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**MINUTES OF A MEETING OF THE
GOVERNANCE COMMITTEE
Havering Town Hall
14 March 2012 (7.30pm – 8.35pm)**

Present:

COUNCILLORS:

Conservative Group	Frederick Thompson (in the Chair), Becky Bennett, Osman Dervish, Robert Benham, Eric Munday, Roger Ramsey, Michael White and +Lynden Thorpe
Residents' Group	Clarence Barrett and Gillian Ford
Labour Group	Paul McGeary
Independent Residents' Group	Jeffrey Tucker

There were no declarations of interest

The Chairman reminded Members of the action to be taken in an emergency.

Apologies for absence were received from Councillors Steven Kelly and Keith Darvill.

Councillor +Lynden Thorpe substituted for Councillor Steven Kelly

20 MINUTES

A member queried the voting records at the meeting of 17 January 2012. Upon the query being accepted and changes being made, the minutes of the meeting were agreed as a true record and signed by the Chairman.

21 PAY POLICY STATEMENT 2012 - 2013

The Localism Act 2011 required the Council to prepare a pay policy statement by the 31 March each year before it would come into force. The pay policy statement was required to be approved by a full meeting of the Council and published on the Council's website.

The Council's pay policy statement must set out:

- The remuneration of the its Chief Officers
- The remuneration of its lowest-paid employees
- The relationship between the remuneration of its Chief Officers and its other employees

Under the Localism Act 2011, Chief Officers in Havering are defined as the following roles:

- Chief Executive
- Group Directors
- Assistant Chief Executive/Assistant Director
- Heads of Service
- Joint Director for Public Health

Members sought clarification about the structure of the pay scales and asked officers how Havering's pay scales compared to its neighbours. The Committee was assured that the pay scales before it was comparable to the borough's neighbours. It was neither the lowest of the London boroughs, nor was it the highest. Members asked questions concerning aspects of the pay structure in respect of additional payments and were informed that in each of the cases cited, there were sound reasons for making the additional payments.

RESOLVED

That the Committee RECOMMEND to the Council that the Pay Policy Statement 2012/13 be approved.

22 AUDIT AND PENSIONS COMMITTEES – TERMS OF REFERENCE AND CONSTITUTION

The Committee was advised that the Pensions Committee had considered the outcome of the Annual review of the Statement of Investment Principles and undertaken a review of its Governance Compliance Statement. There was concern that not all members of that Committee had received suitable training. Members also expressed the view that named substitute Members should be trained to the same level as Committee Members themselves. To encourage all Members to avail themselves of the training opportunities, the Pensions Committee had recommended that its Terms of Reference be amended.

The Pensions Committee was expected to conform to the "Myners Principles", which were set out in the Appendix to the report.

Whilst reviewing its Governance Compliance Statement, the Pensions Committee also considered its current duties and terms of reference on the appointment of advisors and felt that these needed amendment.

The Audit Committee had also given consideration to the need to ensure that all Members of that Committee, and named substitutes, should be adequately trained.

Members expressed various views concerning the need for training. Whilst the majority view was that because of the technical and changing nature of the financial aspects involved in Pensions and Audit, a straight-forward "lay" approach was no longer tenable and whilst acknowledging that the role of Members was not the same as that of officers, a sound understanding of the issues and even the terminology being used was essential to good decision-making.

The proposal was put to the vote and was **CARRIED** 11 votes to 1.

For: Councillors Clarence Barrett, Becky Bennett, Robert Benham, Osman Dervish, Gillian Ford, Paul McGeary, Eric Munday, Roger Ramsey, Frederick Thompson, Lynden Thorpe and Michael White

Against: Councillor Jeffrey Tucker.

A Member queried the wording of recommendation 1 and, after discussion, it was decided by the Committee to amend the wording to read: "To authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and *in respect of* other related matters".

RESOLVED

That the Committee RECOMMEND to the Council that:

1. Part 3 of the Constitution, paragraph 1.2 Functions delegated to general council committees be **amended** as follows:
 - a. **Advisers and Investment managers**
To "Authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and in respect of other related investment matters

To appoint and review the performance of advisers and investment managers for pension fund investments."
2. Part 4 of the Constitution, Paragraph 12 **Pensions Committee amended** to read:
 - (a) The bodies that are Scheduled or Admitted Bodies of the Havering Pensions Fund for the purposes of the Local Government Pensions Scheme are entitled between them to nominate a representative who shall be co-opted to serve on the Committee with voting rights.
3. section 3, of the constitution, Committee Procedure Rules paragraph 17 '**Training and continuity of membership of certain committees**', sub paragraphs (a) and (c) be amended by the addition of the following sentence at the end of both paragraphs "If a member does not undertake the required training within six months of appointment then that member shall not partake in the decision making of the Committee until their training has been completed" and at the end of paragraph (c): "Non-nominated members may not act as substitutes."

23 AMENDMENTS TO THE CONSTITUTION – CONTRACT PROCEDURE RULES

The Contract Procedure Rules (in Part 4 of the Council's Constitution) were revised and updated in 2008, as part of the review of the Constitution then undertaken. A further review had recently been completed and the Committee was now invited to approve the revised version.

