the Council expects providers to develop rented homes at rents that are affordable for Haringey residents and, as a minimum, rents below Local Housing Allowance levels. The Council does not have a preferred intermediate product, but intermediate housing should be affordable to existing residents, as provided for in Appendix D. In many cases, intermediate rent will be the more affordable intermediate product for Haringey residents.

## Maximum Rent Levels

The Mayor's new London Housing Strategy sets out two new affordable rented products:

- London Affordable Rent, with rents tied to target social rents, which replaces the previous Affordable Rent product for general needs housing; and
- London Living Rent, with rents based on one third of local incomes, which is an intermediate housing offer.

The Council's preference for general needs housing is for Social Rent or London Affordable Rent. Where there are still schemes coming through the planning system as Affordable Rent, i.e. tied to local rents, the table below sets out maximum acceptable rent levels, and all individual property rents must be below the Local Housing Allowance (LHA) threshold.

The Council's preference for intermediate rented housing is London Living Rent or Discounted Market rent with rent levels set at the equivalent London Living Rent. In all cases the rents for intermediate rented homes should not exceed those set out in the table below.

The table below provides a guide to maximum rents in Haringey, expressed as a percentage of local market rents.

Number of bedrooms	Maximum
1 bedroom	Up to 80%
2 bedrooms	Up to 65%
3 bedrooms	Up to 55%
4 or more bedrooms	Up to 45%

## Intermediate Housing Products

The affordability requirement for intermediate housing is that net housing costs should not exceed 40% of the net income received by a household.

For intermediate rented housing this includes rents and service charges. In many cases, intermediate rented products will be more affordable for Haringey residents than intermediate owned products. The Council is keen to see an increase in the delivery of products such as London Living Rent.

For shared ownership this includes all three cost elements of mortgage costs on the percentage share purchased, rent charged on the unsold equity and service charges. To achieve this, providers can consider offering the lower initial purchase shares, lower rents on the unsold equity and lower service charges from the design and management arrangements for the scheme. Conversely, providers can also consider offering a higher initial percentage share, to cater to those who may have capital but lower incomes.

## Dwelling mix for Social Rent / Affordable Rented Housing

- 11 % one bedroom units
- 45 % two bedroom units
- 33 % three bedroom units
- 11 % four (or more) bedroom units

of which, a minimum 10% to be wheelchair accessible, with aspiration of 20%.

## Dwelling mix for Intermediate Housing

- 30 % one bedroom units
- 60 % two bedroom units
- 10 % three bedroom (or more) units

of which, a minimum 10% to be wheelchair accessible, with aspiration of 20%.

## Supported Housing Supply

The Council's strategic review of Supported Housing was completed in early 2017 and assessed the current and required supply of specialist housing in the borough. The review shows that there is a shortfall in the supply of specialist supported housing for the following groups:

- Older people with complex needs such as learning disabilities, mental health and substance misuse, and accessible sheltered housing units for those with physical disabilities.
- People with mental health conditions leaving hospital and/or secure units, and specific units for women being released / discharged from hospital.
- People with learning disabilities who require supported living units.
- Single homeless adults requiring move on accommodation, including those with complex needs.
- Vulnerable young people/care leavers with complex offending/gang related needs; young women at risk of exploitation; and smaller services for young people to learn independent living skills.
- Survivors of domestic violence, and particularly provision for women from BAME backgrounds and for women with disabilities.

All new and converted supported housing is required to be accessible or adaptable for those with physical disabilities.

## Student Housing

There is no identified need for additional student housing in the borough and proposals to develop student housing would not normally be supported and, in any event, will not fulfil the Council's expectations for affordable housing as set out above in this appendix.



**REPORT OF STAFFING & REMUNERATION COMMITTEE****FULL COUNCIL 20 MARCH 2017**

Chair: Councillor Raj Sahota

Vice-Chair: Councillor Zena Brabazon

**INTRODUCTION**

The Council is required to produce an annual Pay Policy Statement to comply with the requirements of the Localism Act 2011. The Council approved its most recent Pay Policy Statement in March 2017.

This report from the Staffing & Remuneration Committee of 5 February 2018 recommends that Full Council approve the Pay Policy Statement 2018/19 (attached) for publication in April 2018.

**PAY POLICY STATEMENT 2017/18**

We considered the report on the Pay Policy Statement 2018-19 and noted that this was a statutory report that the Council was required to produce annually, in accordance with the Localism Act 2011. We were requested to approve the Pay Policy Statement and refer it on to Full Council for final approval, and to authorise the Interim AD Transformation and Resources to make such amendments to the statement, in consultation with the Chair of the Staffing and Remuneration Committee, as he considered minor, prior to the statement being recommended to Full Council. We noted that if any changes were required to the statement after its approval by Full Council, these would need to go back to Full Council for determination.

- i) We approved the draft Pay Policy Statement 2018/19 as attached to the report to the meeting of the Staffing and Remuneration Committee on 5<sup>th</sup> February 2018.
- ii) We resolved that the Interim Assistant Director of Transformation and Resources is authorised in consultation with the Chair of the Staffing and Remuneration Committee to make such amendments to the Pay Policy Statement as he considers minor.

Following our meeting on 5<sup>th</sup> February 2018 the Interim Assistant Director of Transformation and Resources, in consultation with our Chair, made the following changes to the draft Pay Policy Statement: -

1. Updated Appendix A – updated dates for Senior Managers pay award
2. Updated Appendix B – updated Senior Manager Pay Bands

**WE RECOMMEND**

That Full Council approves the Pay Policy Statement 2018/19, amended as explained in this report and attached, at its meeting on 19<sup>th</sup> March 2018.



# Pay Policy Statement 2018/19

Published  
April 2018

**1. Background**

**Localism Act 2011 - Openness and accountability in local pay**

- 1.1. Section 38(1) of the Localism Act requires local authorities to produce an annual pay policy statement.
- 1.2. The provisions in the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however it emphasises the need to deliver value for money for local taxpayers.
- 1.3. This statement has been approved by Full Council on 19<sup>th</sup> March 2018 and any changes during the year will be brought back to Full Council for adoption at the earliest opportunity.
- 1.4. This statement does not apply to Council employees based in schools.

**Related Remuneration and Transparency Context**

- 1.5. The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015 (“the Code”), published by the Department for Communities and Local Government in February 2015, and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.
- 1.6. Part of the Code includes publishing information relating to senior salaries within a local authority. A full list of all posts that are paid £50,000 or more per year that fall within the scope of the Accounts and Audit Regulations 2015 is published on the Council’s website. [See here](#).

**2 Governance arrangements for pay and conditions of service within Haringey**

- 2.1. The Staffing & Remuneration Committee as referred to in the Council’s constitution Part three, section B under its Terms of Reference has responsibility for the terms and conditions of service for all staff. The Staffing & Remuneration Committee is a Committee of Full Council.
- 2.2. The Staffing & Remuneration Committee is accountable for the remuneration of Chief Officers (see section 4 for more details) and pay in general and will ensure that remuneration is set within the wider pay context giving due consideration to the relationship between the highest and lowest paid in the organisation (see section 7 for more information). This Committee will remit the Pay Policy Statement for approval by Full Council.

### **3 Pay Strategy**

- 3.1 In December 2014 the Staffing & Remuneration Committee agreed the Council's Modern Reward Strategy that included a review of Chief Officer and Senior Managers pay and grading arrangements.
- 3.2 The Council's vision includes the provision to adopt a reward strategy that is modern, sustainable, fair and transparent concerning pay, which rewards people appropriately for their contribution to the Council.
- 3.3 In April 2016 new pay and grading arrangements were implemented for Chief Officers and Senior Managers. This Pay Policy Statement sets out the new pay arrangements.
- 3.4 The pay and grading review for the rest of the workforce, i.e. those employees covered by the National Joint Council (NJC) for Local Government Services Green Book will be completed during the financial year 2017/18. The implementation date will be dependent on the progress of the project and will be a matter of consultation with the recognised trade unions.
- 3.5 Implementation of the outcomes of the pay and grading review for the rest of the workforce will also be reliant on the Local Government Association (LGA), London Councils and trade unions reaching an agreement on a new pay spine for NJC employees which will need to be robust and future proof going forward. This piece of work is still ongoing.

### **4 Remuneration arrangements of Senior Managers and Chief Officers including the Chief Executive**

- 4.1 The Council's Chief Officers are the Head of Paid Service (the Chief Executive), the Monitoring Officer, statutory chief officers, or non-statutory chief officers being officers who report to the Chief Executive, including the Strategic Leadership Team. The term "Chief Officers" also includes deputy chief officers being officers who report directly to a statutory or non-statutory chief officer. The Council defines its Senior Managers as those staff appointed on senior manager pay grades – which start at remuneration levels of £59,200 per annum. Chief Officers and Senior Managers are contracted to work as many hours as required to complete the job.
- 4.2 The pay and terms and conditions for Chief Officers and Senior Managers are determined locally. As such they do not depend on national or regional negotiations to decide pay levels or awards.
- 4.3 The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent staff. Pay bands for Chief Officers and Senior Managers must be approved by the Staffing and Remuneration Committee. The pay bands for Chief Officers and Senior Managers are at Appendix A.
- 4.4 Where it is proposed to appoint to a Chief Officer post and the proposed salary is £100,000 per annum or more, the Staffing and Remuneration Committee must

consider and approve the proposed salary. The current Chief Officer management structure including employee salaries costs, details of bonuses and benefits-in-kind, performance-related pay, grade, department and team, whether permanent or temporary, staff contact details, salary ceiling, names, job titles, services and functions responsible for, budget held and numbers of staff is published on the Council website. Names may only be published if individual salaries are £150,000 or more. [See here.](#)

- 4.5 The salary applicable to the Chief Officer posts is published on the Council website. [See here.](#)
- 4.6 Base pay for the senior management population will be reviewed, but not necessarily increased, annually. The progression of a Chief Officer or a Senior Manager through the pay band applicable to him/her will be contribution led based on individual, team and organisation performance. It will not be automatic and the process will be overseen by the Chief Executive.
- 4.7 The Council may in exceptional circumstances, engage Senior Managers/Chief Officers under contracts for services. The Council publishes in accordance with the Code details of all payments made under contracts for services in excess of £500 on the Council website. [See here.](#)

## **5 Remuneration of employees who are not Senior Managers or Chief Officers**

- 5.1 The pay scales for all employees are increased in line with national and regional pay agreements.
- 5.2 For a majority of its employees who are not Senior Managers and Chief Officers the Council supports the NJC and regional (Greater London Provincial Council – GLPC) collective bargaining arrangements for pay and conditions of service and utilises the GLPC outer London pay spine (the exceptions to this are a small number of staff who are subject to the Soulbury, Teachers and NHS terms and conditions as detailed in paragraphs 5.6 to 5.13).
- 5.3 The last national pay award agreement for employees covered by the NJC was a 2 year pay deal covering the period 1 April 2016 to 31 March 2018. The agreement sets out the criteria for the pay awards in April 2016 and April 2017. Refer to Appendix B for more detail.

At the time of producing this Pay Policy Statement a national pay award for NJC staff was yet to be agreed for April 2018.

