

# Overview & Scrutiny

## Governance and Resources Scrutiny Commission

All Members of the Governance & Resources Scrutiny Commission are requested to attend the meeting of the Commission to be held as follows:

**Monday, 8th December, 2014**

**7.00 pm**

**Hackney Learning Trust, Meeting Room 2, 3rd Floor, 1 Reading Lane,  
London, E8 1GQ**

**Gifty Edila**

**Corporate Director of Legal, Human Resources and Regulatory Services**

Contact:

Tracey Anderson

☎ 020 8356 3312

✉ [tracey.anderson@hackney.gov.uk](mailto:tracey.anderson@hackney.gov.uk)

**Members: Cllr Rick Muir (Chair), Cllr Deniz Oguzkanli, Cllr Will Brett,  
Cllr Laura Bunt, Cllr Rebecca Rennison and Cllr Nick Sharman**

## Agenda

**ALL MEETINGS ARE OPEN TO THE PUBLIC**

- 1 Apologies for Absence**
- 2 Urgent Items / Order of Business**
- 3 Declarations of Interest**
- 4 Minutes of the Previous Meeting** (Pages 1 - 12)
- 5 Cabinet Question Time** (Pages 13 - 14)
- 6 Governance Review - Presentation on role of  
Corporate Committee** (Pages 15 - 64)
- 7 Finance Update - Autumn Statement**
- 8 Governance and Resources Scrutiny Commission -  
2014/15 Work Programme** (Pages 65 - 70)
- 9 Any Other Business**

## Access and Information

### Getting to the Town Hall

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### Accessibility

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Induction loop facilities are available in the Assembly Halls and the Council Chamber. Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

### Further Information about the Commission

If you would like any more information about the Scrutiny Commission, including the membership details, meeting dates and previous reviews, please visit the website or use this QR Code (accessible via phone or tablet 'app')

<http://www.hackney.gov.uk/individual-scrutiny-commissions-governance-and-resources.htm>



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The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

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All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

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<b>Governance and Resources Scrutiny Commission</b> 8 <sup>th</sup> December 2014 <b>Minutes and Matters Arising</b>	Item No <b>4</b>
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## **Outline**

Attached are the draft minutes from the meeting on 10<sup>th</sup> November 2014.

## **Action**

The Commission is asked to agree the minutes and note the matters arising.

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London Borough of Hackney  
Governance and Resources Scrutiny Commission  
Municipal Year 2014/15  
Date of Meeting Monday, 10th November, 2014

Minutes of the proceedings of  
the Governance & Resources  
Scrutiny Commission held at  
Hackney Town Hall, Mare  
Street, London E8 1EA

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<b>Chair</b>	<b>Councillor Rick Muir</b>
<b>Councillors in Attendance</b>	<b>Cllr Deniz Oguzkanli, Cllr Will Brett and Cllr Rebecca Rennison</b>
<b>Apologies:</b>	<b>Cllr Nick Sharman</b>
<b>Co-optees</b>	
<b>Officers In Attendance</b>	<b>Michael Honeysett (Assistant Director Financial Management), Shawnee Keck (Policy Advisor), Joanna Sumner (Assistant Chief Executive) and Ian Williams (Corporate Director of Finance and Resources)</b>
<b>Other People in Attendance</b>	<b>Councillor Geoff Taylor (Cabinet Member for Finance)</b>
<b>Members of the Public</b>	
<b>Officer Contact:</b>	<b>Tracey Anderson</b> ☎ 020 8356 3312 ✉ <a href="mailto:tracey.anderson@hackney.gov.uk">tracey.anderson@hackney.gov.uk</a>

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## Councillor Rick Muir in the Chair

### 1 Apologies for Absence

1.1 None.

### 2 Urgent Items / Order of Business

2.1 None.

### 3 Declarations of Interest

3.1 None.

**4 Minutes of the Previous Meeting**

4.1 The minutes of the meeting held on 8<sup>th</sup> September 2014 were agreed.

<b>RESOLVED</b>	Minutes were approved.
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**4.2 Matters arising**

4.2.1 The Commission agreed to invite the Corporate Director of Legal HR and Regulatory Services and the Chair of the Corporate Committee to discuss the role and remit of the Corporate Committee.

In response to the Commissions request the Corporate Director of Legal, HR and Regulatory Services informed the Commission they could recommend the committee members receive additional training about the role of the Committee. The officer explained it was the role of the Chair and Governance Services to provide training to the Committee Members if Members were confused about the role and purpose of the committee’s work.

4.2.2 Members of Governance and Resources discussed this response and concluded the concerns raised required a broader discussion about the governance of the committee, especially in relation to clarifying the Committee’s role on:

- Risk management
- Regulatory functions
- Authority
- Powers
- Outputs and the committee’s contribution to the Council’s governance.

4.2.3 Members agreed to request the attendance of the responsible London Borough of Hackney (LBH) officers and invite the Members of the Corporate Committee for the discussion at the next G&R meeting in December 2014.

<b>ACTION</b>	Overview and Scrutiny Officer to request for the attendance of the relevant LBH officer from Governance Services and invite Members of the Corporate Committee to the discussion at the next meeting.
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**5 London Borough of Hackney Policy Update - Long Term Unemployment**

5.1 The Chair welcomed Shawnee Keck, Policy Advisor from LBH Chief Executive Directorate to the meeting. Also in attendance is Joanna Sumner, the Assistant Chief Executive for Programme Projects and Performance.



- 5.1.1 The Chair explained the officer would be providing some information to assist with the Commission's deep dive work looking at long term unemployment in Hackney. The main points of the presentation are outlined below.
- 5.1.2 Through the Sustainable Community Strategy LBH conducted the following reviews:
- Cohesion
  - Child Poverty
  - Worklessness.
- 5.1.3 In the worklessness review they conducted a deep dive into the benefits to explore and understand the benefit profile in Hackney. Through this exercise they looked at the provision offered, evaluated their success and the strategic partnership commissioning.
- 5.1.4 The review found employability was not a guaranteed output and there was a series of outputs.
- 5.1.5 The population on benefits is mixed and there is no one dominant group, therefore solutions implemented will require a mixed approach.
- 5.1.6 A large volume of individuals were not benefiting from the programme.
- 5.1.7 LBH has a core group (approximately 72%) who are classified as long term unemployed.
- 5.1.8 28,000 on benefits. The number on benefits has decreased in recent years by 14% but this is due to growth and population changes.
- 5.1.9 14,000 on long term benefits and this number has remained static.
- 5.1.10 15% of the working age population are on benefits in LBH.
- 5.1.11 46% of the benefit claimants are on IB.
- 5.1.12 The majority of claimants are men aged 45-64. 25% of men aged 55-59 and 30% of men aged 60-64. However there has been a 3% reduction in the 45-54 age group.
- 5.1.13 The data on under 25s show they remain on benefit for 6 months or less.
- 5.1.14 In relation to the gender split men of all ages are the most common claimant population and some women are significantly affected.
- 5.1.15 The data shows the gender split is 51% male, 46% female but both gender groups present for IB at age 35.
- 5.1.16 For IB claimants 6420 claim for mental health and 1800 claim for musculoskeletal the remainder claim for other reasons. IB claimant numbers have remained static over the last decade. The officer pointed out it is difficult to get on this benefit but the numbers on this benefit in Hackney have not changed.

