

Appendix 1

Standards Committee 21 March 2023 – updated in line with Paragraph 2.9 of the Full Council Cover report.

Title: Constitutional Changes and Committee Changes 2022/23 2023/24 - **Establishment of an Audit Committee and potential General Purposes Committee and Update to part 5 Section D of the Constitution, Decision Making protocol, to include consideration of climate change mitigation in decision making reports**

Report authorised by: Fiona Alderman, Head of Legal and Governance and Monitoring Officer

Lead Officer: Ayshe Simsek - Democratic Services and Scrutiny Manager

Ward(s) affected: N/A

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

1. Describe the issue under Consideration.

- 1.1 Following CIPFA Guidance and good governance practice, to agree to recommend to full Council the establishment of an Audit Committee as an Ordinary Committee of the Council on the 27th of March 2023 and for inclusion as part of the Committee structure of Council at the Annual meeting in May 2023. This Committee will take forward Audit Functions, Treasury Management and non-executive financial assurance matters.
- 1.2 To agree to recommend to Full Council on the 27th of March 2023 the establishment of a General Purposes Committee which would take forward the remaining non-executive functions of the Corporate Committee and also functions of the Staffing and Remuneration Committee.
- 1.3 To agree to recommend to Full Council on March 27th, 2023, the agreement of the establishment of an Appointments Panel to take effect from the Annual Meeting of the Council in May 2023
- 1.4 To agree to recommend to Full Council on March 27th 2023 the agreement of the establishment of Disciplinary Grievance and Dismissal Panel to take effect from the Annual Meeting of the Council in May 2023.
- 1.5 To agree to recommend to Full Council on the 27th of March 2023, the deletion of the Corporate Committee and Staffing Remuneration Committee from the Council's Committee Structure and to take effect from the Annual Meeting of the Council in May 2023.

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- 1.6 To agree to recommend to Full Council on the 27th of March 2023, and update part 5 Section D of the Constitution to include consideration of climate change mitigation in decision making reports . This will be in line with the adopted policy position, set out in the Council's Climate Change Action Plan, and will require all key decision-making reports, to consider and report on whether or how the proposals delivers Climate Change Mitigation (reducing carbon and energy impacts) and Climate Change Adaptation (minimising the risks and impacts in a changing climate).
- 1.7 To agree to recommend the full Council, the subsequent administrative changes to the Member Allowance scheme with the Chair of General Purposes Committee allocated the SRA banding 1B for the Staffing and Remuneration Chair and the Audit Committee Chair allocated the SRA for the 1B Corporate Committee Chair.
- 1.8 To agree to recommend to full Council the subsequent changes to the Council's Constitution set out Appendices 1 to 4.
- 1.9 To agree to recommend to full Council to provide delegation to the Council's Monitoring Officer to update the subsequent required administrative and technical amendments (grammatical, formatting, and consistency) necessary to finalise the revised constitution for publication . These will be reported up to the Annual Council meeting in May as part of the Monitoring Officer report and shown in track changes.

2. Cabinet Member Introduction

Not applicable.

3. Recommendations

- 3.1 To recommend to Full Council on the 27th of March 2023 the agreement of the establishment of an Audit Committee as an Ordinary Committee of the Council and to take effect from the Annual Meeting of the Council in May 2023.
- 3.2 To recommend to Full Council on the 27th of March 2023 agreement of the establishment of a General Purposes Committee as an Ordinary Committee of the Council and to take effect on from the Annual Meeting of the Council in May 2023.
- 3.3 To recommend to Full Council on the 27th of March 2023 agreement of the establishment of an Appointments Panel and to take effect from the Annual Meeting of the Council in May 2023.