- 5.4 The Council considers it important to be able to locally determine pay rates for some staff where this is necessary. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent staff.
- 5.5 The Council and the Trade Unions reached a local collective agreement in 2008 on 'single status' as part of the Equal Pay and Conditions package which covers a majority of its employees (employees subject to NJC conditions). This

agreement details the working arrangements and allowances to be paid to employees such as overtime, weekend working and call out payments.

- 5.6 The Council employs a small number of employees who are Education Psychologists and Education Advisers/Inspectors and uses the national Soulbury pay scales for these employees.
- 5.7 The last national pay award agreement for employees covered by Soulbury conditions was a 2 year pay deal covering the period 1 September 2016 to 31 August 2018. The agreement sets out the criteria for the pay awards in September 2016 and September 2017. Refer to Appendix B for more detail.
- 5.8 The Council also employs a small number of centrally employed Teachers and uses the national Teachers Pay and Conditions (TPAC) pay scales for these employees.
- 5.9 The last national pay award agreement for employees covered by TPAC conditions was implemented with effect from 1 September 2017. Refer to Appendix B for more detail.
- 5.10 Public Health employees who transferred from the NHS into the Council from 1 April 2013 continue to be paid in accordance with NHS terms and conditions of employment.
- 5.11 The last national pay award agreement for employees covered by NHS conditions was implemented with effect from 1 April 2017. Refer to Appendix B for more detail.
- 5.12 All employees subject to NJC, Soulbury & NHS conditions are able to incrementally progress through the pay spine column points for their job evaluated grade. Progression will normally be one increment (pay spine column point) on the 1<sup>st</sup> of April each year until they reach the top of their grade.
- 5.13 Employees subject to TPAC conditions can incrementally progress through the pay spine column points subject to satisfactory performance normally on the 1<sup>st</sup> of September each year until they reach the top of their grade.
- 5.14 The Council approved with effect from May 2011 that in future the pay of Council employees at the lower ends of the pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority. This will be by way of an hourly pay supplement as appropriate to ensure that the London Living Wage rate is achieved. This rate was set at £10.20 per hour with effect from 6<sup>th</sup> November 2017 and is equivalent to a full time annual salary of £19,146.54 (exceptions to this are apprentices/trainees/interns).

## 6 Job Evaluation

- 6.1 The pay grades and therefore remuneration levels of employees (except for centrally employed Teachers who are subject to the Teachers Pay and Conditions documents) are determined by the use of a job evaluation scheme.

Job Evaluation is a systematic process used to determine the relative worth of jobs within the organisation. It creates a rank order from the smallest to the largest job and ensures that consistent decisions in grades and rates of pay are made.

- 6.2 The table at Appendix B outlines the job evaluation schemes used for each group of employees.

## 7 Pay Multiple

- 7.1 The 'pay multiple' is the ratio between the highest paid taxable earnings and the median earnings figure of the whole of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is shown in the table below.

- 7.2 Earnings for the purpose of calculating the 'pay multiple' are defined covering all elements of remuneration that can be valued (e.g. all taxable earnings for 2017-2018 including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind). The calculation of earnings excludes the cash value of pension provision.

- 7.3 The Council defines its lowest paid employees as those paid at the lowest pay Scale 1A which is pay spine points 6 – 7 on the GLPC outer London pay spine. The reason for this definition is that this is the lowest pay grade in the Council in line with the job evaluation scheme and pay scales agreed with the unions. This excludes trainees, apprentices and interns. However, an hourly pay supplement is added to ensure that the London Living Wage rate is achieved as outlined in paragraph 5.14.

Description	2017/18
Highest Paid	£181,787*
Median	£31,998
Lowest	£19,147
Highest to median ratio	5.7
Highest to Lowest ratio	9.5

\*The salary for the highest paid employee (Chief Executive) includes an allowance paid for Returning Officer duties as outlined in paragraph 10.2

## 8 Pay on Appointment

- 8.1 All employees, including Chief Officers, are normally appointed on the lower half of the pay range appropriate for their grade.

- 8.2 The Council delegates authority to Chief Officers/ Chief Executive as appropriate to appoint staff above this part of the pay range.

- 8.3 The salary of the Chief Executive, and of any other Chief Officer where the proposed salary is £100,000 or more, will be determined by the Staffing and Remuneration Committee as outlined in paragraph 4.4.



## **9 Recruitment & Retention payments**

- 9.1 The Council acknowledges that our employees are our best asset and that due to external factors recruitment and retention allowances will be required for some posts in order to attract and retain good staff.
- 9.2 Recruitment and retention allowances are linked to the post, not the person. They cannot be paid to someone because of their level of skill or experience.
- 9.3 A recruitment / retention allowance is deemed suitable where there is evidence of one or more of the following:
- The post has been advertised on more than one occasion and a suitable applicant could not be recruited.
  - Pay benchmarking exercises show that similar local authorities offer recruitment and retention allowances or a higher salary for the same work.
  - A national /local skills shortage where the Council is competing with a number of other employers for applicants.
  - The post is highly specialised with a limited number of potential applicants.
- 9.4 If the post does not meet the suitability criteria the payment of a recruitment and retention allowance is unjustified and may be in breach of equal pay legislation contained in the Equality Act 2010.

## **10 Fees for Election Duties**

- 10.1 Council staff may be engaged on election duties of varying types. The fees paid to Council employees for undertaking these election duties vary according to the type of election they participate in, and the nature of the duties they undertake.
- 10.2 Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements, and fees paid to them for national elections/referendums are paid in accordance with the appropriate Statutory Fees and Charges Order and are paid by the body responsible for the conduct of the election.

## **11 Pension**

- 11.1 There are three pension schemes covering the Council's employees.
- 11.2 A majority of its employees are entitled to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the council's website, [see here](#).
- 11.3 Centrally employed Teachers are entitled to join the Teachers Pension Scheme and receive benefits in accordance with the provisions of that Scheme.

- 11.4 Public Health employees who transferred from the NHS and are members of the NHS Pension Scheme continue to receive benefits in accordance with the provisions of that Scheme.

## 12 Other Terms and Conditions of Employment

- 12.1 The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.
- 12.2 The Council and unions agreement on 'single status' reached in 2008 as part of the collective agreement on Equal pay and conditions outlines the working arrangements and the payments to be made to a majority of employees below senior manager grades for working outside normal working hours including overtime, and call out payments.

## 13 Payments on Termination of Employment

- 13.1 In the event that the Council terminates the employment of an employee (including Senior Managers and Chief Officers) on the grounds of redundancy they will receive compensation and benefits in accordance with the Council's Redundancy scheme, which is published on the Council's website, [see here](#). Exceptions to this are employees who have TUPE transferred into the Council with different contractual entitlements.
- 13.2 Severance payments of £100,000 or more for Chief Officers must be considered and approved by the Staffing & Remuneration Committee.
- 13.3 Details of redundancy compensation payments paid to senior management are published on the Council's website, [see here](#).
- 13.4 The Council's Redundancy schemes may be subject to change as part of the modernising pay review.

## 14 Re-employment of Employees

- 14.1 Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.
- 14.2 Should a successful candidate be in receipt of a redundancy payment the Council will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended) regarding the recovery of redundancy payments. The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.

## 15 Further Information

- 15.1 For further information on the Council's Pay Policy please contact the Council's Reward Manager on 020 8489 3692.



## Chief Officer/Senior Manager Pay Bands

Pay Bands – Effective from 1 <sup>st</sup> April 2018 – Provisional						
Level	People Leader	Individual Contributor	Step	Min.	Mid. (benchmark)	Max.
A	Senior Leadership Team		Step 2	£177,200	£191,600	£206,000
			Step 1	£138,900	£150,200	£161,500
B	Director / Asst. Director		Step 2	£113,200	£122,400	£131,600
			Step 1	£96,700	£104,500	£112,300
C	Head of Service	Senior Professional III	Step 3	£82,400	£89,100	£95,800
			Step 2	£69,900	£75,600	£81,300
			Step 1	£59,700	£64,500	£69,300

Employee Group	Job Evaluation Scheme	Last Pay Award Implemented	Next Pay Award Due
<b>National Joint Council (NJC) for Local Government Services – Green Book</b> (a majority of the Council's employees)	Greater London Provincial Council (GLPC) (with local variations)	A 2 year pay deal covering the period of 1 April 2016 to 31 March 2018.  <u>w.e.f. 1 April 2016</u> An increase of 1% on pay spinal points 18 and above and an increase of between 1% to 6.6% on pay spinal points 17 and below.  <u>w.e.f. 1 April 2017</u> An increase of 1% on pay spinal points 18 and above and an increase of between 1.3% and 3.4% on pay spinal points 17 and below.	1 April 2018 (To be agreed)
<b>Chief Executive, Chief Officers &amp; Senior Managers</b>	The HAY job evaluation scheme	w.e.f. April 2018 A minimum increase of 1% based on the benchmark salary of the pay band.	1 April 2019
<b>Teachers Pay &amp; Conditions - TPAC</b> (centrally employed Teachers)	Teachers Pay and conditions documents	A 1 year pay deal w.e.f. September 2017  An increase of 2% for scale points on the main pay range and a 1% increase on all other pay ranges e.g. upper pay range, leadership practitioners.	1 September 2018 (To be agreed)
<b>Soulbury</b> (Education Psychologists & Education Advisers/ Inspectors)	Soulbury	A 2 year pay deal covering the period of 1 September 2016 to 31 August 2018.  w.e.f. September 2016 and September 2017 an increase of 1% on all pay points and on all London and fringe area allowances.	1 September 2018 (To be agreed)
<b>Public Health</b> (ex-NHS staff)	The Agenda for Change NHS Job Evaluation Scheme (GLPC or Hay scheme for those whose roles have been reviewed since the transfer date)	1 year pay deal w.e.f. 1 April 2017.  An increase of 1% on each pay point on the pay spine.	1 April 2018 (To be agreed)

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**Report for:** Full Council 19 March 2019

**Item number:**

**Title:** **Alexandra Park and Palace Charitable Trust (APPCT)  
Governance Review**

**Report**

**authorised by :** Louise Stewart, CEO, Alexandra Park and Palace Charitable Trust

**Lead Officer:** Louise Stewart, CEO, Alexandra Park and Palace Charitable Trust [ceo@alexandrapalce.com](mailto:ceo@alexandrapalce.com) / 020 8365 4335

**Ward(s) affected:** All

**Report for Key/**

**Non Key Decision:** Non Key Decision

**1. Describe the issue under consideration**

- 1.1 The Alexandra Park and Palace Charitable Trust (APPCT) Trustee Board has undertaken a review of the Charity's governance. The review has been a significant undertaking over 18 months, involving an experienced charity secretary, external legal advice, a review of documentation and Board workshops.
- 1.2 The Trustee Board has concluded that governance needs to be modernised and improved to fully and clearly comply with charity law and regulation, to deliver the charitable purposes more effectively and to support its ambition to become more financially self-sufficient.
- 1.3 The recommendation of the review was to establish a Charitable Company Limited by Guarantee to deliver the Trustee functions. The review did not recommend changes to the Alexandra Park and Palace Acts and Orders.
- 1.4 It is appropriate that the Trustee is informed of the governance review findings and recommendations at this stage and has the opportunity to endorse the approach or state its reasons for not wishing to follow the Trustee Board recommendation, before the resources of the Charity are expended on further work.
- 1.5 The Trustee is not being asked to approve the proposed governance change and new structure at this stage. Further detailed work is required before the Trustee Board will be ready to recommend a fully developed proposal to the Trustee.