With the introduction of new technology the Council would be using the Oracle i-procurement module, an electronic form of ordering goods and services, this

would become the default method of procurement across the Council, and therefore the rules had been changed to reflect this.

The Council had also developed its Internal Shared Services where the Operational Procurement team would be dealing with all procurements with an estimated value over £100k. The reason for this was that there were only 29 contracts on the contracts register which had a value of between £60k (previous value in the CPR's) and £100k and over 140 contracts over £100k. It was therefore apparent that there needed to be a change to procedure and this was reflected in the CPR.

RESOLVED

That the Committee RECOMMEND to the Council that the revised Contract Procedure Rules (CPR's) be adopted.

24 STANDARDS OF MEMBERS' CONDUCT – LOCALISM ACT 2011: NEW REGIME

The Localism Act 2012 had introduced a new regime for adjudicating the standards of Members' conduct. There would no longer be a national standards framework and there was no obligation to appoint a Standards Committee. There was, however, a requirement for a Members' Code of Conduct, alleged breaches of which would have to be formally dealt with, and if upheld, sanctions could be imposed.

The Committee considered some initial matters relating to the management of the new process within the Council and to the appointment of an "Independent Person", required by the Act, who would be involved in dealing with the investigation of alleged breaches of standards. It was noted that a further report would follow in due course in relation to the required Code of Conduct and other matters.

The Committee noted that complaints made before the new system was fully implemented would be dealt with under transitional arrangements and so, for a short period, there was the possibility that both the old and the new systems would operate in parallel.

RESOLVED

That the Committee RECOMMEND to the Council that:

- 1 With effect from the date on which section 26 of the Localism Act 2011 comes into force - save insofar as it was necessary for any outstanding complaint made before that section comes into force to be disposed of:
 - (a) The existing Standards Committee be abolished.
 - (b) Responsibility for standards matters under the new regime be delegated to the Governance Committee and that the Adjudication & Review Sub-Committee deal with the investigation and resolution of allegations of breaches of the

Council's Code of Conduct for Members.

- (c) The functions of the Appointments Sub-Committee be extended to include the interview of applicants for appointment as Independent Person for Standards under section 28(7) of the Act and making recommendations to the Council as to the appointment.
 - (d) The changes to the Constitution set out in the Appendix to the report be approved.
- 2 The terms of office of the Independent Members of the Committee due to retire at the forthcoming Annual Meeting of the Council be extended until it is abolished and all outstanding matters have been dealt with.

25 **JOINT MEETINGS OF OVERVIEW & SCRUTINY COMMITTEES – CHAIRING ARRANGEMENTS**

From time to time it was necessary to arrange for a joint meeting of all Overview & Scrutiny Committees. In recent years, there had generally been two such meetings annually, to scrutinise the Council's budget proposals.

Customarily, the chair at such meetings had been taken by the Chairman of an Overview & Scrutiny Committee, nominated in advance of the meeting. At the joint meeting held in January 2012, however, some confusion had arisen over the charring arrangements and, in consequence, the report before the Committee suggested that the Council's Committee Procedure Rules (CPR) be amended to provide a clear process for selecting the Chairman of such joint meetings.

For legal reasons, the joint meeting had to be chaired by a Member who was an existing Member of an Overview & Scrutiny Committee, and clearly it was logical that one of the overview & scrutiny committee chairmen should perform the task. This was queried by Members who argued that Vice Chairmen should also be eligible.

In order to obtain an accurate consensus on this the Chairman asked Members to vote on the proposal that the chair of meetings of the joint OSCs should be from the Vice Chairmen.

The proposal was put to the vote and was **LOST** 3 votes to 8

For: Councillors Clarence Barrett, Gillian Ford and Paul McGeary
Against: Councillors Becky Bennett, Robert Benham, Osman Dervish, Frederick Thompson, Eric Munday, Roger Ramsey, Lynden Thorpe and Michael White
Councillor Jeffrey Tucker abstained

The report as a whole was then put to the vote.

For: Councillors Becky Bennett, Robert Benham, Osman Dervish, Frederick Thompson, Eric Munday, Roger Ramsey, Lynden Thorpe and Michael White
Councillors Clarence Barrett, Gillian Ford, Paul McGeary and Jeffrey Tucker abstained.

The motion was therefore **CARRIED** 8 votes to nil.

RESOLVED

That the Committee RECOMMEND to the Council that the Committee Procedure Rules (CPR) be amended as follows:

Amend CPR 5(g) to read:

- (i) Subject to (ii) following, where two more Committees met jointly, the chair should be taken by whichever of the Chairmen of those Committees appointed by the Committees so to act.
- (ii) Where a joint meeting of all Overview & Scrutiny Committees was to be held, the chair should be taken by whichever of the Chairmen of those Committees nominated in advance by the Chairmen of all of those Committees.

26 PROCEDURE FOR THE REMOVAL OF LOCAL AUTHORITY APPOINTED GOVERNORS

The Committee was asked to approve the procedure set out in the report to allow for the removal of a School Governor from a governing body where the need to do so arose.