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- 3.4 To recommend to Full Council on the 27th of March agreement of the establishment of a Disciplinary Grievance and Dismissal Panel to take effect from the Annual Meeting of the Council in May 2023.
- 3.5 To recommend to Full Council the deletion of the Corporate Committee and Staffing Remuneration Committee from the Council's Committee Structure and to take effect from the Annual Meeting of the Council in May 2023.
- 3.6 To agree to recommend the full Council, the subsequent administrative changes to the Member Allowance scheme with the Chair of General Purposes Committee allocated the SRA banding 1B for the Staffing and Remuneration Chair, noting that this position will also be listed as the Vice Chair of the Appointments Panel and Disciplinary, Grievance and Dismissal Panel and the Audit Committee Chair allocated the SRA 1B for the Corporate Committee Chair.
- 3.7 To agree to recommend to full Council the subsequent changes to the Council's Constitution set out Appendices 1 to 4.
- 3.8 To agree to recommend to full Council on the 27th of March 2023 to provide delegation to the Council's Monitoring Officer to update the subsequent required administrative and technical amendments (grammatical, formatting, and consistency) necessary to finalise the revised constitution for publication To note that these will be reported up to the Annual Council meeting in May as part of the Monitoring Officer report and shown in track changes.

4. Reasons for decision

- 4.1 CIPFA is the Chartered Institute of Public Finance and Accountancy (CIPFA) and a UK-based international accountancy membership and standard-setting Panel. This is a global Panel dedicated to public financial management.
- 4.2 CIPFA believes that improving public services is the key to changing lives for the better and that good public financial management is central to achieving this ambition. CIPFA Guidance outlines that the Audit Committee should be an independent and to be effective, provide the following:
 - Be independent of executive decision making and scrutiny;
 - Able to provide objective oversight with sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance;
 - Have rights of access to and constructive engagement with other Committees/functions, for example scrutiny and service Committees, corporate risk management boards and other strategic Groups;
 - Have rights to request reports and seek assurances from relevant officers;
 - be of an appropriate size to operate as a cadre of experienced, trained Committee Members. Large Committees should be avoided;

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- include at least two co-opted independent Members to provide appropriate technical expertise;
 - meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public; and be able to meet privately and separately with the external auditor and with the head of internal audit.
- 4.3 In accordance with paragraphs 6.3 to 6.23, the Section 151 Officer and statutory Officers of the Council strongly recommend that an Audit Committee is established in keeping with good governance practices.
- 4.4 Reasons for establishing a General Purposes Committee together with an Appointments Panel and Disciplinary Grievance and Dismissal Panel are further set out in paragraphs 7 to 7.23.
- 4.5 Reasons for updating the Decision-making Protocol are set out in paragraphs 7.24 to 7.27.

5. Alternative options considered.

- 5.1 To continue with current arrangements which would not be in full accordance with CIPFA guidance on good governance principals.
- 5.2 To continue with the Staffing and Remuneration Committee and separate Corporate Committee and include an additional SRA in the Member Allowance Scheme for 2023/24.
- 5.3 Adding Regulatory functions to the Corporate Committee as these non-executive functions have only recently been added to the Strategic Planning Committee and Licensing Committee in May 2021.

6. Background

- 6.1 A Constitution Working Group was established in February under officer delegated authority, and as set out in the Constitution Part 3 Section E to consider the required to the Constitution and Committee Structure of the Council for consideration between February 2023 and November 2023 and beyond to respond to the requirements of the administration, organisation, and in keeping with good governance practice. The Constitution Member Working Group included the Labour Chief Whip as Chair as well as non-executive Members to consider the available governance options and was politically proportionate. This Group was compiled to provide a steer and direction on the changes to the Constitution and Committee Structure to the Head of Legal and Governance and to further inform the officer reports to the Standards Committee and Full Council.

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6.2 The Constitution Working Group considered reports and information relating to the recommendations set out above and officers responded to their queries and steer in compiling the changes proposed.

Audit Committee Recommendation.