**2. APPCT Board Introduction – Cllr Christophides, Chair of the Alexandra Park and Palace Charitable Trust Board**

- 2.1 The Park and Palace is a valuable asset that is delivering not only its primary charitable purposes of repairing maintaining and restoring the Park and Palace for the recreation and enjoyment of the public but wider impacts that benefit the people of Haringey and further afield.
- 2.2 The Trustee Board has recognised the constraints and difficulties that the current governance arrangements place on the operation of the Charity and that if it is to make further progress, attract funding from new sources and deliver greater impact, then changes need to be made.
- 2.3 The Trustee Board have invested a considerable amount of time and energy to undertake a governance review. This has been a long and challenging process. It has required a level of honesty about our own abilities to deliver the leadership that the Charity requires.
- 2.4 Whilst we have recognised the complexity and weakness in the current arrangements we also recognise how much the Park and Palace have achieved to date and how vital the continued support of the Trustee has been in that success, and will be in the future.
- 2.5 We believe that the changes we are proposing are in the best interests of the Trust and that these changes will allow it to continue to progress.
- 2.6 The Trustee Board would like to be reassured that the Trustee is supportive of the rationale for the governance changes proposed and that the model should be developed further, for presentation to the Trustee at a future date.

**3. Recommendations**

- 3.1 That Full Council:
- i. Agrees that in principle, based on the contents of this report, an arguable case has been made for the need to alter the arrangements currently in place for the governance of Alexandra Park and Palace Charitable Trust.
  - ii. Authorises the Alexandra Park and Palace Charitable Trust Board to carry out all necessary work designed to test the viability of the proposed new structure, namely to incorporate the Charity by establishing a Charitable company limited by guarantee.
  - iii. Agrees that subject to the outcome of the work required to test the viability of the proposed new structure being positive, Full Council will receive a further report containing details of viability; an implementation plan, to include; a timetable, budget and key stages for consultation and decision making.



- iv. Agrees that in the event that the outcome of the test on viability is not positive, a future meeting of Full Council will receive a further report on alternative courses of action that may be appropriate.
- v. Agrees that in recognition of the fact that only in principle agreement testing the viability of the preferred option is being given at this stage, should these Recommendations be adopted they will not bind any future meeting of Full Council, which considers the report detailed at Recommendations iii and iv above.

#### **4. Reasons for Decision**

- 4.1 The Trustee has a duty to ensure that the governance of the Charity is fit for purpose. The Trustee Board to which it delegates its Trustee functions has recommended that governance needs to be modernised and updated.
- 4.2 The Trustee has been informed by the Trustee Board that it is in the best interests of the Charity to adopt a new model of governance to enable it to fully comply with charity regulation and best practice and compete for funding more effectively, to deliver its charitable purposes.

#### **5. Alternative Options Considered**

- 5.1 Options for improving governance were considered by the Board at the workshop in December 2017, these included:
  - a) incorporate the Charity to create a body capable of delivering under separate legal identity;
  - b) no change (but improve the existing arrangements);
  - c) create a fully independent trust from Haringey Council, effectively removing the Council as Corporate Trustee;
  - d) the Council delivers the duties of the trustees directly alongside the delivery of Council functions;
- 5.2 A summary of the options analysis and conclusions are listed in section 3.2 of the APPCT Board report, at Appendix 1.
- 5.3 Option a) was the preferred option. It is proposed that the size and extent of the Charity's operation now requires a new governance model that provides the Charity with a separate legal identity to allow it to operate more effectively as a clearly independent charity.
- 5.4 The Charitable Company model proposed is a recognised legal form for a charity. The charitable company would be bound by charity law and regulation, company law and regulation and would have to operate with the terms of the Trust set out by the Alexandra Park and Palace Acts and Orders and in accordance with the wishes of the Trustee.

- 5.5 The relationship between the Trustee and the Charitable Company would be similar, although not identical, to the commissioning approach that Haringey Council is already familiar with. The key difference is that the outcomes being commissioned would be the charitable purpose outcomes i.e. outcome related to the 'repair, maintenance and restoration of the Park and Palace for the recreation and enjoyment of the public'.

## 6. Background Information

- 6.1 Haringey Council (The Mayor and Burgesses of Haringey, the Municipal Corporation) is the statutory trustee of the Park and Palace. This makes the municipal corporation, the sole charity trustee.
- 6.2 Charity trustees are those responsible for the control and administration of a charity and setting the strategic direction of the charity in relation to its charitable purposes (or objects) and for the benefit of the public. The wider benefits are also benefits for Haringey residents and there is significant use of the Palace and Park by local people. In addition to statutory reporting duties, charity trustees have a legal duty to act only in the interests of the charity and make best use of the charity's resources.
- 6.3 The Trustee delegates the functions of the Trustee to a subcommittee, the Alexandra Park and Palace Charitable Trust Board. Neither the Charity nor the Trustee Board is a legal entity in its own right. The legal identity of the Charity is the 'Mayor and Burgesses of Haringey, acting as the Trustee of Alexandra Park and Palace'.
- 6.4 The Alexandra Park and Palace Charitable Trust has grown and developed in the last 10 years. The Charity has been successfully delivering its charitable purposes, 'repairing, restoring and maintaining the Park and Palace for the recreation and enjoyment of the public'.
- 6.5 The Trustee Board is responsible for a demanding work programme requiring the level of commitment and expertise of a large charity. The activities have resulted in significant multi million pound restoration projects, a decrease in the level of dereliction, improvement in the condition of the buildings and Park to award winning standards, a programme of events and activities throughout the year with a broad appeal, attracting over 3.5m visits a year.
- 6.6 The wider public benefit impact of the Charity's work include; an estimated £150m of economic impact, a creative learning programme delivering thousands of school visits and family activities, work experience for young people, dementia and mental health programmes and a growing volunteering programme. The Park and Palace are a successful major heritage and cultural asset; it is a large, diverse and dynamic operation.
- 6.7 The Trustee Board are committed to the aim of financial sustainability for the Charity. However whilst the progress above is positive the financial challenges remain. The historic backlog and annual maintenance and repairs on such a

large property, combined with a potentially reducing core grant and increasing overheads indicate that the development and growth of the last 10 years has reached a plateau. It is clear that new additional income sources need to be secured.

- 6.8 Governance was raised as a barrier to fundraising in 2011 by fundraising experts engaged to support the East Wing Restoration programme. It has proved to be a barrier to attracting funding for the programme. For fundraising purposes it is increasingly important that the Charity is seen to follow the best practice outlined in the Charity Governance Code. Examples of funding difficulties are provided in the exempt appendix 4 (available on request).
- 6.9 Governance has also been raised as an issue by the Trust's legal advisors and external auditors.
- 6.10 It is increasingly evident that the policy and administrative structures of a local authority are no longer the most appropriate form for the delivery of the charitable purposes at this scale of operation. The development of the Charity and its size combined with the need to transparently demonstrate compliance with charity regulation and governance code is increasingly difficult. It is also difficult to marry the two at an operational level and remain compliant with both local authority practices and charity best practice. It creates additional unnecessary administration for both the Charity and the Local Authority.
- 6.11 The Trustee Board recognised there were concerns about the suitability, clarity effectiveness and efficiency of current governance arrangements and that they needed to be clarified and improved. The issues of concern were:
- the level of compliance with charity law and governance codes;
  - aspects of governance were unclear, even to those responsible for overseeing and implementing it;
  - stakeholder expectations of organisational governance standards have risen in recent years from funding bodies, the charity regulator and members of the public;
  - requirements of the Board are increasingly demanding and require more specialised skills and capabilities on top of the general requirements of charity trustees.
  - that to continue the current pace of restoration and progress the Charity needs to be a well governed organisation that funders, donors and partners entrust resources to.
- 6.12 The Governance Review commenced in April 2016. The findings at different stages have been reviewed by the Board. The findings have been reviewed by the Trust's legal advisors, exempt Appendix 4 (available on request).
- 6.13 The Trust (and the Council) have obtained initial joint legal opinion that these changes are possible. The Charity Commission has agreed that these changes are possible.
- 6.14 The findings and recommendations were tested with the Trust's stakeholder committees on 23 January 2018. Their feedback is contained in Appendix 2.

The Governance Review Report presented to the stakeholders is attached at Appendix 3.

- 6.15 A written information briefing was provided to all Councillors on 23 February and a briefing session with the Chair and Chief Executive of the Trust was held on 5<sup>th</sup> March 2018.
- 6.16 The review highlighted that the Governance of the Trust is:
- Complicated, difficult to understand and implement
  - Prevents the Charity operating effectively
  - Presents a barrier to accessing alternative funding and attracting investment
  - Creates confusion regarding the 'independence' required by charity law and regulation
  - Not able to achieve full compliance with the Charity Governance Code
- 6.17 The review recommended that improvements were required by the Trustee to:
- Better demonstrate the independence of the Charity
  - Improve mechanisms to hold the Charity to account
  - To specify more clearly the delegated functions and the functions it wished to retain
  - Help the Charity to reduce the need for trustee funding over time
  - Help the Charity to operate more recognisably as a Charity
- 6.18 The review recommended that:
- A charitable company limited by guarantee should be established and registered with the Charity Commission, as the most appropriate governance structure and delivery model for the Charity. This is a recognised legal form of charity.
  - The Trustee should transfer the trustee functions to the Charitable Company, as it does to the subcommittee at present
  - The Company as a charity would operate within charity law and regulation and the Alexandra Park and Palace Acts and Orders 1985 - 2004
  - The Mayor and Burgesses of Haringey would remain as Trustee
  - The Trustee should retain the right to reserve a number of Board position for its own appointees and sit on an appointment panel for the remaining Board members
  - The Haringey Constitution would need to be amended to reflect the changes (subject to further approval by the Trustee and the Standards Committee)
- 6.19 It is the opinion of the Trustee Board that these changes will provide:
- clearer roles and responsibilities for decision making;
  - a more appropriate and effective model for delivering the Charity's purposes strategically and operationally;
  - strengthen the Charity's ability to deliver its purposes, use its resources to better effect, to achieve greater public benefit;
  - improve arrangements and reporting mechanisms to provide reassurance to the Trustee that the Charity is carrying out its responsibilities effectively;
  - the structural model by which the Charity can meet the standards set out

in the Charity Governance Code including the formation of a board with appropriate skills and expertise

- increased ability to operate more clearly as a charity and follow systems and process appropriate for a charity;
- the level of openness and transparency appropriate for the Charity's operation, to satisfy the need to achieve public confidence in its work;
- increased ability to raise funding and investment through greater transparency of independence of the Charity from the activities of the Local Authority;
- appropriate levels of control for the Trustee without impacting on the Charity's required independence.

6.20 The Trustee Board met on 20<sup>th</sup> February 2017 and agreed to inform the Trustee of its findings, recommend that governance change was required and seek endorsement that it should develop a detailed proposal for the creation of a Charitable Company limited by guarantee.

