

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

Councillors Adje, Amin (Vice-Chair), Diakides, Griffith, Jenks, Khan, Meehan (Chair), Whyte and Williams

Apologies: Councillor Wilson, Keith Brown

Also present: Roger Melling
Michael Jones

MINUTE NO.	SUBJECT/DECISION	ACTION BY
<p>CC234.</p>	<p>APOLOGIES (IF ANY)</p> <p>Apologies for absence were received from Cllr Wilson and from Keith Brown.</p>	
<p>CC235.</p>	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
<p>CC236.</p>	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest.</p>	
<p>CC237.</p>	<p>DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS</p> <p>There were no deputations, petitions, presentations or questions.</p>	
<p>CC238.</p>	<p>MINUTES</p> <p>RESOLVED</p> <p>That the unrestricted minutes of the meeting held on 14 March 2013 be approved and signed by the Chair.</p> <p>It was noted that it had been agreed under minutes item CC227 that written responses to the 'challenge questions' set out in the external audit progress report would be provided to the Committee, and this had not happened yet. It was advised that these would be provided within two weeks.</p>	<p>DCR</p>
<p>CC239.</p>	<p>PENSION FUND QUARTERLY UPDATE</p> <p>The Chair advised the Committee that for consideration of this item and the following two items on the agenda, the Committee would be operating in its capacity as an administering authority, and Members must have due regard to their duty as quasi-trustees to act in the best interest of the Pension Fund above all other considerations.</p>	

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

	<p>The Committee received the Pension Fund quarterly update. It was noted that the Fund had increased by around £100m in the financial year 2012/13.</p> <p>In response to concerns raised by the Committee regarding the performance of Black Rock and Legal and General, it was noted that these portfolios had been transferred over at existing allocations rather than benchmark, which would have an impact on performance. It was agreed that officers would raise the concerns of the Committee with the managers, and that issue would be considered further at the meeting of the Pensions Working Group on 25th July. The Committee asked about the timescale for moving to benchmark in the property portfolio, and it was agreed that officers would circulate this to Members outside the meeting.</p> <p>The Committee asked about the report on late payments, and particularly those bodies who had been noted for late payments in previous reports. It was suggested that the Council write to the bodies in question to advise of the concerns that had been raised in public at the Corporate Committee meeting and to suggest entering into a Direct Debit agreement to prevent late payment in future. It was noted that having spoken with officers, payments by Fusion Lifestyle were now being received on time.</p> <p>The Committee asked whether the Council was complying with its policy statement on communications with scheme members. It was agreed that this would be checked with the Pensions Team to ensure that the policy was being complied with.</p> <p>RESOLVED</p> <p>That the information provided in respect of the activity in the three months to 31st March 2013 be noted.</p>	<p>HoT& P</p> <p>HoT& P</p>
<p>CC240.</p>	<p>PENSION FUND: ASSET ALLOCATION ADVICE</p> <p>The Committee received the report on the Pension Fund's current asset allocation and the recommended movements towards the agreed strategic benchmark. In response to a question from the Committee, it was noted that officers were not aware of any developments subject to the report being produced which would affect the recommendations of the report.</p> <p>RESOLVED</p> <p>That the asset allocation moves set out in the Advice Table on page 6 of Appendix 1 to the report be implemented.</p>	
<p>CC241.</p>	<p>PENSION FUND EXTERNAL AUDIT PLAN 2012/13</p>	

MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013

	<p>The Committee received the audit plan prepared by the external auditors, Grant Thornton, for the audit of the Pension Fund accounts 2012/13, which was introduced by Subarna Banerjee, Grant Thornton. In response to a question from Mr Banerjee, the Committee Members indicated that they were not aware of any fraud against the Fund and this was noted. The audit report would be presented to the September meeting of the Committee.</p> <p>In response to a question from the Committee regarding the impact of redundancies, etc, on the Fund, it was agreed that this would be discussed in greater detail in September, when the report was available to Members.</p> <p>RESOLVED</p> <p>That the 2012/13 Audit Plan prepared by Grant Thornton be agreed.</p>	
<p>CC242.</p>	<p>TREASURY MANAGEMENT 2012/13 OUTTURN AND QUARTER 1 2013/14 UPDATE</p> <p>The Committee received the update on Treasury Management activity and performance during 2012/13 in accordance with the CIPFA Treasury Management Code of Practice, and the first quarter 2013/14. The report also sought approval to amend the Prudential Indicators within the Treasury Management Strategy Statement 2013/14, as set out in paragraph 14.6 of the report.</p> <p>The Committee asked whether Haringey was affected by the downgrade of the UK's sovereign rating to Aa1 by Moody's. It was reported that around half of the Council's borrowing was from the Debt Management Office, and that this was secure. The Committee asked about the LOBO loans as set out in paragraph 14.5 of the report; it was reported that these loans were spread across a number of lenders and that it was not possible for a lender to increase their rate, although they could pull out of the lending agreement. It was noted that, in such an event, the Council would have the option to restructure the loan. It was noted that the internal borrowing strategy was enabling the Council to take advantage of low rates and was delivering savings as a result.</p> <p>The Committee asked about the level of cash balance. It was reported that this was reviewed on a daily basis, and the Council aimed to keep cash holdings to a minimum. In response to the suggestion that higher interest could be earned by decreasing the cash balance and investing for higher yield, officers reported that security was prioritised over yield with regard to the Council's investments.</p> <p>It was reported that the Council received detailed daily updates from the treasury management advisors on the position with regards to all Council investments, and that whenever a downgrade was reported which affected the counterparty list, action was taken in accordance with the policy. In response to concerns raised regarding some of the names on the list of Money Market Funds invested in, it was agreed that the list of actual counterparties invested in would be brought as an appendix to the</p>	

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

	<p>next quarterly update.</p> <p>RESOLVED</p> <p>i) That the treasury management activity and performance during 2012/13 and the first quarter of 2013/14 be noted; and</p> <p>ii) That the amendment to the Prudential Indicators within the Treasury Management Strategy Statement 2013/14 as set out in paragraph 14.6 of the report be approved.</p>	
<p>CC243.</p>	<p>ANNUAL INTERNAL AUDIT REPORT AND ASSURANCE STATEMENT 2012/13</p> <p>The Committee received the annual audit report and assurance statement 2012/13, in accordance with the terms of reference of the Committee. The report set out the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2012/13 and gave a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies.</p> <p>In response to questions from the Committee regarding the actions being taken in respect of those schools receiving a limited assurance rating, it was reported that a report had been taken to the head teachers' meetings and the schools' forum, and that Internal Audit had delivered training to school governors and clerks in order to offer support and advice, particularly in relation to routine financial control processes. Further training was scheduled for September, and workshops were also being run with schools' staff. It was reported that this work had been welcomed by the schools.</p> <p>In response to a question from the Committee, the Head of Audit and Risk Management confirmed that they were satisfied with the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2012/13.</p> <p>The Committee asked about the reporting arrangements for Homes for Haringey audit reports, and it was confirmed that this was via the Homes for Haringey Board in accordance with company arrangements. It was suggested that the Director of Corporate Resources provide a note explaining the reporting arrangements and requirements relating to Homes for Haringey. The Committee expressed concern that, given the significant level of Council expenditure represented by Homes for Haringey, the Members of the Corporate Committee were unable to exercise their duties in respect of monitoring audit activity in this area. It was further noted that the Committee would be receiving the Council's final accounts at its next meeting and being asked to approve these, of which Homes for Haringey would form part of the group accounts. Grant Thornton advised that, as part of the group accounts, they would receive assurances from the auditors for Homes for Haringey and would report these to the Committee accordingly.</p> <p>It was agreed that the Committee would request to see a copy of the</p>	<p>DCR</p>