- 5.1.17 Hackney's cohort looks similar to the rest of East London. Implementing solutions for this group will require intensive support that is expensive. If individuals from this cohort receive health support it is through adult social care. However many people fall below the threshold for adult social care support and thus are entered into the employment programme. The single work programme assessment favours physical disability and does not recognise mental health. The changes to the labour market have made it harder for this group to get back into employment.
- 5.1.18 Through their policy review work they have found the problem that needs to be fixed is primarily a health problem not employment. The support requirements should have a health and wellbeing focus and integrated with health services.
- 5.1.19 Job Seekers Allowance (JSA) claimant levels are equivalent to 2004 levels. The benefit is moving people off the benefit system and they are not staying long term.
- 5.1.20 The JSA data shows:
- 21% Mixed White & Black Caribbean women 18-24
  - 24% of British Mixed ethnicity women.
- 5.1.21 2% of lone parents in LBH are on benefits. In relation to lone parent benefit women aged 35-44 are the majority population.
- 5.1.22 LBH worked with DWP to review the data in relation to ethnicity. This data showed the male unemployment rate was:
- 17% in Black African, Caribbean and Mixed Black & White.
  - 35% Black Caribbean men aged 18-24 are over represented by 2.5 times their number in the population.
- 5.1.23 31% of the benefit cohort is represented by the Black community. The lead ethnic group from this community was previously Black Caribbean, but latest data shows it is split between Black Caribbean and African.
- 5.1.24 8% of the black population on benefit are working age.
- 5.1.25 24% of Black Caribbean are on JSA.
- 5.1.26 The majority of IB claimants are from the White population.
- 5.1.27 11% on benefits are from the ethnic category 'Other'.
- 5.1.28 From the evaluations carried out they found the following was needed:
- 1 Longer investment timeframes for vulnerable groups
  - 2 Training that leads to a job
  - 3 Building in time to fail
  - 4 Tailored and personalised support
  - 5 Better off in work incentive like Tower Hamlets
  - 6 Self esteem is different for different populations
  - 7 Broader definition of work: enterprise and volunteering
  - 8 More connections with local employers
  - 9 Intermediate labour markets.

- 5.1.29 The long term unemployed was a vulnerable group that did not benefit from generic support programmes. Many people from this cohort treated in the employment programme do not follow a linear sequence, instead their pathway is chaotic. Quite often this meant people would fall out of the programme. If they were required to re-enter the programme it would be from the start.
- 5.1.30 Work related activity with a health focus like the work of the Culture Team in LBH may be more beneficial for this group.
- 5.1.31 Following the review and evaluations the recommendations made were:
- 1 Priority Groups
    - Men
    - ex-offenders
    - 18-24s
    - mental and emotional health
    - Social housing.
  - 2 Family Centered Delivery
    - Holistic approach and suite of services aligned for parents and young people in the same household.
  - 3 Smart Services
    - Sharing budgets, data, staff, training and planning within and across the Partnership for integrated delivery.
  - 4 Embed Employment
    - Evidence based targeting to those most in need.
  - 5 Evidenced Based Policy
    - Holistic approach and suite of services aligned for parents and young people in the same household.
  - 6 Employment Advisors
    - Sharing budgets, data, staff, training and planning within and across the Partnership for integrated delivery.
- 5.2 **Question, comments and discussion**
- a) Members queried if during the review they considered the reverse people who developed depression due to unemployment. The officer confirmed there is a strong relationship between the two. The review found a large number of mental health claimants cited unemployment. It should be noted that the labour market has changed significantly post recession. Post recession reviews conducted show some individuals' unemployment during this period have not returned to work.
- b) Members discussed the possibility of commissioning services that enabled social care to join up with employment programmes. Highlighting this group had unique needs and they wondered if the Council or its partners would have the flexibility to commission services to match these needs. The officer informed the Commission Hackney's unemployed group was different group to other boroughs and applying a one size fits all programme would not be suitable. The officer explained while approximately 80% would respond to a programme there was 20% that needed flexibility in the programme. Flexibility

was explained to be funding for things like clothing to attend an interview and transport costs. This group needed time for rehabilitation but they found in these programmes there was no time factored in for rehabilitation. This means if an individual had another crisis they would fall out of the programme.

- c) Members commented on a key challenge with the employment programme was not everybody would get into work. The officer highlighted local authorities could use their public health role to help meet the needs of this cohort. The officer explained this cohort may not be successful in an employment programme, but may be more successful in a work related activity programme, to stop the deterioration of their health and improve their health and wellbeing.
- d) Members asked how all the different areas of the council could work together to address this. The officer informed it would require sequencing the services to provide the appropriate support. E.g. solving their housing issue first, would enable the individual to consider work. The officer highlighted these inter dependencies and sequence of events would enable a person to move forward.

Consideration would need to be given to the environment the services are delivered in. It was pointed out the landscape has changed since this review and different dynamics. The next step will be to take the learning and apply it to the new landscape to assess the needs now.

- e) The Members enquired if the work related activity by the Culture Team was still commissioned. The officer could not confirm who the programme was commissioned by because the Culture Team was disbanded. It was anticipated the programme was still Commissioned. The officer highlighted the most effective programmes for this group was one that did not have employment as an end goal.
- f) Members queried if the review identified the different types of mental health for Hackney IB claimants. The officer advised the review only identified mental health and behavioural.
- g) Members agreed the first step for their deep dive would be to talk with residents who are long term unemployed. Members discussed how they should approach this deep dive. They discussed focusing on people who were aged 35 (the trigger point to claiming) to find out if they have fallen through the net of support services or individuals who have been on the benefit for 12 months. The officer agreed looking at the two groups discussed would be focusing on prevention with the aim of stopping the cycle and this would be a good place to start. This cohort on benefit was expensive and would continue to cost more in the future. From the review they were unable to identify where the claimants resided, in social housing or private sector. Speaking to people from this cohort they could establish where they were located. After exploring this first the Commission could look at other factors that can impact such as environmental and gender.
- h) Members discussed focusing on service users with mental ill health and not musculoskeletal.
- i) The Cabinet Member for Finance commented speaking to service users would require talking to them in their environment and this would be different to how

the Council usually conducts consultation exercises. The officer agreed and advised their consultation was with frontline staff. The level of support required was intense and similar to the support provided to people Not Education Employment or Training (NEETs). Members agreed conducting this research would need to be flexible and sensitive and likely to involve grass routes organisation delivering and advising on the engagement.

- j) A Member suggested the Commission reviews the report produced by Community Safety Social Inclusion Scrutiny Commission on worklessness. The Member explained in this review they interviewed service users in a focus group. The Chair requested for Overview and Scrutiny Officer to send this report to G&R Members.

<b>ACTION</b>	Overview and Scrutiny Officer to circulate the CSSI Worklessness report to G&R Members.
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- k) Members discussed starting with service users that have been out of work for a minimum of 12 months. The officer advised when a service user transitioned to IB employers did not view them as employable. The officer reminded Members of their discussion with the experts in September who advised them not to worry too much about their starting point for the deep dive as this may not necessarily determine the outcome. Getting the views of service users was the most importance factor.
- l) Members discussed speaking to frontline staff to get a sense of who would be best placed to engage with this service user group. The officer advised the voluntary sector organisations were closest to the service user in these cases. Members discussed talking to service users who have moved off IB to get their view of the support required to return to work. Members agreed this exercise would require a great deal of sensitivity to get these service users to open up. The planning of this should include service providers to understand how to approach this and engage service users.
- m) During the discussion Members asked if there were examples of best practice they could review or visit around the UK, related to this topic area? The officer advised DWP informed London is unique and has a different set of issues in this area that need addressing. Within London each area has its own specific challenges that do not mirror another area. For this reason it is hard to make comparisons and apply what works in one area to another.
- n) Members queried if international comparisons were available and would be more useful in this instance. The officer informed studies related to intermediate work could be relevant. The officer explained through these studies they showed work activity delivered by a not for profit organisations e.g. recycling plant may help this cohort. It is believed a programme similar to this is operated locally by the Homerton Hospital but this would need to be clarified.
- o) Officers present at the meeting explained following the general election, for all political parties a key priority to aim of reducing the benefit spend. London has worked its way through the recession and this has led to changes in the labour

market. Consideration needs to be given to the type of jobs available this group can access. The labour market has become increasingly competitive and the minimum skills sets required have increased. The officer informed the local economy provides 19% part time employment and 2% full time employment. For this cohort there will be limited job opportunities in the local economy.

- p) Members discussed how progress would be measured. Officers pointed out through the discussions with service users, they would identify the measures for success. The officer explained for this group the aim should be to improve health and wellbeing activity first. This would enable the Council to assess who is engaging and understand their needs and the support required. Taking a holistic view of their life and review who is in their household e.g. children could help to stop the cycle and equip all individuals to join the labour market.
- q) The Chair summarised key discussion points and next steps:
1. They have established the output for this group may not lead to a job but improved health and wellbeing.
  2. Clarify if their focus should be mental health looking at prevention or the whole group.
  3. Identify who they should talk to: Service users (case type, gender etc), Partners and Council service areas.
  4. Talk to experts or other boroughs doing similar type of work. The Commission and steering group to consider other experts to talk to or visit
  5. Establish a timeline for output by March 2015.