## **7. Next Steps**

7.1 If the recommendations are approved, the Trust will commence work to develop the proposal more fully. This will include detailed design of the:

- governance structure
- control and reporting mechanisms
- level and detail of appropriate controls to be placed on the Charitable Company
- Articles of Association for the Charitable Company
- skills and experience matrix for the Board
- outline business plan and budget for the Charitable Company
- implementation plan

7.2 The Trust Chief Executive will work with the Trustee to

- Assess current versus future Trustee risks and liabilities
- The detail of the Trustees retained duties and powers
- The detail of the changes required to the Haringey Constitution

7.3 Prior to presentation of a more detailed proposal to the Trustee for approval the Trust will:

- Formally consult the Trust's two stakeholder committees as it is required to do by either the Act of Parliament or the Haringey Constitution;
- Undertake a wider consultation of the Charity's stakeholders and beneficiaries (the public).

7.4 This next stage of work could take around 12 months to complete.

## 8. Contribution to Strategic Outcomes

- 8.1 The Strategic outcomes of the Charity are its stated charitable purposes in the Alexandra Park and Palace Act 1985, to ‘repair, restore and maintain the park and Palace for the recreation and enjoyment of the public’.
- 8.2 Putting in place fit for purpose governance arrangements will assist the Charity to deliver these outcomes with greater effectiveness and efficiency and in turn reduce the level of financial reliance on the trustee over time.
- 8.3 Whilst the Charity cannot, in accordance to charity law, be required to deliver the Council’s own local authority strategic outcomes it should be noted that the wider public benefit impact of the Charity’s activity contribute to all of the priorities stated in the Haringey Corporate Plan 2015 – 18:
- **Priority 1 Enable every child and young person to have the best start in life, with high quality education.** The creative learning programme at the Palace delivers innovative out of classroom learning and development experiences in conjunction with local schools and other partners including the BBC, BAFTA, Microsoft. The Park is also used by local schools as a free resource in addition to the organised programme of activities. The work experience opportunities and apprenticeship activities offered through our work and that of our construction partners also contribute to this priority.
  - **Priority 2 Enable all adults to live healthy, long and fulfilling lives.** The creative learning programme delivered in partnership with local mental health charities and other partners delivers outcomes on this agenda.
  - **Priority 3 - A clean, well maintained and safe borough where people are proud to live and work.** The delivery of a high quality award winning open green space and maintaining the Palace as a strategic cultural venue is a major contributor to this priority. The addition of the newly restored theatre and East Court is adding to local pride.
  - **Priority 4 - Sustainable Housing, Growth and Employment.** The iconic nature of the Palace and the major community benefit of the Park as a strategic green open space assists in attracting investment to the wider area. The events and activities delivered have a wider benefit to surrounding businesses and an estimated annual economic impact of £150m. The Charity and its trading subsidiary employs 130 people. Increasingly our employees are local. We provide employment opportunities across a range of skill sets with low barriers to entry.
  - **Priority 5 - Create homes and communities where people choose to live and are able to thrive.** The Park and Palace deliver a varied year round activity and event programme and recreational opportunities which deliver health and wellbeing benefits generally associated with culture and leisure activities and from participating in a volunteering programme that undoubtedly assist in attracting people to live in the local area.



## 9. Statutory Officer Comments

### Comments of the Chief Financial Officer and Financial Implications

- 9.1 The report is recommending in principle that, based on the contents of this report, an arguable case has been made out for the need to review the arrangements currently in place for the governance of Alexandra Park and Palace Charitable Trust. The report also authorises the Alexandra Park and Palace Charitable Trust Board to carry out all necessary work designed to test the viability of the proposed new structure, namely to incorporate the Charity by establishing a Charitable Company limited by guarantee. The work will require extensive legal and financial advice to fully explore the implications of establishing a charitable company limited by guarantee.
- 9.2 Within the Trust budget for the financial 2018/19 it states that provision has been made for the work that is proposed to be undertaken to test the viability of the proposed new structure. There will need to be tight control of this expenditure to ensure that the budget is not exceeded.
- 9.3 At the point that the review is concluded, and if it concludes that a company limited by guarantee is a viable option, a detailed financial evaluation will be undertaken to provide Members with advice on the implications of accepting that model. The advice will address the resolution of existing financial obligations/liabilities between the Trustee and the Trustee Board, the ongoing financial relationship between the trustee and the company (including the creation of new liabilities), TUPE/pensions issues and asset management matters. The advice will also include a detailed risk assessment.

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

- 9.4 The Assistant Director, Corporate Governance has been consulted in the preparation of this report, and makes the following comments.
- 9.5 It is agreed that specialist Queen's Counsel have advised that the adoption of a governance model based on an independent – of the Council - charitable company limited by guarantee is possible. However, that view was expressed as very much being “provisional”, as more thought is required. Indeed, issues such as the Council's ongoing responsibility for future debt, and its right to ‘step in’ and revoke any delegation of functions to a company - notwithstanding that company's independence from the Council - were flagged as issues to be considered and resolved prior to any change.
- 9.6 However, given that provisional view, coupled with the views expressed by the Trust Board, stakeholder groups and Members at the briefing which took place on 5<sup>th</sup> March 2018, the Assistant Director, Corporate Governance agrees that it is appropriate for the proposal to come to Full Council for Members to express an ‘in principle view’ on the case for change at this stage. Subject to what that view is, the further work required will be undertaken to establish clarity on the proposal, and consequential issues such as what the mechanism for taking the decision to change is.

- 9.7 Mindful of the view expressed by some Members at the briefing which took place on 5<sup>th</sup> March 2018, the Assistant Director Corporate Governance confirms that any resolution adopted on the Recommendations contained in this report will not bind any future meeting of Full Council where the issues contained in this report are considered.

### **Equality and Community Cohesion Comments**

- 9.8 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
  - 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.
- 9.9 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 9.10 There are no particular equalities implications arising from agreement in principle of the case that there is a need to conduct a review of governance arrangements of the Alexandra Park and Palace Charitable Trust, nor are there any particular equalities implications arising from authorisation to test new governance structures.
- 9.11 However, the Board of the Alexandra Park and Palace Charitable Trust will be required to ensure that no direct or indirect discrimination occurs as a result of any change to the organisation's governance arrangements.

### **Head of Procurement Comments**

- 9.12 Strategic Procurement notes the contents of this report; however, there are no procurement implications in respect of the recommendations.

## **10. Use of Appendices for Final Report**

- Appendix 1 – APPCT Board Report
- Appendix 2 – Stakeholder committees, initial feedback
- Appendix 3 – Governance Review Report
- Exempt Appendix 4 – Legal Opinion (available on request)
- Exempt Appendix 5 – Potential funders who have withdrawn interest (available on request)



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

The legal opinion contained at Appendices 4 & 5 are exempt, as defined in Schedule 12a of the Local Government Act, 1972; Paragraph 3 – information relating to the business or financial affairs of any particular person (including the authority holding that information) and Paragraph 5 – information in respect of which a claim to legal professional privilege could be maintained in legal proceedings

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# Alexandra Palace

**ALEXANDRA PARK AND PALACE**  
**CHARITABLE TRUST BOARD**  
**20<sup>th</sup> February 2018**

**Report Title:** Governance Change

**Report of:** The Chief Executive

**Report Authorised by:** Louise Stewart, Chief Executive, Alexandra Park and Palace Charitable Trust (APPCT)

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**Purpose: To discuss the findings of the Governance Review and decide if the Trustee Board should recommend to the Trustee that the Governance of the charity is changed.**

## **Local Government (Access to Information) Act 1985**

N/A

### **1. Recommendations**

- 1.1 To recommend to the Trustee that the governance of Alexandra Park and Palace Charitable Trust should be changed and to seek their approval in principle, subject to details being presented to the Trustee for final decision.
- 1.2 Dependent on the decision of the Trustee; to ask the Chief Executive to progress the detailed design of the new structure and to devise an implementation plan, to include; a timetable, budget and key stages for consultation and decision making.
- 1.3 To write to the SAC and CC to inform them of the Board's decision and respond to the concerns expressed, as appropriate.

### **2. Background**

- 2.1 The Trust commenced a review of its Governance in 2016 in recognition that:
  - there were concerns about the effectiveness and efficiency of current arrangements;
  - there were concerns about the level of compliance with charity law and governance codes;

- aspects of governance were unclear, even to those responsible for overseeing and implementing it;
- stakeholder expectations of organisational governance standards have risen in recent years from funding bodies, the charity regulator and members of the public;
- requirements of the Board are increasingly demanding and require more specialised skills and capabilities on top of the general requirements of charity trustees;
- the charity is undertaking significant restoration, repair and maintenance works and wishes to continue the current pace of development in the future it therefore needs to be a well governed organisation that funders, donors and partners entrust resources to.

2.2 The review has been a significant undertaking over 18 months, involving an experienced charity secretary, external legal support, a review of documentation and past and current practices. The progress and findings of the review were discussed by the Board at a series of workshops in 2016 and 2017.

2.3 The review identified several issues that changes to governance could overcome, in the best interests of the Charity, enabling it to deliver its charitable purposes more effectively. These issues can be summarised as:

- a lack of clear and consistent leadership of the Charity, as a result of the council committee arrangement, which results in a less than optimal level of stability, continuity or depth and breadth of the required skills on the Board;
- inherent conflicts of interest exist in the governance structure that require significant management to avoid conflicts of interest impacting on the business of the Charity and breach of trust occurring;
- the complex arrangements and lack of clarity do not give potential funders and partners the level of confidence required to attract the funding and support required to further the Charity's purposes, and;
- on a practical level the operation as a charity and a council committee is inefficient and time consuming for the Charity, using sparse resources, which could be better deployed.

2.4 The review concluded that it would be in the best interests of the Charity to:

- modernise the governance arrangements; to provide the best opportunity for the Trust to become more financially self-sustaining, achieve a skills based board, improve the Charity's engagement with its stakeholders, and deliver an appropriate level of transparency enabling the Charity to fully meet the Charity Governance Code;
- adopt a separate legal identity from the Council to enable it to operate as a clearly independent charity, to appoint a skills based board and to better deliver the functions and operations of the Charity
- retain Haringey Council, as Trustee, in the best interests of the Charity.

2.5 The review suggested that the most suitable legal form for the Charity, allowed for in the Charities Act 2011, is a Charitable Company Limited by guarantee. This form of company is registered both at Companies House, as a company, and with the Charity Commission, as a charity in its own right. Charitable companies must make returns and submit accounts on an annual basis to both Companies

House and the Charity Commission, and must also comply with both charity and company law.

2.5.1 In addition the review suggested;

- no changes to the Alexandra Park and Palace Acts and Orders. However it is recognised that in exploring the correct legal route to achieve governance improvements, some amendments may be necessary, although none have been identified at this point
- no changes to the Advisory Committee, at this point or its role and remit as specified within the Act
- that the Consultative Committee should develop into a broader stakeholder forum, administered by the Charity

2.6 The Trust has sought the advice and opinion of its retained legal advisors, the Charity Commission and; in conjunction with the Trustee, has sought Counsel Opinion. The two stakeholder committees have also been provided with information and have been given an opportunity to provide their feedback at this stage.

2.6.1 The Charity Commission have responded to our request for their opinion that:

- 'A charitable company could be established and, provided it has compatible objects to those of the existing charity, it could accept to undertake functions delegated to it by the trustee(s) of that charity;
- The trustee(s) of the existing charity have an express and wide power to delegate functions (and also to transfer interests in land) conferred by clause 8 of the Alexandra Park and Palace Act 1985;
- At this point it appears that the charity has in place the powers it requires to proceed with the proposals

2.6.2 Russell Cooke LLP, the Trust's retained legal advisors, have reviewed the Charity Commission response and have provided their assessment of the Commission's response to assist the Trustee Board. Attached at appendix 1.