Members were informed that the LA Governor Appointment Panel dealt with the appointment of LA governors after considering applications against set criteria and personal references and that LA appointed governors might be removed from office by the person who appointed them (Guide to the Law for School Governors Chapter 2 paragraph 27).

The Committee NOTED the proposed procedure and APPROVED its use.

27 APPOINTMENT TO OUTSIDE BODIES AND OTHER ORGANISATIONS 2012 – TRUSTEES OF THE POYNTZ CHARITY

The Committee was reminded that the Council appointed three trustees to this charity and that the current trustees' appointment would expire in March 2012. The Committee was asked to re-appoint Councillor June Alexander and a local resident, Mr David Livermore and confirm the appointment of the Reverend George Baisley as trustees.

Poyntz Charity was a small local charity responsible for administering benefits for the poor, including some almshouses in North Ockendon. Trustees could be Councillors, but that was not a requirement of the scheme of appointment.

The Committee AGREED to appoint Councillor June Alexander, David Livermore and the Reverend Baisley as trustees of the Charities of Richard Poyntz and others.

28 **LOCALISM ACT – REPEAL OF STATUTORY PETITIONS PROCEDURE AND FUTURE ARRANGEMENTS FOR HANDLING PETITIONS**

Members were reminded that the Localism Act 2011, among other things, had repealed the requirement for a statutory petitions scheme and mandatory e-Petitions facility. This had an effect of the process currently in place in Havering.

The former statutory Petitions Scheme had established clear procedures for handling petitions and there were some instances where statutory procedures were triggered by petitions. These were unaffected by the Localism Act – indeed, that Act had added to the number of statutory petition arrangements.

It was clearly useful for there to be a set procedure for handling petitions in order to ensure that there was a consistent and orderly approach to them. The proposed Procedure had been modelled on the former Petitions Scheme but omitted the statutory elements of it. In particular, it omitted entirely the provisions of the former Scheme that would have required petitions passing certain thresholds of signatory numbers to be debated by the relevant Overview & Scrutiny Committee (OSC) or the Council.

The former legislation required that each local authority set up on its website an e-Petitions facility. The Government made a financial contribution to the cost of so doing which, in the event, substantially exceeded the cost incurred by the Council in setting one up. The current e-Petitions facility was provided by the Council's webcasting contractor.

As the cost of the initial installation of the facility had already been met by the government and there were effectively no on-going maintenance costs as the current contract with *Public-1* included the facility free of charge as part of the overall webcasting package, when the need to decide where to award a new contract arose, whichever provider was used, the facility would be effectively available at no cost and so the report proposed that there was no need to withdraw it.

As a consequence of the repeal of the statutory requirements in relation to petitions and e-Petitions, there was no longer a need to make specific provision in the Council, Committee and Overview & Scrutiny Procedure Rules for dealing with petitions, and the report invited the Committee recommend to Council that they be dispensed with.

Members were asked to note that the deletion of these provisions would not prevent Members from:

- (a) Formally presenting petitions at Council meetings
- (b) Submitting motions relating to the subject matter of petitions

- (c) Requesting that the relevant Overview & Scrutiny Committee consider the subject matter of petitions

RESOLVED

That the Committee RECOMMEND to the Council that:

- (i) Rule 23 of the Council Procedure Rules should be amended as follows:
- (a) Omit the number 23.1 from in front of the opening paragraph
 - (b) Delete paragraphs 23.2 and 23.3 (which relate to the holding of debates in response to petitions having 3,500 or more signatories)
- (ii) Rule 15 of the Committee Procedure Rules (which relates to the consideration by Overview & Scrutiny Committees of petitions having 2,500 or more signatories) be deleted and all subsequent paragraphs renumbered accordingly.
- (iii) In the Overview & Scrutiny Procedure Rules:
- (a) Sub-paragraphs (g) and (h) be deleted from Rule 2 (Role of OSCs: dealing with petitions)
 - (b) Sub-paragraph (e) be deleted from Rule 3 (Specific functions of OSCs: responding to petitions)
 - (c) Sub-paragraphs (vi) and (vii) be deleted from Rule 20 (Procedure at OSC meetings: considering petitions)

29 MONITORING OFFICER NO 10 – AMENDMENTS TO THE CONSTITUTION

The Monitoring Officer submitted the constitutional amendments to the Committee shown in appendix 1 to these Minutes.

The Committee NOTED the amendments in the Monitoring Officer’s report.

30 MONITORING OFFICER NO 11 – AMENDMENTS TO THE CONSTITUTION

The Monitoring Officer submitted the constitutional amendments to the Committee shown in appendix 2 to these Minutes.

The Committee NOTED the amendments in the Monitoring Officer’s report.

31 **URGENT BUSINESS**

The Chairman permitted a Member to ask a question of the Monitoring Officer concerning the issue of requiring a Member to undertake training when to do so might have repercussions on that Member.

The reply given was that there was not an immediate necessity for training to be undertaken, but a period of, say, six months grace could be allowed for the Member to make their own arrangements.

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CHAIRMAN

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DATE