## **6 Public Spend Review - Lewisham, Lambeth and Southwark Community Budget Programme**

- 6.1 The Chair informed the presentation from Lewisham Council was postponed because the officer had taken ill and was unable to attend the meeting.
- 6.2 The Chair referred to the presentation in the agenda and advised it outlined the lessons learned from their Universal Credit Pilot, DWP Deep Dive and Troubled Families activity.
- 6.3 Upon completion of the pilot work Lewisham, Lambeth and Southwark Council produced a joint proposal for a Community Budget pilot. This programme of work is aimed at supporting people with complex needs into work.
- 6.4 The PowerPoint presentation in the agenda gives some information about this previous work and their Community Budget pilot.
- 6.5 Members noted the information.

## **7 Governance and Resources Scrutiny Commission - 2014/15 Work Programme**

- 7.1 The work programme for the Commission on pages 137 - 142 was noted for information.

- 7.2 Members discussed the requirements for Cllr Taylor's Cabinet Question time and requested for the Overview and Scrutiny Officer to provide performance data related to Cllr Taylor's portfolio areas.

The Corporate Director of Finance and Resources from LBH suggested the Commission review the last Cabinet Question Time for information.

- 7.3 The Corporate Director of Finance and Resources suggested he provides an update following the Government's annual Autumn Statement on 3<sup>rd</sup> December 2014 to outline the implications for local government.

Members agreed.

<b>ACTION</b>	<p>1 Overview and Scrutiny Officer to circulate to Members performance data related Cllr Taylor's Cabinet portfolio and the minutes of the previous Cabinet Question Time in 2013/14.</p> <p>2 Overview and Scrutiny Officer to add to the G&amp;R work programme an update on the annual Autumn Statement.</p>
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## **8 Any Other Business**

- 8.1 The Chair reminded Members about the debate Tackling Inequalities in Hackney on 24<sup>th</sup> November 2014 at 7pm in the Town Hall, Assembly Rooms.

This event was being hosted by Community Safety Social Inclusion Scrutiny Commission.

Duration of the meeting: 7.00 - 8.45 pm

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<b>Governance &amp; Resources Scrutiny Commission</b> 8 <sup>th</sup> December 2014 <b>Cabinet Question Time</b>	Item No <b>5</b>
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## Outline

In the municipal year the scrutiny commissions hold question time sessions with the Cabinet Members and Senior Officers to ask questions about performance and decision-making within the Council related to their portfolio areas.

## Invited guest

Cllr Taylor has lead responsibility for revenues and benefits, audit, procurement, pensions and customer services.

## Action

The Commission is asked to question Cllr Taylor about services and decisions within his portfolio.

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<b>Governance &amp; Resources Scrutiny Commission</b>  8 <sup>h</sup> December 2014  <b>Governance Review – Presentation on the role of Corporate Committee</b>	Item No  <b>6</b>
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## OUTLINE

Members of Governance & Resources Scrutiny Commission and Corporate Committee have asked for clarification on the roles and responsibilities of the Committee. The attached reports help to clarify the purpose of Corporate Committee and its powers.

- Full Council report on 11 September 2013 presenting the Hackney and Governance Review Final Report of May 2013.
- Terms of reference for the **old** Regulatory Committee.
- Terms of reference for the **new** Corporate Committee.
- Comparison of the old Regulatory Committee to the new Corporate Committee.
- Presentation on the purpose of Corporate Committee, its decision making powers, the regulatory functions and the contributions being made by Corporate Committee.

## ACTION

The Commission is asked to note the reports, presentation and ask questions.

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<b>GOVERNANCE AND RESOURCES SCRUTINY COMMISSION</b> <b>8 DECEMBER 2014</b> <b>THE ROLE OF CORPORATE COMMITTEE</b>	<b>AGENDA ITEM</b>
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## 1. INTRODUCTION

Members of Governance & Resources Scrutiny Commission and Corporate Committee have asked for clarification on the latter's roles and responsibilities. Attached are various documents that help to clarify the purpose of Corporate Committee and its powers:-

- Report to Full Council on 11 September 2013 presenting the Hackney Governance Review Final Report of May 2013.
  - Terms of reference for the **old** Regulatory Committee.
  - Terms of reference for the **new** Corporate Committee.
  - A slide comparing the old Regulatory Committee with the new Corporate Committee.
  - Slides setting out the purpose of Corporate Committee, its decision making powers, the regulatory functions and the contributions being made by Corporate Committee.
  - London Borough of Hackney decision making structure chart.
2. The current governance arrangements set out in the Constitution have been agreed and adopted by the Council. These were set out in the 11 September 2013 report to Full Council with the Shared Intelligence report.
  3. The Corporate Director of Finance and Resources is planning to do a separate presentation to Corporate Committee in January 2015 as his Internal Audit team leads on risk management.

## ACTION

The Commission and Corporate Committee members are asked to note the presentation and ask any necessary questions of officers.

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## **GOVERNANCE REVIEW REPORT 2013**

<b>COUNCIL MEETING</b> <b>11<sup>TH</sup> SEPTEMBER 2013</b>	<b>CLASSIFICATION:</b> <b>OPEN</b>
<b>WARD(S) AFFECTED</b> <b>ALL WARDS</b>	
<b>TIM SHIELDS, CHIEF EXECUTIVE</b>	

## **1. INTRODUCTION**

- 1.1 In October 2012 Shared Intelligence (Si) were commissioned to carry out a review of the governance arrangements for the London Borough of Hackney. Their report at Appendix A sets out their findings.
- 1.2 This report sets out a series of recommendations that Council are being asked to endorse. They are based on the findings of Si's independent review. They are further informed by the Executive's Response to Si's review, agreed by Cabinet on 22 July 2013.
- 1.3 Should these recommendations be agreed, they will come into effect in June 2014 following the Council's Annual General Meeting.

## **2. RECOMMENDATIONS**

**Council is asked to agree the following recommendations, namely that:**

### **2.1 In respect of Full Council meetings:**

- 2.1.1 **Full Council meets 5 times a year, with a streamlined agenda giving priority to questions, deputations and motions.**
- 2.1.2 **Consideration is given to developing new approaches to encourage debate at Council meetings in order to provide an early input to policy making and scrutiny processes.**
- 2.1.3 **Urgent deputations relating to Council services should be received at cabinet meetings rather than Full Council subject to the agreement of the Councillor introducing the deputation.**

### **2.2 In respect of committees:**

- 2.2.1 **A new Corporate Committee is established that would be responsible for non-executive Council matters – HR policies, electoral, planning and regulatory issues and the audit function.**
- 2.2.2 **A Pensions Committee is established that deals with pensions issues.**
- 2.2.3 **The Standards Committee should have two planned meetings a year with extraordinary meetings if necessary to hold hearings. Sub-Committees will continue to process complaints.**
- 2.2.4 **The current Licensing Committee and Sub-Committees to continue in their current form.**
- 2.2.5 **Every committee should review its meeting arrangements to balance cost, public access and Members' commitments.**



## **2.3 In respect of Overview and Scrutiny**

**2.3.1 The overview and scrutiny board should be disbanded and replaced with a twice yearly conference of Scrutiny Commission chairs and vice-chairs to maintain an overview of the scrutiny programme as a whole and hold question times for the Mayor and Chief Executive.**

**2.3.2 Cabinet questions would be handled by the relevant scrutiny commission.**

**2.3.3 More attention should be given to crafting focused scrutiny recommendations based on good practice in the Council.**

## **3. REASONS FOR DECISION**

This report proposes changes to the Governance arrangements within the Council, and by extension the wider constitution, and therefore requires member approval.

## **4. BACKGROUND**

4.1 In October 2012 Shared Intelligence (Si) were commissioned to carry out a review of the governance arrangements for the London Borough of Hackney. Their report at Appendix A sets out their findings and recommendations.