2.6.3 The initial advice from Queen's Counsel was that the case for governance change had been well made. The legal route to achieve it would require further work and more than one legal route was presented and included the creation of a Charitable Company Limited by Guarantee. The joint QC opinion is attached at appendix 2.

2.6.4 Stakeholder Committees' Feedback<sup>1</sup>

- a) The Advisory Committee (SAC) met on 23<sup>rd</sup> January 2018 to provide feedback on the Governance review findings. The Trustee Board has a statutory duty to consider the advice of the SAC. The committee was provided with a report that summarised the findings and identified potential implications for the SAC.

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<sup>1</sup> The two committees met separately to discuss governance. They also met as the joint committee, where some additional discussion took place.

The Committee appeared to welcome the opportunity to input at this stage and the opportunity to discuss this separately to the Consultative Committee. The full comments from the meetings are attached at appendix 3. The main points raised were:

- positive comments about the improvements suggested to the relationship between the SAC and the Trust;
- some concerns from a Ward Councillor member of the Committee that this was the first they had heard of the Governance review.<sup>2</sup>

b) The Consultative Committee also met on 23<sup>rd</sup> January 2018 to provide their feedback on the Governance review findings. The Committee was provided with a report that summarised the findings and identified potential implications for the CC. The full comments from the meeting are attached at appendix 3. The main points raised were:

- Broadening and developing the Committee was welcomed by some
- There was recognition that the current method of appointment to the Trust board did not provide the Charity with an appropriately skilled and experienced board
- There were some concerns expressed about the transparency of any new arrangements and whether the Board meetings of any new charitable company would be public or private<sup>3</sup>
- There was a concern that if the Committee was 'abolished', a lot of goodwill, experience and continuity would be lost. (Note that the report did not state that the Consultative Committee should be abolished)
- That the identity of the Committee would be lost if it became a forum – or if the 'membership' became too broad.

2.6.5 The Governance review was considered by the Trust's Finance Risk and Audit Committee on 1<sup>st</sup> February 2018 who resolved:

- To note the findings of the Governance Review and recommend them and the timetable to the APPCT Board as will be set out within the business plan for 2018/19 proposed;
- To note the example issues and considerations identified;
- To note the risks identified and recommend to the Trust Board that the risk register is updated to reflect these;
- To recommend to the APPCT Board that additional expertise, particularly legal and financial, is added to the Board on a non-voting basis ahead of any governance change to support the Board in shaping, planning and potentially overseeing implementation.

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<sup>2</sup> Note that 2<sup>nd</sup> Feb '16 -SAC/CC notified Governance Review would take place; 30<sup>th</sup> June '16 - confirmed to SAC/CC appointment of Company Secretary to undertake Review; 22<sup>nd</sup> November '16 -SAC/CC agenda pack informed SAC/CC that scope of Review had been approved by the Board; 19<sup>th</sup> April '17 -SAC/CC agenda pack note that aspiration of Trust to become more independent from the Council, 3 October '17 - SAC/CC minutes recorded question about Governance Review and that the Board would be discussing findings at 21 Oct strategy day.

<sup>3</sup> It is purely the local authority committee status of the Board that places this requirement on the Charity at present. It is not a requirement that a charity does the same, openness and accountability standards are set out in the Charity Governance Code 2017.

### 3. Other options considered

3.1 Options for improving governance were considered by the Board at the workshop in December 2017, these included:

- a) incorporate the Charity to create a body capable of delivering under separate legal identity;
- b) no change (but improve the existing arrangements);
- c) create a fully independent trust from Haringey Council, effectively removing the Council as Corporate Trustee;
- d) the Council delivers the duties of the trustees directly alongside the delivery of Council functions;

3.2 In summary the options analysis concluded that:

Option a) The Charities Act 2011 allows two forms of charitable incorporation and a charitable company limited by guarantee was deemed to be the best fit of the two for Alexandra Park and Palace, this would allow the Charity to achieve the standards set out in the Charity Governance Code and increase the potential to attract external funding and investment.

Option b) was discounted at an early stage; it became clear when undertaking a compliance check that the current arrangement cannot be improved to meet the requirements of the Charity Governance Code.

Option c) The creation of a new trust and the removal of Haringey as corporate trustee was deemed too large a step for the Charity and not in its best interests, or those of Haringey.

Option d) This was deemed to create the potential for greater confusion and increase the perceived lack of independence, reduce further the ability to attract external funding and investment available to other charities and could not achieve the standards set out in the Charity Governance Code.

3.3 **Option a)** was the preferred option. It is proposed that the size and extent of the Charity's operation now requires a separate legal identity to allow it to operate more effectively as a clearly independent charity.

3.4 The two Queen's Counsel presented the legal routes available to address the issues that the review highlighted with the current governance arrangements. This is attached (at appendix 2) and confirms that it is possible to achieve governance change, although there may be more than one legal route available to achieve it.

### 4. Risks

4.1 The risks in the table below detail the risks of the decision and implementation. The risks of the current governance arrangements were the subject of the governance review and are documented in that report.

<b>Risk</b>	<b>Outcome</b>	<b>Consequence</b>	<b>Mitigation</b>
<b>Decision on change is delayed</b>	No change is made No further progress on implementation plans can be made Investment of resources to date is wasted (board time and knowledge, legal fees, CEO time, Trustee time)	Trust is unable to make progress to tackle funding & perception challenges	A decision is made and the reasons for the decision are clearly documented.
<b>The proposal is not communicated or handled appropriately</b>	Lack of understanding and confidence in the proposal. Damage to reputation of the Charity. Changes are not made as deemed too high risk/controversial	Charity fails to comply with Governance Code impacting on effective use of resources and ability to achieve greater financial sustainability	Explain the rationale for the changes to stakeholders.  Give stakeholders the opportunity to ask questions and comment on the proposals.
<b>Risk</b>	<b>Outcome</b>	<b>Consequence</b>	<b>Mitigation</b>
<b>The financial and taxation consequences of the proposal are less favourable than current arrangements</b>	Cost of the changed arrangements is unaffordable for the Charity	Further deterioration in available resources for charitable purposes.	External assessment of financial implications of changes against efficiencies in operation and ability to attract funding and investment.
<b>The changes are legally challenged</b>	The process stalls or is halted The Trust incurs costs it cannot afford in responding to legal challenge	Damage to reputation of the Trust Charity Commission investigation	Obtain legal opinion; retain legal support throughout the process. Communicate clearly and openly about the reasons and benefit for change and the legal basis for the route and structure proposed.
<b>Stakeholders do not accept the need for change</b>	Negative publicity reacting against the proposals, damaging Charity's reputation and highlighting current governance weaknesses to potential funders and investors.	Negative impact on funding and confidence of funders.	Ensuring the focus is on the Charity, the delivery of public benefit, best use of all of its resources, broadening and improving stakeholder engagement and not only on the single issues of special interest groups.  Potential to broaden consultation to the wider



			stakeholder base to seek opinions of other charities, past, present and potential funders of the Palace its projects and activities.
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## 5. Benefits of the potential changes for the Charity

- Clearer roles and responsibilities for decision making about the Charity
- A more appropriate and effective model for delivering the Charity's purposes strategically and operationally
- Strengthen the Charity's ability to deliver its purposes, use its resources to better effect, to achieve greater public benefit
- Improved arrangements and reporting mechanisms to provide reassurance to the Trustee that the Charity is carrying out its responsibilities effectively
- Greater freedom to operate as a charity
- Incorporating the Charity provides regulation and disclosure requirements appropriate for the Charity's operation, to satisfy the need to achieve public confidence in its work
- The ability to raise funding and investment would be enhanced through greater transparency of independence of the Charity from the activities of the Local Authority
- The change enables the Charity to meet the standards set out in the Charity Governance Code

## 6. Conclusion

- 6.1 The review made a clear case for change and neither legal opinion nor stakeholder feedback has fundamentally disagreed that change is required.
- 6.2 The Charity Commission and legal advice supports the view that establishing a charitable company limited by guarantee is possible.
- 6.3 Other options have been considered and disregarded, including the status quo. It is clear that in order to secure the delivery of the charitable purposes in the future and the finances to support their delivery the Charity needs to have the freedom to operate fully as a charity and gain the benefits that this brings.
- 6.4 The stakeholder committee feedback sessions have been useful at this stage of consideration. The relationship between the SAC and the new company and or Trustee will need to be agreed in the design stage of the new arrangements, to ensure compliance with the Act of Parliament. The Charity Commission confirm that the new arrangements will need to take account of the role of the Advisory Committee. *'Potentially this may require the Company seeking, and having regard to, the views of the Advisory Committee in furthering its purpose. Again this does not imply the need for any change to the trusts of the existing charity'*.
  - 6.4.1 However the Trustee/directors of any new charitable company will need to make its own decisions about the specifics of wider stakeholder engagement; who it identifies as its stakeholders and the method and frequency of its engagement. Whilst some of the concerns raised cannot be answered at this stage, the feedback can be taken into consideration in the development of new arrangements. It is suggested that stakeholder engagement is included in the design of the charitable company so that current stakeholders remain engaged and their input and support continues to inform, as appropriate.
- 6.5 Implementation of any governance change needs to be handled sensitively. The current ambiguity is not the fault of any of the parties involved. However if the Park and Palace are to thrive in the future, changes need to be made. The process of change needs to be led and driven by the board, stakeholders need to be engaged appropriately in the process and resource needs to be identified to ensure that change is communicated and implemented properly.
- 6.6 It is acknowledged that the current political context may be uncertain, but the Trustee Board is reminded that it must act in the best interests of the Charity at all times. The governance review process has taken a long time. If the decision to proceed is taken it should be remembered that implementation could also be lengthy. The Trust needs to implement change properly but also be mindful that its financial health is predicted to worsen over the next five years. Improvements to the financial health of the Charity will not happen the instant governance change is implemented, but the sooner the changes can be put in place the sooner the Charity can start to benefit.

## 7.0 Next steps

If the decision of the Board is to approve the recommendations it is proposed that a briefing session for the Trustee is held prior to its formal consideration of the Trustee Board recommendation at the scheduled meeting of Full Council in March 2018. The briefing session has been provisionally scheduled for 5<sup>th</sup> March 2018. A background briefing note has been developed to provide advance information to those attending. This is attached at appendix 4.