- 6.3 The Council established the Corporate Committee in 2011 as the main non-executive Committee of the Council and at the time this included pensions, staffing, audit and miscellaneous functions. In 2014 a Staffing and Remuneration Committee was created and subsequently a Pensions Committee and Board. The Committee has continued to cover a range of non -executive functions including audit, agreement of local code of corporate governance, treasury management, approval of the end of year accounts, health and safety, street naming and noise nuisance powers.
- 6.4 The CIPFA guidance issued to local authorities in 2022 advised that best practice is to have an Audit Committee reporting to Full Council with focus on audit matters, independent of any executive council operations. CIPFA expected that all local government Panels to make their best efforts to adopt the principles, aiming for effective audit Committee arrangements.
- 6.5 Audit Committees are considered a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Committee's role in ensuring that there is sufficient assurance over governance risk and control give greater confidence to all those charged with governance that those arrangements are effective.
- 6.6 It is important to note CIPFA's view on the Audit Committee practice, which is obtained having consulted with sector representatives, expects all local government Panels to make their best efforts to adopt the principles, aiming for effective audit Committee arrangements. This will enable those Panels to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.
- 6.7 The practice set out at Appendix 5 makes clear the current arrangement, capturing the work of the Audit Committee within the Corporate Committee's remit, does not adhere to CIPFA's Position Statement on the role of the Audit Committee. The main areas where the current arrangements do not conform with the CIPFA Position Statement are: -

CIPFA's Position Statement 2022	Current Arrangements (Corporate Committee)
The audit Committee should be established so that it is independent of	The Corporate Committee includes executive decision making within its terms of reference.

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executive decision making and able to provide objective oversight.	
The audit Committee should be independent of both the executive and the scrutiny functions.	Members of Corporate Committee are not independent of executive and other scrutiny functions.
The audit Committee should be of an appropriate size to operate as a cadre of experienced, trained Committee members. Large Committees should be avoided.	The Corporate Committee comprises 12 members; 11 Labour and 1 Liberal Democrats' members.
The audit Committees of local authorities should include co-opted independent members. CIPFA recommends that each authority audit Committee should include at least two co-opted independent members.	There are none.

- 6.8 What has made the creation of a separate Audit Committee more important recently is the bringing of HfH back in house. HfH has an audit and risk Committee that meets five times every year and has a full agenda. Going forward, the internal audit work previously reported to the HfH audit and risk Committee will be adopted and reported to the Corporate Committee. Clearly, the Committee needs to have time and understanding of the matters raised by assurance provider, including internal audit.
- 6.9 The strong advice from the Section 151 Officer and Head of Audit and Risk is to adopt the model set in the CIPFA Position Statement that will address the short comings of the current arrangements and provide for the transfer in of HfH. This change will allow the Council to demonstrate a key component of an authority's governance framework is in place and is effective. The Committee can focus on providing an independent and high-level focus on the adequacy of governance, risk and control arrangements ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance.
- 6.10 There is further guidance on Audit Committees by CIPFA advises that the terms of reference should set out the Committee's position in the governance

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structure of the authority. The Committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control give greater confidence to all those charged with governance that those arrangements are effective. The Committee has to have oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability. Governance, risk and control.

The table below summarises the Committees held at each Council.

Council	Audit Committee	Corporate Committee	Assurance and Governance
Barnet	✓		
Brent	✓		
Hackney	✓	✓	
Islington	✓		
Lambeth		✓	
Redbridge			✓
Southwark	✓		
Westminster	✓		
Waltham Forest	✓		
Wandsworth	✓		
Camden			✓
Ealing	✓		
Enfield	✓		
Hammersmith and Fulham	✓		
	✓		
Harrow			
Hillingdon	✓		
Kingston upon Thames			✓

Make up of Audit Committees

6.11 All of these are comprised of members from the incumbent party and the opposition, with the exception of Islington which only has three Councillors on

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the opposition, so the Committee was comprised of Councillors from the main party only. Each audit Committee has to have a least one co-opted member.

Functions of the Audit Committee

6.12 The common functions of the audit Committees that were identified via this research were independent scrutiny for the Council's financial and non-financial performance, oversight of Council finance reporting procedures, assessment of the Councils risk management frameworks and the standard of conduct by Councillors.