4.2 The Terms of Reference for the review were to:

- a) Examine options and make recommendations relating to the Council's future governance structure;
- b) To consider the frequency, format and timing of meetings in all areas of the Council's calendar, including Council, Cabinet, the Regulatory and Licensing Committees (and their Sub-Committees) and Overview and Scrutiny.
- c) To consider the cost of the governance process including Members' allowances, cost of administration and officer support;
- d) To examine and clarify the role of backbench Members in any new governance structure

4.3 As part of the review process, Si have spoken to the Mayor; every Cabinet Member; the chairs of every committee and the vice chair of the Overview and Scrutiny Board; the overview and scrutiny commission chairs and vice chairs; three "back bench" councillors; the majority group whip; the Independent Remuneration Panel; and the former Chair of Standards Committee.

4.4 Si also met with the three political groups on the Council; attended a meeting of Team Hackney; attended three meetings of the Governance and Resources Scrutiny Commission; attended a meeting of Hackney CEN;

observed a meeting of full Council, and; reviewed agendas for the 2012/13 Municipal Year for Council, Overview and Scrutiny, the Regulatory Committee and the Licensing Committee.

4.5 The reference group met four times. In addition, the Chief Executive updated the Governance and Resources Committee on progress at its April meeting.

4.6 As outlined above, Si worked closely with Members throughout the process. It is important to stress however that while those discussions have been critical to the overarching direction of the review, the recommendations contained within the appended report are independent of the Council.

4.7 Within the framework of the review's terms of reference, the recommendations attempt to provide an independent perspective on future options in respect of the Council's governance arrangements, particularly the ways in which non-executive members can play fulfilling roles that contribute to the work of the council.

4.8 The Chief Executive presented Si's report, and recommendations, to Cabinet for an Executive view in the first instance. Cabinet considered the report at their meeting on 22 July 2013.

4.9 The Executive welcomed the report and agreed with the recommendations found in paragraph 2 (of Shared Intelligence's report), with the following exceptions (the numbering in the boxes refers to the paragraph number in Shared Intelligence's report):

4.10

2.10

Scrutiny reports should only be submitted to full Council meetings in specified circumstances.

4.10.1 Cabinet's response: Scrutiny should decide whether reports should go to full Council or not. The independence and effectiveness of scrutiny is valued and recognised. It would be inappropriate to interfere with this independence.

4.11

2.12

Licensing and planning committee should be established to oversee all the Council's regulatory activities with a planning sub-committee and an annual meeting of a statutory licensing committee to appoint 5 licensing sub-committees.

4.11.1 Cabinet's response: The Executive do not believe the recommendation to set up a separate licensing and planning

committee will improve the quality of those functions. The Executive recommends to Council that a working group is established to drive through better working between the Licensing Committee and the Planning Sub-Committee. The Executive supports pre application consultation for strategic applications.

4.12

2.20

We also recommend that:

- Each commission should normally carry out one substantive review each year (rather than two as at present);
- The number of reports on the implementation of previous reviews each commission receives should be limited to one report (per previous review) per year.

4.12.1 Cabinet's response: The Executive do not agree that the recommendations in relation to scrutiny reviews and updates are necessary. Individual scrutiny boards are best placed to decide their own work plans and updates on reviews.

4.13 Following consideration at Cabinet, this report (that incorporates and reflects the views expressed by the Executive) asks Full Council to agree the recommendations as laid out in paragraph 3 above.

## **5. WAY FORWARD**

5.1 Should Council agree the recommendations at paragraph 3, incorporating the agreed Executive Response, the Independent Remuneration Panel will work on the Members' Allowances Scheme for June 2014/15.

5.2 The Corporate Director for Legal, HR and Regulatory Services will work with the Constitution Review Officer Group to amend the Council's Constitution to reflect the agreed changes.

5.3 The Members' Allowances revised Scheme and the updated Constitution will come to Full Council for agreement early in 2014.

5.4 The new arrangements will come into effect in June 2014 following the AGM.

## **6. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES**

6.1 As set out in the body of the report, part of the Terms of Reference for the Governance Review was to consider the cost of the governance process including Members allowances, cost of administration and officer support.

6.2 The report does not at this stage include detailed costings as these will depend on the actual decisions taken regarding future governance arrangements. It is clear though that should the proposals in the current form be approved, the overall number of meetings will reduce and therefore the costs of supporting those should also reduce.

6.3 It is recommended within this report that the new arrangements come into effect in June 2014, during the 2014/15 financial year. As 2014/15 budget is already balanced, it is also recommended by the Corporate Director of Finance and Resources that consideration be given at a later date in respect of the use of any further savings that may accrue from the implementation of this review during 2014/15. Going forward, the savings accrued will contribute to the savings required by the Scrutiny and Governance Services teams, in balancing the budget requirements for 2015/16 and future years.

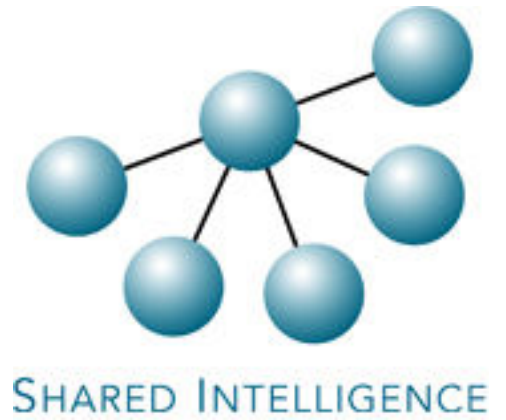
**7. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES**

7.1 Any agreed changes will be incorporated into a revised Constitution for adoption by Council. The new constitution will then come into force from the date of the AGM in 2014.

**APPENDICES**

APPENDIX A: Hackney Governance Review: Final Report (May 2013) by Shared Intelligence (Si)

<b>Report Author</b>	Stephen Haynes Head of Chief Executive’s Office Tel: 02083563201
<b>Comments of the Corporate Director of Finance and Resources</b>	Michael Honeysett Assistant Director, Finance Management Tel: 02083563332
<b>Comments of the Corporate Director of Legal, HR and Regulatory Services</b>	Gifty Edila, Corporate Director of Legal, HR and Regulatory Services Tel:02083563265



# **Hackney Governance Review: Final Report**

**May 2013**

# 1 Introduction

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1.1 Shared Intelligence (Si) was commissioned to carry out a review of the governance arrangements for the London Borough of Hackney. This report sets out our findings and recommendations. In carrying out the review we have understood the objective as being: “to secure more effective governance and more coherent member roles at less cost”. This definition of our task encapsulates three important elements:

- The need for the Council’s governance arrangements to bear an element of the reductions in expenditure that the Council as a whole is having to make;
- The importance of the arrangements providing effective governance for the borough;
- The need to ensure that all Councillors have an opportunity to develop fulfilling roles which contribute to the work of the Council and the representation of the residents of the borough.

1.2 Hackney’s constitution includes what seems to us to be a useful definition of effective governance which is set out in the box below.

<b>The purpose of the constitution</b>
<p>The purpose of the constitution is to:</p> <ul style="list-style-type: none"><li>• Enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations;</li><li>• Support the active involvement of citizens in the process of local authority decision-making;</li><li>• Help Councillors to represent their constituents more effectively;</li><li>• Enable decisions to be taken efficiently and effectively;</li><li>• Create a powerful and effective means of holding decision-makers to public account;</li><li>• Ensure that no one will review or scrutinise a decision in which they were directly involved;</li><li>• Ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions;</li><li>• Provide a means of improving the delivery of services to the community.</li></ul>

1.3 We have endeavoured to carry out the review in as collaborative a way as possible, working closely with a reference group and seeking the views of a cross-section of Councillors, officers and partners.

1.4 This report comprises:

- A summary section setting out our brief, the approach we adopted and our key recommendations;
- Our findings;
- Our recommendations;
- Our conclusions and reflections.