## 8.0 Legal Implications from the Trust perspective

- 8.1 The creation of a Charitable Company Limited by Guarantee is permitted within the Charities Act 2011. The regulator has assessed the proposed change as possible.
- 8.2 The proposals have been assessed as requiring no changes to the Alexandra Park and Palace Acts and Orders. Although it should be noted that when the fine detail is worked through this could be a possibility. At this stage it is felt not to be necessary by the Charity Commission and the Trust's retained legal advisors.
- 8.3 The Trustee Board does not have the authority to make the governance changes proposed. The Board can only recommend to the Trustee, that changes should be made and the reasons for the Trustee Board's recommendation.
- 8.4 The regulator has pointed out:
  - That any decision must be taken solely in the interest of the charity and in accordance with the principles set out in our published guidance [it's-your-decision: charity-trustees-and-decision-making CC27](#). Such a decision may face challenge and the trustee(s) will need to be able to demonstrate the basis for the decision and that it is only based on relevant factors.'
  - That in exercising its (their) power the trustee(s) must decide if this will best enable it/ them to carry out the charity's purposes.
- 8.5 The Trustee has a duty to ensure that the governance of the Charity is fit for purpose and when Full Council considers the recommendation, it must do so in its capacity as Charity Trustee, free from political influence and distinct and separate from its role as a democratically elected body.
- 8.4 The proposals would require changes to the Constitution of Haringey Council as it relates to the Park and Palace.
- 8.5. The Council's Assistant Director, Corporate Governance has been consulted in the preparation of this report, and makes the following comments:
- 8.6. It is agreed that specialist Queen's Counsel have advised that the adoption of a governance model based on an independent – of the Council - charitable company limited by guarantee is possible. However, that view was expressed as very much being "provisional", as more thought is required. Indeed, issues such as the Council's ongoing responsibility for future debt, and its right to 'step in' and revoke any delegation of functions to a company - notwithstanding that company's

independence from the Council - were flagged as issues to be considered and resolved prior to any change.

- 8.7. However, given that provisional view, the Assistant Director, Corporate Governance agrees that it is appropriate for the proposal to go to the Board for it to express an 'in principle view' at this stage. Subject to what that view is, and the outcome of the Council Members briefing on 5<sup>th</sup> March 2018, the further work required will be undertaken to establish clarity on the proposal, and consequential issues such as what the mechanism for taking the decision to change is.

## **9. Financial Implications**

- 9.1 The Charity's ability to raise funding and investment would be enhanced through greater transparency and independence from the activities of the Local authority.
- 9.2 Simplified and streamlined processes will over time reduce the workload of both Haringey Council and the Charity, generating efficiency savings.
- 9.3 There will be short term costs relating to legal and audit advice to create new governance arrangements in a legally compliant and financially efficient manner.
- 9.4 The Council's Chief Financial Officer has been consulted in the preparation of this report, and has the following comments:
- 9.5 The report is seeking an in principle agreement to changing the governance arrangements of the APPCT to a model whereby a charitable company limited by guarantee is formed to discharge the APPCT's functions. Before the final decision is made there will need to have been detailed financial modelling undertaken that clearly shows the financial position of the company going forward as the report cites an improved financial outcome as one of the reasons for the proposed change.
- 9.6 The detailed financial modelling will also need to exemplify the effect on the Council's finances and in particular the manner in which the company intends to meet existing obligations to the Council and as importantly the manner in which it takes on new obligations and liabilities which could ultimately fall to the Council's account. The new obligations and liabilities could include the hiring of staff, major capital works, and trading activities.

## **10. Use of Appendices**

Appendix 1 – Russell Cooke Letter

Appendix 2 – Exempt QC opinion –*not attached*

Appendix 3 – Stakeholder committee, initial feedback

Appendix 4 – Trustee Background briefing note *draft and circulated to Members 23 February*

*The Governance Review Report October 2017 has already been provided to members in hard copy.*

## Appendix 2 – SAC & CC Consultation Feedback

### DRAFT MINUTE OF THE MEETING OF THE ALEXANDRA PALACE AND PARK CONSULTATIVE COMMITTEE. HELD ON TUESDAY 23RD JANUARY 2018

#### Item 10 – Governance Review Update

RECEIVED the report of Louise Stewart, Chief Executive Officer (CEO), Alexandra Park and Palace.

The following matters arose from the discussion of the report:

- a. The Committee sought clarification on the proposal to have clearer separation between stakeholder views and the Board. In response the CEO advised that Board members had to act in the best interests of charity and that there was considered to be an inherent conflict with Committee members sitting on the Board as non-voting members, as they had specific interests arising from their membership of a particular stakeholder group.
- b. The Board was also advised that a proposal to change the format of engagement away from council meetings, was in relation the current to statutory requirements around local government decision making that were placed on the Consultative Committee as a committee of Haringey Council.
- c. In response to a query around authorisation required to dispose of property acquired prior to 1985, the CEO advised that authorisation would require a specific scheme to be agreed by the Charity Commission, and possibly even an Act of Parliament.
- d. The Commission was advised that both Alexandra Palace and Park Panel and the Alexandra Palace and Park Consultative Forum were obsolete bodies that had not been in use for some time.
- e. The Committee raised concerns with the potential for meetings of the proposed stakeholder group to not have agendas or papers publically available.
- f. In response to questions around the proposed justification for replacing the Committee with a stakeholder forum, the CEO advised that the intention was to engage with a wider array of stakeholders including the beneficiaries. As presently formulated the Consultative Committee was limited to 30 specific interest groups. It was suggested that the Palace's stakeholders were much broader than that and that their preferred forms of engagement may be quite diverse.
- g. The Committee suggested that by developing a stakeholder forum there were concerns that this would result in a loss of experience and expertise from local groups. It was also suggested that the new format might result in broader and less focused discussion.
- h. The Committee advocated that current arrangements could be built upon to ensure that members' experience was not lost. It was proposed that perhaps a meeting of local constituted groups could meet once or twice a year and that this could be supplemented by wider forum meetings with different stakeholders. It was suggested that such a meeting could focus on a particular issue.
- i. It was also suggested that in the interests of widening participation the residents groups could be taken off the Consultative Committee as they were already represented through the Advisory Committee.

- j. Concerns were raised that there was a wider democratic deficit within the Palace's governance arrangements and that these proposals would reduce the involvement of local interested groups. In response the Chair commented that the organisation was a charity not a public body, that operations were governed by the Charity Commission and that ultimately the charity was accountable to its Board of Trustees.
- k. The Committee were advised that the Friends of Alexandra Palace Theatre were going to draft a response to the paper and would share it with members for comments in due course.
- l. The Committee considered that it was imperative that the Trust Board had the requisite skill set and knowledge base to be able to carry out its work in the best interests of the charity. The role of co-optees was to bring expertise to the Board and it was suggested that the existing model did not fully utilise this role.
- m. In response to a request that the Board consider examples of other organisations who were charities with a local authority as corporate trustee, the CEO acknowledged that there were examples elsewhere but that they tended to be for much smaller organisations such as town halls and recreation grounds. There were significant number of comparative examples of large charitable companies limited by guarantee and that the report recommended that this was the most suitable model given the charities size and complex history.
- n. The Committee advised that it felt that there was a lack of briefing for new members and organisations who sat on the Committee and that a learning point to consider was that the Trust could do more to clearly set out the role and contribution expected of associated groups.
- o. In response to a query of whether future meetings would be held in public, the Committee was advised that ultimately this was a decision for the Board to make. Most charities did not meet in public but still produced public minutes of meetings.

## **DRAFT MINUTE OF THE MEETING OF THE STATUTORAY ADVISORY COMMITTEE - TUESDAY 23RD JANUARY 2018**

### **Item 9 – Governance Review Update**

The SAC noted the discussion that took place during the Joint SAC-CC meeting and the following points were raised for noting by the Alexandra Park & Palace Board:

- a. The SAC recommended that it should be maintained as part of the overall governance structure and sought to affirm its ongoing role.
- b. The Committee raised concerns with a lack of political buy-in to the process and suggested that perhaps Councillors could have been consulted prior to SAC meeting.
- c. The Committee also emphasised that any further consultation should be on a borough wide basis as APPCT was subsidised by council tax payers. In response the management team advised that this consultation was on proposals at an early stage, as there was an expectation from the Charity Commission that consultation took place with stakeholders. The Board would make a decision on how the Corporate Trustee would be consulted following feedback from the SAC and CC.
- d. The Committee were advised that ultimately, it would be Full Council that would be required to take a decision from a Council perspective as current proposals would involve changes to the Council's constitution.
- e. The Committee sought clarification around the position of the Chair of the SAC sitting on the Board as a non-voting observer. It was queried whether there was an inherent conflict with an SAC member also sitting on the Board and apprehension was noted with the discontinuation of this arrangement.
- f. In response to a query around the likely date for implementation of the governance review, the Committee was advised that further legal advice would be sought and that resources would need to be identified before the Board made a final decision. It was anticipated that the earliest opportunity would be in late summer but that this may be impacted by the election of a new council administration in May.
- g. The CEO acknowledged that the SAC would be consulted on the final arrangements.
- h. The Chair of the SAC suggested that he would like to speak to the Council about the future governance arrangements of the SAC.

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**Alexandra Park and Palace Charitable Trust**

**Governance Summary**

**Issue – Advisory Committee January 2018**

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## Section 1 – Introduction APPCT

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### 1.0 Introduction to Alexandra Park and Palace Charitable Trust

Alexandra Park and Palace was placed in trust by Act of Parliament in 1900. The Charity was effectively created when the Park and Palace were placed in Trust. Several Acts since have conferred further powers or enacted amendments in 1903, 1905 and 1913, 1966, 1985, 2004.

Key moments in its governance history were: the 1966 order, which provided that the then body of trustees should cease to exist and passed their functions to the Greater London Council; in 1967 the organisation became a Charitable Trust, and; it was registered with the Charity Commission in 1981.

In 1980 the functions of the trustees were transferred to Haringey Council, making it the Trustee. A further Act was passed in 1985 amending the previous legislation. The 1985 Act is an amendment and consolidation of the previous Acts and acknowledges the transfer of the functions of the Trustees from the Greater London Authority to Haringey Council. Finally, the Charities (Alexandra Park and Palace) Order was passed in 2004.

There have been difficult times for the Charity: a devastating fire, subsequent financial difficulties, and; strategic decisions about the Palace, which aimed to make it financially viable, were contested by stakeholders on the basis that they felt plans were not in keeping with the charitable purposes. Whilst there are differing views and versions of past events, some of these difficulties involved how decisions about the Palace are made, by whom and on what grounds.

It is important to learn from and to some extent be guided and informed by past events but not led by them. It should be remembered that for the last decade the Charity has increasingly successfully been delivering its purposes; two current major construction projects on site will strengthen the trading operation and restore a large part of the Palace's East wing and bring back into public use the Theatre, overall reducing the level of dereliction of the main building. The Park has been gradually made more appealing, with improved management, new facilities and attractions and consistently winning quality awards.

The Trust has successfully attracted restoration funding and has embarked upon a programme of fundraising for the longer term. The Trading Subsidiary now has a multi-million pound turnover and provides a significant proportion of the Trust's income. Whilst financial sustainability has not yet been achieved it is less of a distant reality than it was a decade ago. During this time Haringey Council has provided critical stability for the Trust, providing funding, support and expertise that has been vital in protecting the Palace and guiding the Trust to prevent repeats of past controversies.

However the financial challenge for the Charity has not gone away.

## Section 2 – Governance

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### 2.0 Governance

#### 2.1 What is governance

*Governance determines who within an organisation has power, who makes decisions and about what, how others can legitimately influence those decisions and by what methods, who is responsible and accountable for what and what systems and procedures are in place to ensure the above is followed and controls are in place.*

Good governance ensures that the organisation functions in a way that allows the executives to undertake their duties effectively, within a clear framework that supplies the board with the information they need to provide sufficient oversight. It also includes the relationships with and between the stakeholders and beneficiaries of the charity and their alignment with the charity's purposes and aims and their ability to influence decisions.