Corporate Committee research

6.13 Hackney and Lambeth were the only other Councils looked at that had a Corporate Committee. Hackney was the only Council with both an Audit and Corporate Committee. However, when looking at the responsibilities of the Corporate Committee, these were non-executive functions including HR, regulatory functions. Haringey has already, in 2021, assigned regulatory functions to Strategic Planning Committee and the Licensing Committee.

6.14 The Corporate Committee at Lambeth performs similar financial functions to Haringey's Corporate Committee with additional responsibility for setting up Sub-Committees. They also handle any issues referred by Full Council, the Chief Executive or strategic director and agree the Council Tax base and business tax base on behalf of the Council. The Corporate Committee is comprised in a similar way to the Audit Committee at the other Councils studied so a mix of Councillors from the main party, one opposition Councillor and a co-opted member.

6.15 Redbridge Council has a Governance & Assurance Committee covering the audit functions and Code of Conduct responsibilities. This Committee is comprised of four Labour Councillors and one co-opted member but, unusually, no opposition members.

6.16 The Constitution Working Group considered the above information in the context and role of the proposed Audit Committee.

6.17 The Constitution Working Group noted that the Corporate Committee has some executive roles and members on this Committee should also be independent of any other council role including the scrutiny role. This was to ensure no overlaps and ensure the main focus was Audit. The Group noted that when considering the membership of this proposed Committee, it was important to note that the role of the Overview and Scrutiny Function was to scrutinise and to hold the decision makers (Cabinet) to account. This is specifically considering what is the decision and whether the decision is the right one for the Council. The Audit Committee is concerned with how the

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decisions is made (not what is the decision). The Audit Committee would need to make sure proper processes were followed, risks were assessed and there are appropriate checks and balances. For this role to be effective, it meant Committee members focused on Audit and not drawing on their scrutiny role and function. This will mean that the Overview and Scrutiny Committee Members should not be members of the Audit Committee and Scrutiny Panel members can be members of the Audit Committee.

- 6.18 It was noted that the size of the Corporate Committee was an issue. The CIPFA recommendation was that this should be a small Group of well-informed individuals who understand the governance of the Council. The maximum number recommended was 8, including 2 independent advisors to help with the detail and advise members.
- 6.19 The Constitution Working Group noted that currently housing management related audits would now come to Corporate Committee, increasing the audit items at Corporate Committee. There was a need to have a Committee with the capacity to take on this work and align operations to good practice.
- 6.20 In further reaching a recommendation on a new Audit Committee, the Constitution Working Group discussed:
- The need for external independence expertise offered by independent advisors on the proposed Audit Committee due to the technical information being consistently considered as they aid professional discussions and have an important role in providing an independent expert voice.
 - With regards to the recruitment of the Independent advisors, the Section 151 Officer and Head of Audit would interview the candidates and they would be assessed on merit and skills basis. Assurance was provided that the Chair of the Audit Committee would be consulted as part of the process.
 - Although, there was a need to guard against recruiting advisors with a political interest, the Constitution Working Group concluded that the technical and professional experience of the candidates would take precedence and they were satisfied that the nature and focused work of the Audit Committee would override political view points and matters. The Independent Advisors would also be asked to complete a register of interest which would include indicating membership of a political party.
 - Having an independent chair and not including the Treasury management functions was raised and it was noted that that having an independent chair was more of an option for combined authorities and for Chairs of Audit Committee in Wales. However, the guidance for local authorities did not require the Chair to be independent but does emphasise the need for the Chair to be independently-minded. Information was provided from CIPFA guidance to support this position. The Section 151 Officer and Head of Audit

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recommended combining Audit and treasury management as this will have the appropriate officers that will understand the nature so the reports and also allow Audit to consider Treasury management activities. This recommendation was agreed with by the Constitution Working Group and now put forward to Standards Committee.