## 2 Summary of our brief, approach and recommendations

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2.1 Si was commissioned in October 2012 to carry out a review of the governance arrangements in Hackney. The terms of reference for the review were to:

- Examine options and make recommendations relating to the Council's future governance structure;
- To consider the frequency, format and timing of meetings in all areas of the Council's calendar, including Council, cabinet, the regulatory and licensing committees (and their sub-committees) and overview and scrutiny;
- To consider the cost of the governance process including members allowances, cost of administration and officer support;
- To examine and clarify the role of backbench members in any new governance structure.

2.2 Throughout the process we have worked closely with a reference group comprising: the cabinet members with responsibility for governance (Cllr Sophie Linden), the chair of the Governance and Resources Scrutiny Commission, (Cllr Rob Chapman), Cllr Rick Muir, Cllr Geoff Taylor, the Corporate Director of Legal, HR and Regulatory Services and the Chief Executive. The reference group has met four times.

2.3 We have spoken to:

- The Mayor and every Cabinet Member;
- The chairs of every committee (excluding the Overview and Scrutiny Board) and the vice chair of the Overview and Scrutiny Board;
- The overview and scrutiny commission chairs;
- Three "back bench" Council lrs;
- The Labour whip;
- The Independent Remuneration Panel;
- The former chair of standards committee.

2.4 We have also:

- Had meetings with the three political groups;
- Attended a meeting of Team Hackney;
- Attended three meetings of the Governance and Resources Scrutiny Commission;
- Attended a meeting of Hackney CEN;
- Observed a meeting of full Council ;
- Reviewed agendas for the current municipal year for Council, overview and scrutiny, the regulatory committee and the licensing committee.

2.5 Following the December meeting of the reference group the nature of our conversations shifted from a data collection to testing our emerging findings and recommendations.

2.6 It is important to stress, however, that this is our report, providing an independent perspective and recommendations for consideration by the Council.

2.7 Our recommendations are underpinned by what is intended to be a coherent menu of ways in which non-executive members can play fulfilling roles that contribute to the work of the Council. We see those roles as:

- Developing an expertise in a particular policy or service area through more focussed scrutiny;
- Contributing to the governance of the Council through a new corporate committee;
- Specialising in the Council's regulatory functions through a new licensing and planning committee and sub-committees;
- Acting as a local community leader, representing residents, working in their wards and in their ward forums;
- Speaking on behalf of their constituents and holding the executive to account in better managed meetings of full Council;
- Holding the Council to account at Council meetings and through overview and scrutiny.

2.8 In summary our recommendations are:

#### **Full Council**

2.9 Full Council should meet 5 times a year, with a streamlined agenda giving priority to questions, deputations and motions.

2.10 Scrutiny reports should only be submitted to full Council meetings in specified circumstances.

2.11 Hackney should consider experimenting with a number of ways of encouraging debate at Council meetings in order to provide an early input to policy making and scrutiny processes.

#### **Council committees**

2.12 A licensing and planning committee should be established to oversee all the Council's regulatory activities with a planning sub-committee and an annual meeting of a statutory licensing committee to appoint 5 licensing sub-committees.

2.13 A new corporate committee would be responsible for non-executive governance issues, including the audit function.

2.14 The standards committee should have two planned meetings a year with extraordinary meetings if necessary to hold hearings. Sub-Committees will continue to process complaints.

2.15 Every committee should review its meeting arrangements to balance cost, public access and members' commitments.

2.16 Pensions issues should be handled by a pensions committee.



### Overview and scrutiny

- 2.17 The overview and scrutiny board should be disbanded and replaced by a twice yearly conference of commission chairs and vice-chairs to maintain an overview of the scrutiny programme as a whole and hold question times for the Mayor and Chief Executive.
- 2.18 Cabinet questions would be handled by the relevant scrutiny commission.
- 2.19 More attention should be given to crafting focused scrutiny recommendations based on good practice in the Council.
- 2.20 We also recommend that:
- Each commission should normally carry out one substantive review each year (rather than two as at present);
  - The number of reports on the implementation of previous reviews each commission receives should be limited to one report (per previous review) per year.

### Cabinet

- 2.21 The members allowance scheme should enable the Mayor to adopt a flexible approach to the size and number of cabinet portfolios.
- 2.22 Urgent deputations relating to Council services should be received at cabinet meetings rather than full Council subject to the agreement of the Councillor introducing the deputation.
- 2.23 The cabinet procurement committee should continue to streamline its procedures and reduce the number of stages in which it is involved.

## Our findings

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### Full Council Meetings

- 3.1 Hackney’s full Council will meet 8 times in the current municipal year (the number of meetings is not specified in its constitution). Public deputations and motions are a common feature of Council meetings, with two or three deputations at most meetings. The opportunities for petitions and questions from members of the public are less extensively used, with one individual asking the vast majority of questions. The opportunity for Councillors to ask questions is well used, but mainly by members of the majority party. The Mayor often uses the opportunity to make a statement (with a consequent opportunity for the leaders of the two minority parties to respond), but does not always do so. Recently no use has been made of the provision in the constitution for “State of the Borough” debates and other innovative formats at Council meetings.
- 3.2 The agendas for Council meetings are generally full. The “business” items include all scrutiny reports, with the executive’s response, the adoption of number of statutory and non-statutory planning documents, the adoption of policy and strategy documents, bye-laws and codes of conduct. Very few members of the public attend most Council meetings, but some topics (such as the budget meeting and a debate on whether to receive a contentious delegation) do generate public interest and attendance. Meetings receive minimal coverage in the media.
- 3.3 There are mixed views about the value of Council meetings among the people we spoke to, but there was widespread agreement that the current model is not sustainable. Key points are that:
- Most Councillors see considerable value in the deputations and the Governance and Resources Scrutiny Commission has received evidence suggesting that community groups also value the opportunity. Deputations are seen as a way of involving the public in the Council’s governance processes.
  - Many items on the agenda receive little or no debate and their inclusion on the agenda adds no real value to the governance of the Council or its engagement with the community. There is evidence to support this view: at the meeting we observed, for example, an important scrutiny report on the Council’s role in education received no discussion at all.
  - Many Councillors (executive and non-executive) see scope for greater use of public questions, Councillor questions, the Mayor’s statement and motions. These, together with deputations, are seen as providing different ways in which Councillors can raise issues of interest and concern to local people and be seen to do so.
  - Many Councillors are sceptical about the likelihood of Council meetings ever forming a key part of a vibrant local democracy, but others would be concerned if Council met less often because it would limit the opportunity for deputations and reduce the extent to which the Mayor and executive were available to be formally held to account in public.
  - There are mixed views about the merits of holding “State of the Borough” debates at Council meetings or other types of themed debates. The main argument against is that the controlling group is so large (50 out of 57 Councillors) that any debate is likely to be a stilted one. Some Councillors point out that debate does happen – for example in Team Hackney after the riots – and that the fact that it does not take place within the formal governance arrangements is not a problem;

- The current practice is that the chief executive and all the directors attend every Council meeting whether or not there are items on the agenda relevant to their remit.

3.4 In summary Council meetings are seen as being constitutionally important: they can provide a vehicle for engagement with residents and for holding the Mayor and his cabinet to account. But much of the business conducted at them adds little or no real value to the governance of the borough.

### Council Committees

3.5 In thinking about the scope for achieving “ more effective governance and more coherent member roles at less cost” we have focussed in particular on the operation of the:

- Overview and Scrutiny Board and the Scrutiny Commissions;
- Regulatory Committee and its Sub-Committees (Planning, Audit and Pensions);
- Licensing Committee and its Licensing Sub-Committees.

3.6 Our findings on the scrutiny function are set out in the next section.

3.7 There is widespread support for the way in which the licensing sub-committees operate, including recognition of the volume of work they conduct and the high level of public interest in that work. There is an equally widely shared view that the rest of this group of committees and sub-committees is ripe for review with most members we have spoken to (executive and non-executive) questioning the continuing value of the regulatory and licensing committees and the audit sub-committee.