The way an organisation is governed often depends on its history, its purpose and the perspectives of those responsible for its governance and management. The governance of any organisation, charity or otherwise, needs to be fit for the needs of the organisation and therefore there is an amount of tailoring which makes each organisation's Governance bespoke to their needs.

#### 2.2 Why undertake a Governance review

A governance review provides an opportunity to examine the Charity's governance arrangements. It is good practice for trustees to have a programme of review whether this is looking at a wholesale review or aspects of governance to allow it to respond to a change in the organisation's direction, size, remit, changes in the external environment, to ensure it is able to respond effectively to the challenges it is facing or to ensure that trustees keep up with best practice and changes in the law.

The Governance of Alexandra Park and Palace Charitable Trust (APPCT) is not typical of most charities, although there are many charities with similar 'quirks' the combination of these and the size of the charity at Alexandra Palace is particularly challenging. It is therefore imperative that it is regularly reviewed to ensure that it is fit for purpose; that it works and functions in the way expected of charities generally; is compliant with charity law, regulation and best practice and delivers appropriate charitable outcomes for public benefit.

#### 2.3 Why undertake a review now

There are several factors that make a governance review essential. Long term, the Charity aims to become financially self-sustaining. This will mean both attracting funds and generating income from a greater range of sources and further improving the management and efficiency of its operation, to use the Charity's resources effectively.

The existing income streams are static, which in real terms overall equates to declining, as cost and overhead pressures increase.

The competition for funding from other sources is intense as all charities become better skilled at attracting funds and demonstrating the impact of their activities.

The context in which charities operate has changed in the last decade, high profile cases of charity mismanagement particularly on governance and fundraising has led to tighter regulation and increased scrutiny. Expectations of organisational governance standards have risen across a

range of funders from philanthropic sources to those distributing government or lottery funds. In many cases funding bodies have published the governance standards expected of their recipients and all funders generally undertake more due diligence activities of potential recipients. Funders generally want to associate with success stories and avoid damaging their own reputations by association with 'difficult' or controversial cases.

The high profile cases have attracted media attention for lengthy periods of time and undermined public confidence in charities, creating a more circumspect and diligent population of potential and existing donors. Individuals do more research and ask more questions about the charities that they are being asked to fund before making their decision to donate. This creates a need for charities to ensure that they are sufficiently appealing to donors, are skilled at investing donors' money in their cause and can demonstrate transparently their capability to deliver the charitable purposes effectively.

The Trust itself is a different operation to that of 10 or even 5 years ago, it is considered to be in the 'large charity' category by the Charity Commission and funders, which heightens the expectations of good governance and professionalism. It is now also an active fundraising charity and therefore subject to scrutiny by potential institutional and individual donors. It is appropriate to assess whether the governance structure and processes are fit for purpose for its operation now and whether the current arrangements will support its future growth and success.

The Governance at Alexandra Palace has been looked at several times, notably in the 1990s and in 2009, but recommendations were not implemented or the changes that were adopted did not last. This is not a good track record and for the reputation of the Charity needs to be addressed.

Governance needs to be understood and owned by the Board and it needs to be documented to withstand changes in executive personnel and Board members; and so that it can be clearly communicated to achieve better outcomes for the Charity.

The first stage of the Governance review was a compliance check of the Charity's Governance against Charity Law and the Charity Governance Code. Upon completion of the first stage it was clear that the complexity of the governance history, the Acts, the current governance arrangements and confused or limited understanding, it was clear that a fundamental more strategic review of Governance was required. It was clear that looking at specific aspects of governance without undertaking a fundamental review was not likely to lead to clarification, only more questions and potentially recommendations that provide more fixes and workarounds.

Whilst the governance review by its nature identifies and focuses on elements that need to be addressed and could be perceived as negative, it should be a matter of record that the relationship between the Trust executive team and Haringey Council is extremely positive. The Trust team have received a great deal of support from their counterpart colleagues in areas of finance, legal, HR, and regeneration. Staff have responded to queries and requests for advice and assistance and generally find fixes and solutions to issues that arise.

It should be noted that any references to 'independent' and 'independence' throughout the report relate to the independence of decision making in the best interests of the Charity in accordance with Charity Law. The Charity is currently dependent on the funding it receives from Haringey Council's own resources to deliver the charitable purposes. In making any changes to governance the Trust should be mindful that it is not in the best interests of the Charity to jeopardise the close functional relationship with the Council.

## Section 3 - Current Governance

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### 3.0 Current Governance

This section of the report is descriptive of the existing governance arrangements.

#### 3.1 Organisation Type

Alexandra Park and Palace Charitable Trust (APPCT) is a charity registered with the Charity Commission. The Charity encompasses the assets of Alexandra Park and Palace and the functions of the Trustees.

#### 3.2 Legal Title and Ownership of the Charity

The Park and Palace are the property assets of the Charity. Haringey Council, its capacity as Trustee owns the property “on the substantive trusts of the said Act of 1900 and with the powers set forth in that Act as extended and modified by the said Act of 1913 and the said Order of 1966”.

#### 3.3 Legal Framework

As a charity APPCT is subject to Charity Law and regulation in the same way as any other charity.

Haringey Council discharges its duties as Trustee via a Council Committee to which it delegates its power and authority as Trustee. The Charity is subject to general UK law including company law, in relation to its trading subsidiary. As a Council Committee the Trust is also subject to Local Authority legislation.

#### 3.4 The Functions of the Trustees

The functions of the Trustees are detailed in the 1900 Act and updated in subsequent Acts, the 1985 Act states that:

- The Trustees are under a statutory duty to uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes:
  - To reconstruct and repair the Palace in a manner which will enable the Trustees to promote the use and enjoyment of the said Park and Palace by the public:
  - The Trustees intend in fulfilling their statutory duty under the said trusts to take into account the contemporary needs of the public:
    - They shall maintain, uphold and improve the existing theatre in the Palace...
    - They may let or license at the best rent that can reasonably be obtained any portion of the Park and Palace (subject to any covenants and conditions)...
    - They may close any part of the Palace and Park for not more than fourteen days in any one year
    - They may sell, let or otherwise dispose of the whole or any part of, or the whole or any part of any interest in land acquired by them after the passing of the 1985 Act together with any building or buildings erected thereon but may not without further authorisation dispose of property acquired pre 1985
- (Alexandra Park and Palace Act, 1985, Chapter xxiii)*<sup>1</sup>

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<sup>1</sup> The 1985 Act lists the above and then amends the 1900 Act

### 3.5 Constitution/Governing Document

The governing documents are collectively known as the Alexandra Park and Palace Acts and Orders 1900–2004.

The constitution of Haringey Council details how these duties are discharged by the Trustee, to and by, it's delegated committee. The constitution of Haringey stipulates how the Board (as a Council committee will operate).

The Charitable Assets of the Park and Palace have been designated as Local Nature Reserve, it is covered by several Statutory Conservation areas, it is also designated Metropolitan Open Land. Byelaws were established in 1929 and are still in force.

### 3.6 The Role of the Trustee

The main duty of a Trustee is to ensure that good governance is in place.

### 3.7 Board and committee remits and membership

#### (a) Alexandra Park and Palace Board

Membership – 6 elected Councillors of Haringey Council, 3 appointees from the Consultative Committee, 1 observer member from the Statutory Advisory Committee. The Council appointed Board members are not trustees in their own right but representatives of the Trustee. The appointees of the SAC and CC are considered co-optees. Co-optees have no voting rights. The Chair of the Board is paid as per all chairs of council committees.

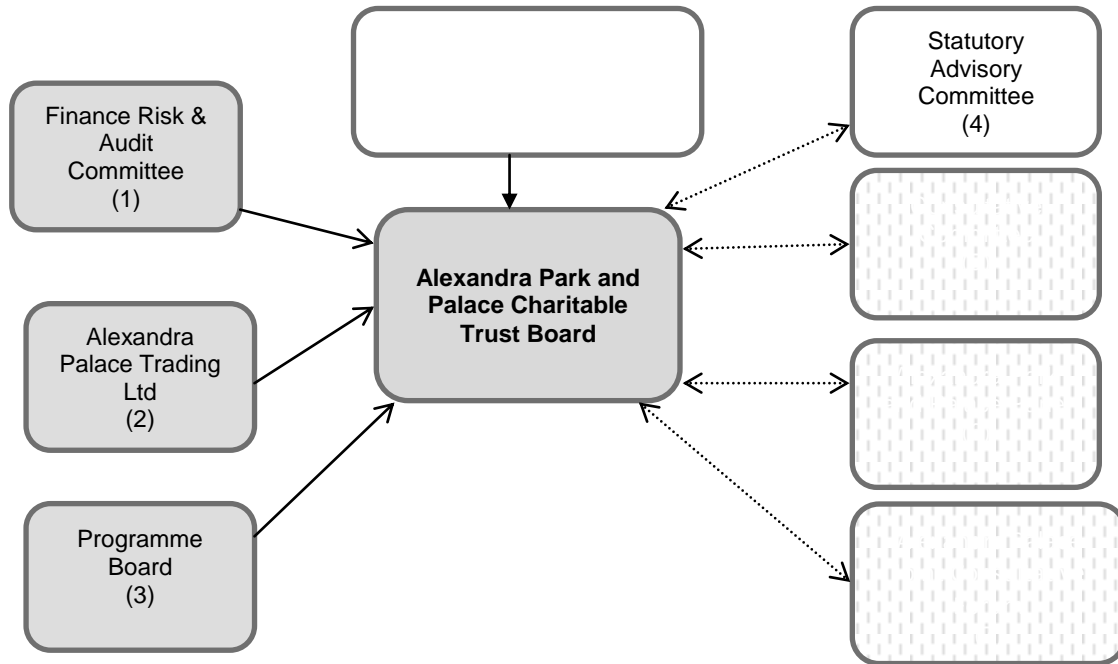
Remit - To discharge the trustee functions delegated to it by Haringey Council detailed below.

*The Council's functions as statutory trustee of the Alexandra Palace and Park charitable trust are discharged by the Alexandra Palace and Park Board.*

*To fulfil the functions, powers and duties of the Council as Trustee of Alexandra Palace and Park under the Alexandra Park and Palace Acts and Order 1900 to 1985 and, without prejudice to the generality of this, these functions include:*

- *The duty to uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes.*
- *Acting as the employing body for employees engaged in the working of the Trust at Alexandra Palace, and to be responsible for the setting of staffing policies, conditions of service and terms of employment of those employees.*
- *In relation to the Trust, being responsible for developing and monitoring the implementation of effective policies and practices to achieve equality of opportunity both for employment and service delivery.*

### 3.8 Board Committee Structure



#### 3.8.1 Board created committees

The APPCT Board has created sub committees to meet its needs and workload (1,2,3 in the above diagram). Two of these committees, FRAC and the Programme Board have no decision making powers but are able to make recommendations to the Board. The APTL Board has full delegated authority to direct the Trading Subsidiary activities defined in its Articles and Memorandum, approved by the Board. The Board appoints its members onto these committees and appoints co-optees to meet specific skills and expertise gaps when appropriate.

##### (a) Finance, Risk and Audit Committee (FRAC) (1)

**Membership** – The Board appoints from its membership or co-opts on to the Committee, which currently consists of 4 councillors and one co-opted member. Chaired by the APPCT Board Chair.