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

	<p>audit reports for Homes for Haringey.</p> <p>RESOLVED</p> <p>That the content of the Head of Audit and Risk Management’s annual audit report and assurance statement for 2012/13 be noted.</p>	<p>Chair</p>
<p>CC244.</p>	<p>ANNUAL GOVERNANCE STATEMENT 2012/13</p> <p>The Committee received a report setting out the draft Annual Governance Statement (AGS) for 2012/13, and the approval timescale and processes for the AGS. It was noted that the AGS had been structured so as to link in with the local Code of Corporate Governance, a report on which appeared later on the agenda.</p> <p>In response to a question from the Committee, the Director of Corporate Resources confirmed that the AGS was a comprehensive record of the relevant issues. It was confirmed that all of the actions identified in report to the Committee in March on the closure of the accounts process 2011/12 had now been implemented. In response to a suggestion from the Committee, it was agreed that the final paragraph of the document would be updated to include the dates when the respective bodies had considered the document. The Committee welcomed the report and it was:</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i) That the draft 2012/13 AGS be approved. ii) That the approval timescale and processes for the draft 2012/13 AGS be noted. 	
<p>CC245.</p>	<p>2012/13 QUARTER 4 AUDIT PROGRESS REPORT</p> <p>The Committee received the internal audit progress report for quarter 4 2012/13. The Head of Audit and Risk Management drew the Committee’s attention to the limited assurance rating received for Health and Safety, and advised that an early follow-up audit had found that, as at 3 June 2013, all recommendations from the original audit had been implemented. The Assistant Chief Executive added that Health and Safety measures were now monitored by the Chief Executive every six weeks in order to ensure that there was a high level focus on these issues on an ongoing basis. In response to a question from the Committee around health and safety training, it was reported that evidence of training courses was being requested as part of the review being carried by the corporate Health and Safety team. The findings of the follow up audit on fostering services would be reported at the next meeting of the Committee.</p> <p>The Committee discussed the outstanding priority 2 recommendations from 2009/10, and the reasons why these had not been implemented. It was agreed that where recommendations had been outstanding for a</p>	

MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013

long period of time, and circumstances meant that the recommendations may no longer be appropriate, details of these would be provided in the report.

With regard to appendix B of the report, it was confirmed that in cases where money was owed to the Council and staff members had resigned, the Council continued to seek recovery of the funds owed.

The Committee discussed the list of consultants employed by the Council as set out in appendix D of the report, and asked for further details in respect of the following entries:

ACE

- Advice and support related to Spurs project
- Project Management of the SFL commissioning projects, specifically around the Highways and Street Lighting Contracts
- Support specialist software (Confirm) building asset database, IT solution for NAT and training team
- Interim Head of Community Safety pending permanent recruitment
- Project management of major sites

The Assistant Chief Executive agreed to circulate to the Committee the business cases for all the consultants listed, and more specific information on the entries listed above, in particular with regards to reasons for the length of term and the cost comparison of using consultants for these posts as opposed to permanent recruitment. In response to a question from the Committee, it was confirmed that no individual held more than one consultancy position.

There was a discussion around Member involvement in the engagement of consultants process, and it was noted that the appointment of permanent staff at chief officer and deputy chief officer levels required Member involvement. It was agreed that the same principle should be applied to the engagement of consultants employed directly under a contract for services and that the Chair of Corporate Committee would be consulted at the time that freelance consultants were engaged to cover chief officer or deputy chief officer positions. It was noted that normal procurement processes would continue to apply.

In response to a question regarding the timescales for suspension cases, it was noted that where external agencies were involved in investigations, this could lead to an increase in the length of suspension, but that in such cases the Council worked to try to expedite the proceedings as much as possible. It was also noted that for certain posts there may be safeguarding reasons for which it was not possible for an individual to return to work until an external investigation, for example a police investigation, was concluded.

RESOLVED

- i) That the audit coverage and counter-fraud work completed during the fourth quarter, 2012/13 be noted.