3.8 These perceptions are supported by a review of meetings agendas. Three weaknesses are evident in the current arrangements:

- First, the nature of the business done. We have reviewed the agendas and minutes of three recent licensing committee meetings. This showed that the vast majority of items were “noted” – in two of these meetings all four items of business were noted. Very few decisions were taken and one meeting took no decisions. We did same exercise in relation to the regulatory committee which revealed a similar level of noting rather than decision-taking.
- Second, poor attendance by members. This is particularly acute in relation to the licensing committee. The number of apologies at the meetings we reviewed were 8, 7 and 5 of the 15 members.
- Finally, the current system lacks coherence. The agendas for the regulatory committee contain a mix of items relating to both the governance of the Council and the planning function, while the licensing committee agendas cover most of the Council’s regulatory responsibilities apart from planning.

3.9 The workload of the planning sub-committee is substantial and there is significant public interest in its work. Councillors and officers share the view that the current level of delegation of decisions to officers is appropriate, but questions have been raised about whether it is appropriate for the planning sub-committee to consider the most strategic planning applications.

3.10 There are particular issues in relation to the audit and pensions sub-committees:

- CIPFA guidance recommending a separate audit committee was reinforced by the previous Comprehensive Performance Assessment regime. We are aware, however,

that Council auditors in some authorities have supported proposals to combine the audit role into that of another committee;

- The workload of the pensions sub-committee is currently large and a recent independent review of the governance of the pension fund concluded that Hackney was ahead of the game in having a separate body responsible for fund business. It recommended that it should become a self-standing committee.

3.11 We have also reviewed the workload and frequency of meetings of the Standards Committee. It currently meets four times a year. Most of the items it considers relate to updates or consideration of codes of practice etc. It has held one hearing in the current municipal year.

3.12 Four other issues have arisen in our examination of the committee structure:

- The allocation of chair posts to the bands for members' allowances does not reflect the workload or degree of public scrutiny involved in the current roles. This is a matter of concern to many Councillors. The introduction of a new structure would provide an opportunity for the Independent Remuneration Panel to address this.
- There are mixed views about the time at which meetings start and a recognition of the need to balance cost, public access and the demands on Councillors' time, particularly those with caring responsibilities or fulltime jobs. In practice different committees meet at different times, but interestingly two with little public engagement (regulatory and the main licensing committee) do not start until 7.00 pm;
- Although we have not calculated the cost of producing and distributing agendas for the committee meetings (and full Council), it is likely to be a significant cost given the large volume of printing required, and officer time spent preparing agendas and servicing committees.

### Overview and scrutiny

3.13 Scrutiny in Hackney is primarily undertaken by five thematic Commissions each chaired by a Labour member. The Commissions report to the Overview and Scrutiny Board (OSB) which is chaired by the Opposition. OSB agrees the scrutiny review programme, and is also the forum at which Executive question time takes place. Call-ins of Executive decisions are also the responsibility of the OSB, as are Councillor Calls for Action, although these powers are very seldom used in Hackney. The Council's budget is also submitted to OSB prior to being formally submitted for agreement by the Cabinet.

3.14 Each Commission undertakes two reviews each municipal year which form the most significant part of each Commission's work. Ten scrutiny reviews per year is more than the average across all English Councils (of between four and six in recent years). The 2012/13 review programme was as follows:

Children and Young People	<ul style="list-style-type: none"> <li>• Childhood obesity</li> <li>• Youth Homelessness review</li> </ul>
Community Safety and Social Inclusion	<ul style="list-style-type: none"> <li>• Social inclusion aspects of Tech City regeneration</li> <li>• Regeneration of the Olympic Park</li> </ul>
Governance and Resources	<ul style="list-style-type: none"> <li>• Performance management</li> <li>• Council governance</li> </ul>
Health in Hackney	<ul style="list-style-type: none"> <li>• Support services for chronic alcoholism</li> <li>• Increasing cancer survival (not started)</li> </ul>
Living in Hackney	<ul style="list-style-type: none"> <li>• Managing the night-time economy</li> <li>• Hackney Homes estate maintenance and improvement</li> </ul>

3.15 As well as carrying out specific reviews, each Commission also receives reports on the implementation of recommendations from previous reviews. These usually consist of detailed reports from service managers, setting out progress against each review recommendation.

3.16 In addition, four of the five Commissions also consider issues within their service/policy remit, but not related to reviews past or present:

- Governance and Resources consider a 'budget and finance update' at most meetings.
- Health in Hackney in their health overview role discuss items from NHS bodies or from Hackney officers on issues such as changes to health centre sites, the development of relevant service plans, and the impact of NHS restructuring.
- Children and Young People have an overview role in relation to Hackney Learning Trust and consider reports at each meeting on issues such as school admissions and exam results. The Commission also conduct advisory visits to children's centres in Hackney. They also tend to use 'Matters Arising' to chase up additional information requested at previous meetings.
- Community Safety and Social Inclusion receive updates and briefings at most meetings from Council teams and from the Met police on issues and data relating to crime, policing, community safety and equalities.

3.17 Living in Hackney is the one Commission which devotes agenda time only to specific reviews or implementation reports from previous reviews.

3.18 In general, views on the scrutiny process and of scrutiny reviews were mixed.

3.19 A frequently voiced criticism of the scrutiny process is that many reviews result in too many recommendations with a lack of prioritisation or focus. This is compounded by the fact that the

Executive tends to accept recommendations wholesale, with little push-back or challenge. In our view these practices do dilute the impact of scrutiny and may be reflected in long time that it takes for the recommendations to be implemented.

- 3.20 However, there are two recent examples of a more rigorous approach being adopted to the crafting of scrutiny recommendations. In the childhood obesity review each recommendation has been tested against four criteria - Impact, Visibility, Cost, and SMARTness. In the review of Hackney Homes' resident engagement scrutiny officers have attempted to map the outcomes of the recommendations since they were made and adopted. Both exercises, if scaled up, have the potential to lead to a more effective and efficient scrutiny function with fewer, better targeted recommendations.
- 3.21 We heard that many reviews, including those in the current programme, address cross-service 'gaps' and areas where fresh thinking needed. Service managers report that being subject to a scrutiny review challenges them to demonstrate their service is aligned to needs. Reviews are also seen to raise awareness and knowledge among partners.
- 3.22 But we also encountered concerns over duplication within the scrutiny process. Most notably, both Governance and Resources and the OSB consider reports on the Council's budget. As noted above, Governance and Resources consider budget and finance updates at most meetings, but formal scrutiny of the Council's draft budget is carried out by the board. Whereas Governance and Resources follow the progress of key financial issues throughout the year, OSB's involvement so near the end of the budget-setting process is unlikely to have much impact. When we looked at some of the other areas where duplication was thought to be an issue (for example on the night-time economy), we found scrutiny was in fact adding value over and above other processes.
- 3.23 We heard concerns about the burden on officer time that the scrutiny process generates, and questions about its impact. The number of reviews carried out is seen by some as too many and there are mixed views on whether those reviews which are carried out explore issues in sufficient depth.
- 3.24 We have noted that Commissions request updates on the implementation of previous reviews, and four of the Commissions also take a large number of non-review items. The overall effect is that there are many reports to each Commission meeting – each of which requires officer time to be written, cleared and presented. There is also evidence to suggest that both officers and members respond to challenging issues by either requesting or offering to produce large amounts of administrative data which do not necessarily add value to the process.
- 3.25 The current practice is for all scrutiny reports and the executive's response to be reported to full Council. Yet, as we have witnessed, these reports rarely generate any debate.
- 3.26 During the course of our work we heard it argued that task and finish groups would be more effective than standing Commissions. Across local government there are many examples of 'task and finish' scrutiny, though 'thematic' (standing committee) scrutiny is the model in most Councils. Nationally, there is no evidence of one being superior, or more effective than the other. However, in Hackney what we heard from scrutiny Members themselves (a) that they value the opportunity scrutiny provides to build up subject expertise in an alternative political career path to joining the Cabinet and (b) that a strength of scrutiny in Hackney is it already manages to pick out issues which have fallen between departments and agencies, i.e. review topics are already relevant.