- 6.21 The Constitution Working Group continued to agree to recommend that the Audit Committee be established and be comprised of 7 Council seats, 6 Labour and 1 Liberal Democrat. They agreed that there should also be 2 non-voting independent advisors recruited by Director of Finance and Head of Audit and Risk. The positions would have a job description which would be advertised, and applicants shortlisted and then interviewed by these senior officers. Job description from Ealing Council was considered by the Working Group and function and role agreed with.
- 6.22 The Constitution Working Group further agreed the need for regular training for members on the Audit Committee. Members of this Committee would be expected to develop expertise and engage with the audit and treasury management information being considered. They agreed the Committee to receive training over the year , one hour before the Committee meeting as a way forward and also that members of the Audit Committee have mandatory training at the start of the municipal year before commencing their role on the Audit Committee. This has been added to the terms of reference.
- 6.23 Appendix 1 adds in the new Audit Committee Terms of reference and Appendix 2 is the clean version for ease of reference.

Establishment of a General Purposes Committee

- 7.0 The Constitution Working Group considered the remaining powers for Corporate Committee which would be non-executive functions concerning, Elections, health and safety, street naming, and noise nuisance powers. The Constitution Working Group explored the remaining non- executive functions, including the legislation on non-executive functions set out in section Reg. 2 and Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 S.I. 2853.
- 7.1 They queried the determination of an appeal against any decision made on or behalf of the local authority and noted that this comes from Schedule 2, paragraph 2 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. Schedule 2 refers to functions which may be (but need not be) the responsibility of an authority's executive. This suggested hearing of appeals could be a non-executive function. There were no previous examples of this type of decision being made by the Corporate Committee. However, as this power remained in force , it was recommended by legal that this should remain in the terms of reference of the proposed General Purposes Committee.

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- 7.2 The Working Group queried the power relating to passing a resolution that Schedule 2 of the Noise and Statutory Nuisance Act 1993 should apply to the Council's area (consent to the operation of loudspeakers). Legal advised that the Control of Pollution Act 1974 included within it, a provision that loudspeakers in the street could not be operated between the hours of 9pm and 8am for any purpose. In addition, loudspeakers cannot be used at any other time, for the purpose of the purpose of advertising any entertainment, trade or business. The Noise and Statutory Nuisance Act 1993, created a new provision which provided a loudspeaker could be used, provided this was consented to by the Council (although the council is not able to consent to a loudspeaker being used in connection with any election or for the purpose of advertising any entertainment, trade or business).
- 7.3 The starting point of this procedure, required the local authority to pass a resolution that Schedule 2 should apply to its area which means anyone then wishing to use a loudspeaker will need to seek consent to do so from the local authority. The procedure for the application and the LA's decision are set out in Schedule 2 of the Noise and Statutory Nuisance Act 1993.
- 7.4 Democratic services were unable to find any examples of this power being used by the Corporate Committee but given that it remained a good law, it was recommended to remain in the Terms of reference for a General Purposes Committee.
- 7.5 The Working Group noted that Corporate Committee was delegated making decisions under any function under a Local Act (except a function specified or referred to in Reg. 2 or Schedule 1) There are over 187 Local Acts that this power could encompass but were rare to be used on a consistent basis.
- 7.6 The Constitution Working Group were satisfied that combining the remaining functions of Corporate Committee with Staffing and Remuneration Committee was a sensible and practical way forward and would not require a change to the SRA banding. This Committee Chair with the General Purposes Committee Chair added to Band 1b It was envisaged that this Committee would likely only need to meet 4 times in a municipal year.
- 7.7 The Constitution Working Group agreed the General Purposes Committee have a Membership of 5 , [4 Labour and 1 Liberal Democrat] and be established by Full Council as an Ordinary Committee of the Council. They agreed that the membership would not include Cabinet Members as they are only needed for appointments and dismissals as these functions would be taken forward by 2 separate Panels. The General Purposes Committee would consider the staffing policies, terms and conditions and the miscellaneous elements of Corporate Committee set out above. There would be 4 meetings per year. The Committee noted that should there need to be a need for more meetings or the membership number require review, this could always be changed after a year at the Annual Council meeting.
- 7.8 With regards to involvement of Cabinet Member responsible for HR on the General Purposes Committee , The Working Group felt that the Cabinet

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member could be in attendance at these meetings in line with Committee Standing Orders but not need to be a voting member and did not agree to add the Cabinet member to this Membership as they would be involved in the proposed Panels for Appointment and dismissals in line with legislative requirements of 2001/3384 regulation.