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

	<p>ii) That the management responses received for those audit recommendations not fully implemented be noted; and that it be confirmed that the managers' actions taken during the quarter to address the outstanding recommendations are appropriate.</p> <p>iii) That the information received from the HR business unit be noted.</p> <p>iv) That that Chair of Corporate Committee would be consulted when freelance consultants were engaged to cover chief officer or deputy chief officer positions or to head up special projects.</p>	
<p>CC246.</p>	<p>REVISIONS TO THE CODE OF CORPORATE GOVERNANCE</p> <p>The Committee received the report on the review of the local Code of Corporate Governance and the proposed revisions to the Code, which were to be recommended to the Cabinet on 9 July for approval and on to Full Council on 15 July for adoption. It was noted that the Code was now explicitly linked to the Annual Governance Statement, and the proposed revisions to the Code were therefore now reported to the Corporate Committee for approval in accordance with the Committee's audit responsibilities.</p> <p>RESOLVED</p> <p>i) That the revised local Code of Corporate Governance as attached as the appendix to the report be approved.</p> <p>ii) That the process for consulting Member Bodies before adoption of the revise Code by Full Council be noted.</p>	
<p>CC247.</p>	<p>EXTERNAL AUDIT PROGRESS REPORT</p> <p>The Committee received the external audit progress report from Grant Thornton. The financial statements audit was due to start on 1 July and would be reported back on in September; the Council had provided draft accounts for technical review in advance of the audit, and feedback had been provided on these. The Financial Resilience report would be considered at the meeting of the Committee in September.</p> <p>In response to a question from the Committee, it was noted that officers had done all they could to ensure there were no issues arising as a result of the closure of accounts process and that it was hoped that the accounts could be signed on the 19 September 2013.</p> <p>RESOLVED</p> <p>That the content of the report be noted.</p>	
<p>CC248.</p>	<p>INDIVIDUAL ELECTORAL REGISTRATION</p> <p>The Committee received the report on the changes planned for electoral</p>	

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

registration in the transition to Individual Electoral Registration under the terms of the Electoral Registration and Administration Act 2013, and the arrangements being made under secondary legislation to postpone the annual autumn registration campaign and the consequences of this.

In response to a question regarding the DWP matching process it was advised that, where no issues arose, the Council would write to advise that no action was required. A test would be held with the DWP to get an indication of the likely rates for data matching. The Committee recognised the practical issues associated with undertaking a registration campaign in winter instead of autumn.

RESOLVED

That the changes to the Electoral Registration processes required by the Electoral Registration and Administration Act 2013, including a postponed Annual Registration Canvass, be noted and that endorsement be given to the measures being planned to maintain and enhance registration levels through this postponement including:

- First posting of registration forms at earliest permitted opportunity (first week of October 2013).
- At least one remainder round.
- Recruitment and training of canvassers on the basis of a contract that will extend to February 2014 and involve a longer than usual campaign period.
- Development of a campaign with Corporate Communications to raise awareness of the changed timetable for registration and of the importance of being registered for elections to be held on May 2014.
- Dispatch of registers to entitled parties and persons at the earliest opportunity after their publication on 17 February 2014.

CC249. UPDATE FROM CHILDREN'S SERVICE ON PROGRESS TO ADDRESS RECOMMENDATIONS FROM THE FINANCIAL RESILIENCE REPORT

The Committee received a report on progress in implementing the recommendations of the Financial Resilience report from June 2012, further to an update provided in September 2012. The two key issues identified in that report were schools' balances and business analysis, and updates on these were provided in the report.

RESOLVED

That the actions being taken be noted.

CC250. TEMPORARY ASSISTANT DIRECTOR ARRANGEMENTS

The Committee received the report, presented by the Director of Strategy and Performance, on the revised arrangements at Assistant Director and Head of Service level, further to the report of the Chief Executive considered by the Committee in January 2013. The report set

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

out the short term arrangements, in advance of a fuller report from the Chief Executive in September 2013. It was reported that an internal delivery unit was also proposed in order to enhance the Council's improvement capability.

In response to a question regarding the areas of poor and under performance as mentioned in paragraph 8.5 of the report, it was reported that it would be the role of the delivery unit to identify these areas over the next few months. It was reported that it was the aim, wherever possible, to fill roles via internal secondment and the Committee welcomed this approach.

RESOLVED

i) That the following be noted:

- The temporary changes set out in this report at Assistant Director and Head of Service level to be enacted by 1 August 2013.
- Proposals to enhance the programme management approach of the Council.

ii) That the formation of a Delivery Unit on a temporary basis from 1 July 2013 be agreed.

CC251.