3.27 We also explored the extent to which the Overview and Scrutiny Board adds value to the scrutiny process. It is comprised solely of the Commission Chairs and Vice Chairs and contains just one Opposition Member, who chairs it. Its main role is as the forum for Cabinet Question Time. Besides that, it undertakes no reviews itself, is very rarely used for Call-Ins, and it signs off the brief for scrutiny reviews and the final reports. At the time of writing it had met seven times in the current municipal year and had two further meetings programmed. Many of those we spoke to seriously questioned the OSB in terms of added value, but there is a view that some mechanism for maintaining an oversight of the full extent of the scrutiny work is necessary.

### Cabinet

3.28 Few people we spoke to had any comments on the formal cabinet meetings. The fact that they are often very short was seen to reflect the work that takes place prior to those meetings and the fact that deputations are directed to Council meetings.

3.29 We have considered the role of the Cabinet Procurement Committee. While some people consider it to be part of an overly bureaucratic process others highlight the fact that:

- It has added a discipline to the procurement processes that was previously lacking and has streamlined its procedures as that discipline has been embedded;
- It does provide middle managers with exposure to members that is not otherwise available in the current governance model;
- It means that procurement decisions do not need to be included on the agenda for full cabinet meetings.

3.30 We were also asked by the Mayor to consider structure of the current cabinet in terms of the balance between full and part-time posts and cabinet adviser roles. At present the assumption is that posts are full time, although one member of the current cabinet does so on a part-time basis. One consequence of this is that the current cabinet is small compared with some other boroughs and the portfolios are comparatively large. It is also important to note that cabinet members are appointed by the Mayor.

3.31 We understand that the original decision that cabinet posts should be full time reflected the scale of the political task involved in transforming what was a dysfunctional Council. That imperative no longer applies. We have, however, identified two factors which we consider should be taken into account in considering this issue:

- The breadth of the current portfolios is an important defence against silo thinking which is always a danger in Council structures and governance arrangements;
- Given different people's career, income, caring and housing position, either staying with a predominantly full time cabinet or moving to a predominantly part-time model would have implications for the composition of the pool from which the Mayor is able to appoint.

### The bigger picture

3.32 It is important not to look at governance structures in isolation from the culture and ways of working of a Council. How structures are used reflect that culture, and new structures and working practices can, in turn, influence organisational culture. It is also important to ensure that the governance structures and how they operate achieve the objectives of transparency and accountability – as set out in the Council's constitution – as well as providing a set of coherent roles for Councillors which can be communicated to the public.

- 3.33 In thinking about governance arrangements in Hackney it is important to understand the challenges the Council has faced over the last 15 years and the way its political leadership has responded to them. The Council has been relentlessly focused, first on addressing what was a dysfunctional Council, then on securing the delivery of high quality services and more recently on responding to resource cuts. This has required tight political management achieved through the role, power and authority of the Mayor and his cabinet.
- 3.34 The focus has been, and remains, on action rather than debate. This is not to say that there is no debate in Hackney. There is: in the community, in ward forums and in settings such as Team Hackney which, for example, had an important debate following the “riots” in London in summer 2011.
- 3.35 It is also important to take account of the political context in Hackney today. The fact that 50 of the 58 Councillors are members of the controlling group means that the debate in, for example, Council meetings will be less vibrant than if the Council was more evenly balanced.
- 3.36 The question is whether, in the current context, it would be in the interest of the governance of the Council and its community leadership role in Hackney for more of that debate to take place within the Council’s formal governance structures? Does it make sense to create more space for constructive challenge, formative debate and emergent thinking to enable the Council to address a new set of challenges and opportunities?
- 3.37 We have detected an appetite for more discussion and debate at the start of the policy-making and scrutiny processes. Our recommendations are based on the assumption that it is timely to create more space for debate within the governance arrangements without putting the focus achieved by the Mayor and cabinet at risk.



# Our recommendations

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## Council meetings

4.1 In thinking about the future of full Council meetings in Hackney we have had the following objectives in mind:

- The importance of full Council as the formal mechanism for holding the Mayor and his cabinet to account;
- The need to secure citizen and community engagement in the governance of the Council ;
- The importance of a platform for non-executive members to raise issues of concern to their constituents;
- The desirability of providing a space for debate at the start of policy making and scrutiny processes.

4.2 It is also important to note that the Council 's constitution is flexible in a number of important respects:

- It does not define the number of times Council should meet (that is determined at each annual meeting);
- It enables the speaker to call a state of Hackney debate or vary the procedural rules to, for example, allow people other than members of the Council to participate in a debate;
- It provides for any Councillor to ask a supplementary question in response to an answer to a Councillor question.

4.3 In the light of this we recommend that:

- Full Council should normally meet 5 times a year (the annual meeting, the budget meeting and three other meetings);
- Non-essential items should be removed from the agenda, creating more space for questions, deputations and motions (and the agenda should be structured to give priority to those items).

4.4 Items which would no longer be included on the agenda for full Council meetings include:

- Most scrutiny reports (see below);
- Non-statutory planning documents (which would be approved by the Licensing and Planning Committee).

- 4.5 We are recommending this approach despite the range of opinions we heard because we do not think it is possible to justify full Council continuing to meet 8 times a year given the way in which the meetings currently operate. The importance of protecting time for deputations to be received (which members are keen to protect) could be achieved by:
- The streamlined agendas enable more deputations to be received at each meeting (if there is sufficient demand);
  - Urgent deputations relating to Council services being received by the Cabinet (and the other routes as outlined in the constitution) rather than having to wait for a Council meeting (subject to the agreement of the Councillor introducing the deputation).
- 4.6 We have also considered the current practice of referring all scrutiny reports to full Council together with the executive response. In most cases this does not add any value to the scrutiny process. It may be seen as reflecting the importance of scrutiny. On the other hand the fact that most reports receive no discussion could be seen to undermine it.
- 4.7 We recommend that scrutiny reports should only be referred to full Council meetings if:
- They relate to a Council function rather than an executive one and the scrutiny commission has specifically recommended that it should be discussed at full Council and is clear about the purpose of doing so.
  - In relation to a scrutiny of an executive matter, the Mayor or cabinet member considers that there is a specific issue for Council to debate (in which case it may be appropriate for the debate to take place before the executive considers its response).
- 4.8 Finally we recommend that the practice should be that the chief executive and the corporate director of legal, HR and regulatory services attend every Council meeting, but that other directors should attend only when necessary.

## A Possible further reform

In addition to the changes recommended, the Council may wish to experiment with a number of approaches to encouraging more debate at Council meetings including:

- Using the provision in the constitution to allow a second supplementary question (from any Councillor) in response to an answer to a Council question;
- Holding a debate at the start of a policy-making process: this could involve the Mayor or cabinet member explaining what the issue is or task is and inviting views and contributions from members to inform their early thinking;
- Holding a discussion at the start of a scrutiny review to inform the terms and reference and work programme of the review and the things it should focus on.
- Using the ability of the Speaker to rescind the normal rules of procedure to:
  - Enable partners and/or members of the public to participate in debates of the type suggested above;
  - Convene one themed Council meeting each year which could take the form of either a general “state of the borough” debate or focus on a particular theme such as the economy or crime.

We believe that this would help to create the space for discussion and debate that we referred to earlier.

## Committees

4.9 Our core recommendation in relation to Hackney’s Council committees is the creation of two new committees and associated sub-committees:

- A new licensing and planning committee which would oversee all the Council’s regulatory responsibilities and have a planning sub-committee and 5 licensing sub-committees;
- A new corporate committee which would be responsible for governance issues which do not fall within the remit of the Mayor and cabinet and which would not be included on the agenda for Council meetings.

4.10 In developing these recommendations we have had regard to three important principles:

- The need to comply with legislative requirements and reflect official advice on effective governance;
- The need for new arrangements to be as cost-effective as possible;
- The importance of all Councillors having the opportunity to contribute to the work of the Council through meaningful and coherent roles.