7.9 General Purposes Committee establishing 2 separate Panels. One Panel to take forward Director Appointments and a second separate Panel to take forward Disciplinary, Grievance and Dismissal of Directors.

7.10.1 Currently appointment and dismissal of senior officers is managed by the Staffing and Remuneration Committee. The current legal guidance is that the appointment process [including the shortlisting, interview panel and Staffing and Remuneration Committee decision] needs to involve the same selected cohort of Members. This includes Leader and Cabinet Members, Chair of the Staffing and Remuneration Committee. The required Cabinet Members are usually substituted to participate in the S&R Committee and will be entitled to vote as a substitute and by virtue of participating in the interview panel and being substitute in accordance with Committee Standing Order rules 53 to 59.

7.11 The Constitution Working Group discussed options for how the General Purposes Committee could deal with appointments to Director and AD positions, and to recommend to Full Council the appointment of the Head of Paid Service and also some dismissal of Directors and ADs as currently covered by S&R. They also considered the need to also have a second separate Panel for Disciplinary, Grievance and Dismissal Panel – to deal with:

- Disciplinary and capability hearings and decisions relating to the Head of Paid Service S151 officer and monitoring officer, and determining whether these officers should be suspended.
- Recommending dismissal of the Head of Paid service , S151 officer and Monitoring Officer to Council
- Hearing and deciding substantive grievances either about or from the Head of Paid Service. The Monitoring Officer will decide whether or not the grievance is substantive.
- Hearing and deciding substantive grievances related to Director level direct reports of the Head of Paid Service, if (and only if) referred to the Committee by the Head of Paid Service due to a conflict-of-interest issue.
- Conducting case hearings and making decisions in relation to Directors where dismissal of the officer is a possible outcome.

7.12 This second Panel was needed to respond to a recent change in terms and conditions of statutory officers.

The Appointments Panel

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- 7.13 The Working Group noted that for Appointments and Dismissals there was a legal requirement to have at least one Cabinet Member of these Panels for these decisions under the 2001/3384 regulation. The Working Group also noted that , although this was a non-executive Panel, this did not preclude it from having a majority of members from the executive(Cabinet) and also being chaired by the Leader of the Council . In accordance with the 1989 Local Government and Housing Act, the core principle was having a politically proportionate membership Committee and therefore the political membership was a higher order than whether the member was an executive or non-executive member. There were examples given of Councils that had majority of Cabinet members on staffing Committees and this was accepted practice.
- 7.14 The Committee considered options for the number of members of the Committee, noting the need for Cabinet Member involvement. A pool of 13 members was initially favoured as this would allow 9 Cabinet Members plus 4 ordinary members to be drawn from and take forward appointments in a Group of 3 or 5 members according to the director appointment. There was a similar process used by the Licensing Committee with 3 members from the Committee selected to take forward Licensing Sub Committee hearings. The Working Group heard that recent legal advice had been given on this and the issue was that there was no legal definition of a 'pool' and therefore the members of the 'pool' would be the membership of the Panel and this would carry with it Committee membership such as rights to exempt information relating to individuals and participating in the discussion at the appointment meeting which would not be appropriate. This was not an issue for the Licensing which does not consider exempt information. Also the Panel would have a larger membership than its parent Committee which would be unusual. There was discussion about the substitute process and how open and transparent it was for staffing appointments and it was confirmed that as set out in CSO 59 that substitutes properly appointed in line with CSO 53 to 58 carried full voting rights and other rights and responsibilities. It was noted that having a core Panel of 5 members but with an agreed 8 substitutes agreed at Annual Council had been explored and discounted. This would require a change to Committee standing orders and would have to be looked at more closely for impact on subbing arrangements for Planning Sub Committee and Licensing Sub Committee. As a way forward, it was agreed for the Annual report to council to include a list of Cabinet members that can substitute at the Appointments Committee during the year in line with CSO 53 to 59 to enable them to participate in decisions concerning their portfolio areas. This was accepted as a way forward.
- 7.15 The legal advice was that it was best practice to have a smaller membership of the Panel of 5 which the Constitution Working Group agreed to recommend to Standards Committee. The Working Group further agreed that the terms of reference stipulate that only the members of the Appointments Panel which are participating in the Appointment of a director have access to the reports and attend meetings concerning this.
- 7.16 The Working Group next considered the need for more than one member of the Cabinet participating in shortlisting, interviews and Appointment of Directors. Cabinet Members often had cross cutting portfolios and meant working with two