**Remit** - The Finance, Risk and Audit Committee is authorised by the Board to:-

- a) Investigate any activity within its terms of reference;
- b) Seek any information that it requires from any employee of the Charity;
- c) Obtain outside legal or independent professional advice as it considers necessary;
  - making recommendations to the Board respect of auditor appointments;
  - reviewing and monitoring the external auditor’s independence and effectiveness
  - monitoring the integrity of the annual financial statements;
  - reviewing the Charity’s financial, internal and risk management controls
  - considering the need for on-going internal controls
  - ensuring appropriate procedures are in place for whistleblowing
  - investigating any other topics referred by the Board

FRAC has no executive powers with regard to its findings and recommendations.



(b) Alexandra Palace Trading Ltd (APTL)(2)

The Charity's subsidiary company, Alexandra Palace Trading Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 29<sup>th</sup> July 1999. A licence agreement exists between the Trust and the Trading Company, stipulating the conditions on which the Trading Company operates and the areas of operation within the Palace. The Trading subsidiary and the Trust share some services such as finance and human resources.

Membership – The Board appoints 4 directors from the Trustee Board Membership and APTL may appoint up to two non-executive directors (NED)(currently only one NED) is in place). The CEO of the Charity is also an APTL Board Member and the Memorandum and Articles of Association (1999) stipulate that an officer of the Council may also be appointed. The Chair of the Trust is also the Chair of APTL.

Remit –To progress the activities of APTL

- To closely monitor the budget and regular management accounts for APTL
- To appraise the performance of the companies contracted to provide services in Alexandra Palace and Park
- To supervise the appropriate maintenance of Alexandra Palace and Park

APTL as a company limited by guarantee and a legal entity in its own right has the authority to:

- The Committee shall have delegated authority to obtain independent professional advice if it considers this to be necessary.
- The Committee shall have authority to make contractual commitments.
- All programmes and events must fit with the prevailing ethos of the APPCT.
- All proposals, budgets and planned expenditure must have the approval of the Chief Executive Officer of APPCT.

(c) Programme Board (3)

Membership - 2 APPCT Board Members as observers, plus the Chair of APPCT with the APPCT Deputy CEO, Project Manager and other staff and consultants in attendance as appropriate. The Director of Regeneration, Planning and Development (or their representative) of Haringey Council has been co-opted onto this committee to provide additional expertise and oversight. Chaired by the APPCT Board Chair. The group is administered by the APPCT Regeneration Team.

Remit - The Programme Board is an informal sub group of the Board. It has no formal decision making powers. Its role is to advise the APP staff on the direction of both building and regeneration projects at the Palace.

The papers of the committee are provided to the APPCT for information. Regular and specific reports are provided to APPCT Board meetings.

**3.8.2 Governing document created committees**(a) Advisory Committee (Statutory Advisory Committee (SAC)(4)

Created by the 1985 Act of parliament.

Membership – The SAC consists of up to 16 members; 8 Council members from the surrounding wards (Alexandra, Bounds Green (formally known as Bowes Park), Fortis Green, Hornsey, Muswell Hill and Noel Park) , and; 8 representatives from residents associations which meet specific requirements as set out in the 1985 Act.

Remit – To promote the objects of the Charity and assist the Trustees in fulfilling the trusts by considering and advising the Trustees on the following matters:

- the general policy relating to the activities and events arranged or permitted in the Park and Palace;
- the effects of such activities and events upon the local inhabitants and local environment;
- the frequency of activities and events attracting more than 10,000 people at any one time and the maximum number to be permitted on such occasions;
- the adequacy of car parking arrangements within the Park and Palace so as to avoid overflow into adjoining residential streets;
- any proposals which require planning permission;
- the establishment and maintenance of the Park as a Metropolitan Park;
- the furtherance of recreation and leisure in the Park and Palace.

The SAC elects one of its members onto the APPCT Board annually.

### **3.8.3 Haringey Council created committees**

Arising from the Council's role as Trustee of Alexandra Park and Palace and previous operational management of it, the following additional committees exist. Membership of these bodies (shaded in Table 1 above) is as described in the Councils Constitution 'Appointments of Non-Executive Committees, Sub-Committees' as approved by the Annual Meeting of the Council. The Terms of Reference of the additional bodies is as follows:

(a) Alexandra Palace and Park Consultative Committee<sup>2</sup>

Membership - Alexandra Palace and Park Consultative Committee, 6 Councillors who are the APPCT Trust Board members, and up to 30 community group representatives.

Remit

- To give representatives of appropriate local and national organisations the opportunity of full discussion with members of the Alexandra Palace and Park Board on general matters affecting Alexandra Palace and Park.
- To give members of the Alexandra Palace and Park Board the opportunity of discussing and explaining to the organisations matters affecting the overall policy and efficient management of Alexandra Palace and Park.
- To promote better understanding between members of the Alexandra Palace and Park Board, the Palace Management and local organisations.
- To enable appropriate local (and national) organisations to be fully consulted on decisions of direct concern to them.
- To promote the best interests of the Alexandra Palace and Park as a conservation area.

The CC elects 3 of its members on to the APPCT Board annually.

(b) Alexandra Palace and Park Panel

Membership -The Panel is composed of four Councillors, selected with reference to political balance.

Remit - To consider and take decisions upon urgent matters arising between ordinary meetings of the Alexandra Palace and Park Board.

There is no information held at the Trust as to when this committee last met.

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<sup>2</sup> Note that the SAC and CC meet together as the Joint SAC/CC Committee

(c) Alexandra Palace and Park Consultative Forum

Membership - 4 Councillors plus 4 Trade Union representatives.

Remit -

- To be a forum for consultation and negotiation between the Alexandra Palace and Park Board and its employees, on issues in relation to Conditions of Employment.
- To consider issues referred directly by Management or by the Trade Unions in consultation with the Employer's Side Secretary.
- To provide a means whereby the Alexandra Palace and Park Board can consult Union representatives on policies and strategies and provide an arena for discussion of matters of mutual interest.
- To provide a means of effective communication, in order to prevent or eliminate friction and misunderstanding.

The Consultative Forum may not consider any matter concerning an individual employee, nor any issues that fall within the scope of other existing procedures, e.g. dismissal appeals, individual grievances and individual salary issues; such matters may only be raised as a matter of principle/policy.

There is no information held at the Trust as to when this committee last met.

**3.9 Role of Individual Trustee Board Members**

The members appointed by the Council to the Board must always act in the best interests of the Charity.

Members of the Board appointed by the Consultative Committee and Statutory Advisory Committee have no voting powers on the Board and have no delegation of authority conferred upon them save their own appointing committees' terms of reference. However, as they are part of the body of the Board, who are considered to have the management and control of the Charity. The Trust does pay for insurance to indemnify them in recognition that their exact status is not altogether clear since in practice they participate in discussions and decisions and therefore can be considered to have trustee or quasi-trustee duties.

As per the constitution of the SAC and CC committees these representatives have a duty to represent the views of the Committees on the Board and to report back to the Committees from each Board meeting, as stated by the Haringey Council Constitution.

**3.10 Role of the Company Secretary**

The secretariat and Board administration and advice is undertaken by the Council in its committee administration role in accordance with the Council's Constitution and procedures.

**3.11 Board reporting responsibilities**

The Board is responsible for providing its audited annual accounts and annual return to the Charity Commission and in relation to APTL filing accounts annually with Companies house.

There are no specific reporting duties placed on the Trustee Board by the Council, but the annual report produced for the Charity Commission is sent to the Council. The Council has sight of all Board papers and the annual business plan.

### **3.12 Strategic Direction**

The Board of Trustees has no documented strategy currently in place creating a vacuum in relation to overall medium and long term direction.

### **3.13 Delegation of authority and decision making**

The delegated power to the Board is detailed in the Haringey Council constitution. Delegation to the CEO is detailed in the Haringey Constitution and standing orders. The Board itself has no scheme of delegation to its CEO other than that provided for by the Council's Constitution.

### **3.14 Performance Management & Monitoring**

An annual Business Plan is in place, progress is reported to the Board at its scheduled meetings on a quarterly reporting basis. A basic performance matrix is in place to demonstrate the Charity's progress, impact and its wider benefit to society. The organisation has implemented an individual performance management programme so that the performance of its employees relates to the overall business plan and performance targets.

### **3.15 Financial Management and Reporting**

The Trust manages its own finances and has its own finance department. Its accounts are prepared in accordance with Statement of Recommended Practice applicable to charities (Charity SORP), externally audited and filed with the Charity Commission as required by charity law (it also files accounts for the Trading Subsidiary with Companies House as required by company law).

The Council consolidates the Trust's accounts into its own accounts as required by IFRS 10 as the Trust is a committee of the Council with a majority of councillors on that committee. Financial performance reports are provided at each Board meeting, having previously been presented at FRAC.

Programme Board oversees the capital programmes and the associated budgets, which are reported to the Board.

### **3.16 Board selection, appointment and development**

APPCT is currently governed by a Board of six voting members. Four non-voting members are also appointed to the Board by stakeholder committees.

The Chair of the Board is elected into position by the elected politicians of the majority political group. The Haringey Council appointed members of the Board reflect the political balance of the council, as per council committee rules.

Non-voting members are appointed by the SAC and CC through a process of nomination and seconding. The SAC appoints its Chair onto the Board. The CC appoints three of its members onto the Board.

Members of the Board who are also Councillors step down for local government elections and those who are re-elected may be re-appointed to the Board at the annual general meeting of the Council held in May each year.

### 3.17 Advisors to the Board

- Independent legal advisors  
The Trust appoints independent legal advisors. The advisors are Russell Cooke LLP a London-based law firm with around 200 specialist solicitors and lawyers on areas covering commercial, not-for-profit, regulatory and personal clients.
- The Executive Team  
The employees of the Trust, the CEO, Finance Director and other specialists are employed to undertake the Trusts duties in areas such as Financial Management, Property Management, Park Management, General Management.
- The Statutory Advisory Committee (SAC)  
The Statutory Advisory Committee provides advice to the Board. The Board has a duty to seek and consider its advice on the matters covered by the committees remit.
- The Consultative Committee (CC)  
The Consultative Committee enables engagement between the Board and local and national organisations on general matters. The CC may make recommendations to the Board although the Board has no formal duty to consider such recommendations.
- Auditors  
The Trust appoints independent external auditors to undertake an external annual audit of the accounts.

The Trust appoints independent internal auditors to undertake internal audits, the focus of which is determined by the Finance Director and CEO.

- Haringey Council Legal Team  
The Council legal team reviews and comments on all Board papers to provide advice to the Councillors appointed to the Board. The Council Legal Team also provide procedural guidance regarding the administration of the Board as a Council committee.
- Haringey Council Finance Team  
The Council Finance Section 151 officer, or their representative, reviews and comments on all Board papers, to provide advice to the Councillors appointed to the Board. The officer has previously attended Board meetings in person.

### 3.18 'Friends of' Groups and Associations

In addition to the Committees several 'Friends of' groups and associations also exist, with varying degrees of links to the Board and the executive team, the delivery of the charitable purposes or use of the assets.

- Friends of AP Theatre
- The Friends of Alexandra Park
- Alexandra Palace Television Group
- The Alexandra Palace Television Society (A.P.T.S.)
- The Friends of The Alexandra Palace Organ Appeal
- Alexandra Palace allotments association

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