**REORGANISATION OF PLACE AND SUSTAINABILITY
DIRECTORATE**

The Committee received the report on the proposed restructure of the Place and Sustainability Directorate. The report included proposals for the creation and disestablishment of posts at Deputy Chief Officer level, implementation of which would result in some Deputy Chief Officers requiring early release from the Pension scheme, and Committee approval for these matters was sought.

In response to questions from the Committee, it was confirmed that evaluation of the proposed new posts had been undertaken, and details of the proposed structure were set out in the report for reference. With regards to the proposed grade of the Tottenham Programme Director, it was reported that this post would be responsible for a significant budget and, although based within the Place and Sustainability Directorate, would fulfil a more corporate function and have responsibility for delivering programmes across a range of partners. It was noted that this corporate function should be explicit in the Job Description for the Tottenham Programme Director, and the Director of Place and Sustainability agreed to ensure that this point had been incorporated.

The Committee asked about the current post-holders, and equalities considerations; it was reported that as a result of the proposals, a maximum of three senior managers would be made redundant, all of whom would have the opportunity to apply for other posts. With regards to equalities more generally, it was reported that, where it became necessary to go to the external market for candidates, any organisation

MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013

used would have a specific brief to ensure a balanced long-list of candidates.

The Committee noted the potential costs contained within the exempt part of the report. It was confirmed that any costs would come from the General Fund, and not the Pension Fund.

RESOLVED

- i) That the overview of the proposed future shape of the service and summary of the proposed restructure set out in the appendix to the report be noted.
- ii) That the proposed changes be approved to the establishment at Deputy Chief Officer level, including:
 - Disestablishment of the following posts:
 - Assistant Director Leisure
 - Assistant Director Culture
 - Head of Corporate Property Services
 - Capital Programmes Director
 - Assistant Director Planning, Regeneration and Economy
 - Establishment of the following posts:
 - Assistant Director for Regeneration and Strategy
 - Assistant Director Planning
 - Assistant Director for Property and Capital Projects
 - Tottenham Programme Director
- iii) That the delegation of authority to the Director of Place and Sustainability to make changes to the establishment to implement staff reorganisation as regards posts below the level of Deputy Chief Officer and following appropriate consultation be noted.
- iv) That the release of pension benefits to Deputy Chief Officers resulting from these changes be approved in principle. This would include:
 - Approval of the release of pension benefits to the Assistant Director for Planning, Regeneration and Economy, and
 - In the event that the postholder is not successful in being appointed to the new role of AD Property and Capital Projects, approval of release of pension benefits to the Head of Corporate Property Services. A closed ring fence interview process will be used to select a postholder for this position.
- v) That the financial implications of this release of benefits as set out in Section 6 and in the exempt sections of the report be noted.

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

	<p>That it furthermore be noted that the capital costs arising to the pension fund as a result of the early release of benefits will be met from the Council's general fund.</p>	
CC252.	<p>DELEGATED DECISIONS, SIGNIFICANT ACTIONS, URGENT ACTIONS</p> <p>The Committee received the report on Non Executive delegated decisions and significant actions taken by Directors and any urgent actions taken by Directors in consultation with the Chair of the Corporate Committee.</p> <p>RESOLVED</p> <p>That the content of the report be noted.</p>	
CC253.	<p>NEW ITEMS OF URGENT BUSINESS</p> <p>There were no new items of urgent business.</p>	
CC254.	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>RESOLVED</p> <p>That the press and public be excluded from the meeting for the following items, as they contained information defined as exempt in Section 100a of the Local Government Act 1972, paragraphs 1, 2 and 3, information relating to any individual, information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information).</p>	
CC255.	<p>EXEMPT MINUTES</p> <p>RESOLVED</p> <p>That the exempt minutes of the meeting held on 14 March 2013 be approved and signed by the Chair.</p>	
CC256.	<p>REORGANISATION OF PLACE AND SUSTAINABILITY DIRECTORATE</p> <p>The Committee considered the exempt information relating to agenda item 18.</p>	
CC257.	<p>NEW ITEMS OF EXEMPT URGENT BUSINESS</p> <p>There were no new items of exempt urgent business.</p> <p>The meeting closed at 21:20hrs.</p>	

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 27 JUNE 2013**

COUNCILLOR GEORGE MEEHAN
CHAIR