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to three directors. In addition, it was important for the Leader of the Council to be part of the process as they would be working with all directors on a daily basis in delivering the Budget and Policy framework and the Corporate Delivery Programme. The Working Group considered the need to have a fair and equal recruitment process and the need for the Leader and Cabinet to raise any concerns about the recruitment process and candidates before appointment decisions. This meant being involved in the steps before appointment. The Working Group noted that once the appointment decision was made, the Cabinet had 3 Working days to object to the appointment. However, in practical terms, they needed to be involved in the process beforehand and get an understanding of who they could work with. The Working Group considered the alternative of non-executive members appointing directors and the Cabinet Members finding the working relationship not conducive and noted the greater difficulties that this could cause. They accepted that it was sensible for the Leader to chair the Appointments Panel and where the Leader was not able to attend or participate in an appointment process, the Chair of General Purposes Committee, as vice chair of the Appointments Panel could chair the appointments meeting.

- 7.17 The Working Group next considered the how many Cabinet Member and ordinary members the Membership of 5 would include and agreed 2 Cabinet members[including the Leader of the Council] and 3 Ordinary Members which could be the Chair of General Purposes, Vice Chair or member of General Purposes, and a Member of the Opposition.
- 7.18 The Constitution defines definition of 'Directors' includes both Directors and Assistant Directors and the following was agreed and put forward by the Working Group on how the Appointments Panel would be established and work:
- Quorum 3
 - Meet on an ad hoc basis when an appointment is needed.
 - Chair - Leader of the Council and Vice Chair will be the Chair of GP
 - For each appointment of a director , the Leader of the Council and Chair of General Purposes in discussion with the Head of People would agree, whether there would be 5 members or if there is to be quorum 3-member meeting . This would need to include a member of the Opposition to be politically proportionate.
 - Shortlisting, interview and appointment would still need to include the 3 or 5 members, including Member of the Opposition to ensure political proportionality. As a way forward the shortlisting of candidates can be delegated to a senior officer in the Constitution at section K and this would mean that members are only involved in the interview and appointment. This adds flexibility if members want this as a next step after establishment.

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- The Cabinet would be notified of the decision and have 3 Working days to put formal objection which would then need to be considered by the Appointments Panel.
- The minutes of the Panels would be received by the General Purposes Committee.
- Where the Panel is making an appointment to the Chief Executive, Section 151 Officer and Monitoring Officer, they would have express delegation in their terms of reference to make this decision and put this decision forward to Full Council for confirmation.

Disciplinary Grievance and Dismissal Panel

Dismissal of Directors and Statutory Officers

- 7.19 It was clear from the legislation that for dismissals there was a need to include at least one member of the Cabinet in the Panel. Therefore, as above, it was agreed to follow the same membership as the Appointments Panel with the Chair as Leader of the Council and Vice chair as the Chair if GP. It was noted that where the Leader or Cabinet Member had a conflict, by having a daily working relationship with the Director, they would be substituted in line with the Committee Standing Order rules and would not have an involvement in the process including the deciding on a 3 or 5 Member participation.
- 7.20 In relation to a decision on the choice and number of members participating in this Panel on a dismissal, grievance, disciplinary matter, as appropriate the Leader of the Council and Chair of General Purposes in discussion with the Head of People and Monitoring officer would agree, whether there would be 5 members or if there is to be quorum 3-member meeting(Including a Member of the Opposition to ensure political proportionality). Only the members participating in the Hearing and Dismissal would have access to exempt papers and the exempt meeting and this is stipulated in the Terms of Reference.
- 7.21 It was further suggested not having two Panels given the similar membership and having one to consider both appointments, disciplinary grievance and dismissal decisions and this was not agreed with by the Working Group as it was felt that both these processes should be clearly separated to maintain the integrity of this Panel.
- 7.22 There was legal advice to suggest separating out the grievance function and disciplinary function but members were not in favour of this and there was a need to have a demonstrate the fairness of the process and provide ease of reference.
- 7.23 The Local Authorities (Standing Orders) (England) (Amendment) Regulations (SI 2015/881), which introduced a step in a disciplinary procedure whereby any dismissal of statutory officers is required to be considered by a panel

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which must contain at least two Independent Persons. At Haringey the Job description for the Standards Independent persons also covers support to this . This also needs to be factored in the process.

Updating Part 5 Section D of the Constitution to include consideration of climate change mitigation in decision making reports

7.24 In line with the adopted policy position, set out in the Council's Climate Change Action Plan, the Council will require all key decision-making reports, to consider and report on whether or how the proposals deliver Climate Change Mitigation (reducing carbon and energy impacts) and Climate Change Adaptation (minimising the risks and impacts in a changing climate). This would be recorded by a summary paragraph in all reports after the section on Corporate Delivery Plan and before the section on statutory comments. This would also be set out in the Council's Constitution in part 5 Section, Decision Making Protocol.

7.24.1 These comments are not statutory officer comments and have a different status with the information being taken into account but not informing or delineating the decision being made.

7.24.2 The wording 'whether or how' allows some decisions where the climate action plan is not a consideration [i.e. finance quarterly reports, operational decisions concerning Children or Adults or procurement decisions where this was not part of the tender process consideration] to advise in this section that this is not applicable.

7.24.3 The Carbon Management Service will issue supplementary guidance via Business Managers to issue to all report writers, and longer term the Council aims to develop an automated IT system to support this. The Council will also roll out Carbon Literacy training for staff so that they can increase their knowledge and understanding on this issue.

7.27 This change is required to convey the Council's democratic commitment to the Climate Change Action Plan. Continued inclusion ensures that this requirement is embedded in future decision making in a consistent and ongoing basis.

8. Contribution to Corporate Delivery Plan

The Council's Constitution supports the governance of the Council and its decision making thereby assisting the Council to meet its corporate delivery plan objectives.

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

Appendix 1

Finance comments

- 9.1 There are no financial implications as the proposals do not indicate an additional Committees to the existing Committee structure but rather the focus on Audit with Treasury management and remaining Corporate Committee functions added to another non-executive Committee . This means no net increase in Committees nor Committee meetings. The payment for the Independent Advisors of the Audit Committee will be met from the Democratic Services Budget and corporate budget Allocation provided. The Advisors will be expected to attend all meetings of the Audit Committee.
- 9.2 In relation to the establishment of the Panels and update to the Constitution's decision-making protocol to include consideration of climate change mitigation in decision making reports, there are no financial implications directly arising from these decision.

Legal comments

- 9.3 These are set out within the report and Council over report at Paragraph 2.9.

Equality

- 9.4 There are no equality implications in this report.
- 9.5 Appendices

Appendix 1.1 Track Changes to Part Three section B responsibility for Functions - Full Council and Non executive Panels.

Appendix 2 Clean Version Part Three section B responsibility for Functions - Full Council and Non executive Panels.

Appendix 3 Track changes to part 5 Section D of the Constitution, Decision Making protocol.

Appendix 4 Clean Version to part 5 Section D of the Constitution, Decision Making protocol.

Appendix 5 – CIPFA Guidance on Audit Committees