4.11 It is clear from our discussions that there is widespread support among Councillors and officers for the creation of a licensing and planning committee which would lead the development of a more integrated approach to the Council’s regulatory responsibilities including, for example:

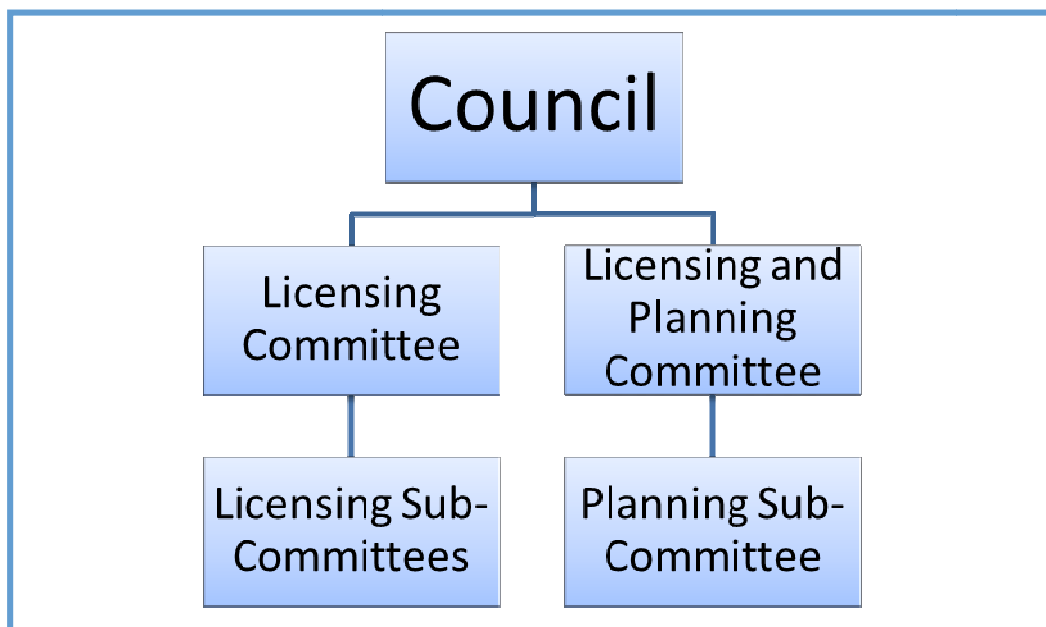
- The interaction of planning and licensing decisions;
- The adoption of business-friendly operating practices and quality of service for members of the public;
- Links with other regulatory responsibilities, including enforcement policy and practices.

4.12 The lack of such an integrating mechanism is seen as undermining the Council’s ability to focus on place. These responsibilities impinge directly on the lives and interests of Hackney residents and are therefore particularly significant for many non-executive members. Creating opportunities for effective member engagement in these aspects of the Council’s work is therefore critically important in terms of both effective governance and the member role.

4.13 The Council’s ability to establish the committee and enable it to be effective is hindered by a combination of the level of licensing applications in Hackney and the restrictive nature of the Licensing Act 2003. The Act specifies that Councils must have a Licensing Committee, that the committee must not comprise more than 15 people and that members of a licensing sub-committee must be members of the main committee. It is possible for a licensing committee to have a wider remit than simply licensing, so a licensing and planning committee could also be the licensing committee (for the purposes of the 2003 Act). But there is serious concern that the workload involved in planning and licensing in Hackney is too heavy for a 15 person committee.

4.14 In order to overcome this obstacle we are proposing a two stage approach. First, we recommend that as well as establishing a licensing and planning committee, Hackney should retain a licensing committee which would sit alongside the new committee (see diagram below) and would:

- Comprise 15 members, at least six of which would also be members of the licensing and planning committee to enable the desired integration;
- **Only** meet **once** a year in order to appoint members of the licensing sub-committees and (once every three years) agree the Licensing Statement (which would have been developed by the licensing and planning committee).



4.15 This is not an ideal way forward and illustrates the impact of the highly prescriptive nature of the 2003 Act. It is important to note, however, that the government is keen to encourage the development of more integrated approaches to regulation. There is also legislation on the statute book under which Ministers can relax legislative provisions in order to enable Councils to operate more effectively – The Deregulation and Contracting Out Act. We recommend that Hackney should make representations to government asking it use that Act to dis-apply the restriction on the size of Hackney’s licensing committee to enable it to act as an integrated licensing and planning

committee. Subject to the government's view this could be achieved before the introduction of new governance arrangements in May 2014.

- 4.16 Two issues relating to planning have been raised with us during the course of this review. First, a number of members and officers have expressed a view that there would be benefits in decisions about strategic planning applications (for example those relating to The Place, The Stage and Woodbury Down) being taken by members with an explicit remit relating to the quality of Hackney as a "place". The proposed licensing and planning committee would have that role and the Council may wish to consider making it, rather than the planning sub-committee, responsible for this type of exceptional application.
- 4.17 Second, concern has been expressed that the Council's current restrictive approach to pre-application discussions is inhibiting the scope for proper and creative exploration of how development can enhance Hackney as a place in which to live and work. We recommend that introduction of new governance arrangements should be used as an opportunity to review the Council's policy on this.
- 4.18 The proposed corporate committee is intended to bring together, and provide an integrated approach to the corporate governance of the Council. Its remit would include:
- The issues currently handled by the audit sub-committee;
  - The non-regulatory issues currently dealt with by the regulatory committee;
  - Some items relating to the governance of the Council that would previously have gone to full Council meetings.
- 4.19 The question as to whether or not to have a separate audit sub-committee is an important one. CIPFA recommends that Councils should have a separate Audit Committee and is particularly keen that there is a distinction between the respective roles of audit and scrutiny. A review by Council officers of the new Public Sector Internal Audit Standards and the Local Audit Bill suggests that there is no barrier to including the audit role in the remit of the corporate committee. It is, however, important that the Council's auditors are happy with this approach. We are recommending that the audit sub-committee should be abolished because we believe that the audit role complements the other roles envisaged for the corporate committee and would be integral to its function rather than a potentially neglected add-on (which lies at the heart of the CIPFA guidance).
- 4.20 As was noted above, a separate governance review has concluded that given the current pensions context and guidance Hackney is ahead of the game in having a dedicated body responsible for pensions and that it should be constituted as a self-standing committee. In the light of that review and recent guidance on the matter we recommend that a Pensions Committee should be established. We recommend that the possibility of this function being discharged by the proposed corporate committee (or by a sub-committee of it) should be considered again in the run up to the 2018 elections.
- 4.21 Our other recommendations in relation to the Council's committee structure are that:
- The Standards Committee should have two planned meetings a year. Its routine business could be planned to fit this timetable, and extraordinary meetings could be held if necessary to comply with the timescales set for hearings.

- Given the number of committee meetings and the costs incurred in printing and distributing agendas there is a very strong case for exploring a move towards paperless meetings. But this would have to be part of a broader approach to using new technology to support members in their roles and would have to ensure that any equalities and access issues are addressed.
- Each committee would be asked to review the time of its meetings at the start of each municipal year taking into account:
  - The cost of late evening meetings;
  - The work, caring and other commitments of committee members;
  - The level of public interest in and attendance at committee meetings.

## Overview and Scrutiny

- 4.22 Our recommendations on the scrutiny function are intended to capitalise on the perceived strengths of the current scrutiny arrangements (that it tackles the right issues, enables services to undertake fresh-thinking, and enables non-Executive Members to contribute and build expertise), while also responding to criticisms including those about the burden of the process on Council departments, and the potential for duplication.
- 4.23 Our recommendations also take account of the development of the scrutiny function across other Council nationally, where budgets are also being reduced, and where there is also increased pressure on scrutiny to be as efficient as possible while not losing the ability to provide meaningful challenge.
- 4.24 We recommend that:
- The overview and scrutiny board should be replaced by a conference of commission chairs and vice chairs which would meet twice a year to maintain an overview of the scrutiny process as year and hold question times for the Mayor and chief executive (other cabinet questions would be handled by the relevant scrutiny commission).
  - In order to improve the impact of the scrutiny process, all the Commissions should adopt the approach being developed by Health in Hackney of testing draft recommendations for benefit and impact, and narrowing down recommendations to those with the greatest potential for impact on the most critical or catalytic issues. We would expect more focused recommendations also to generate more productive debate between scrutiny and the Executive about review findings in terms of key choices faced by services.
  - Scrutiny reports should only be referred to full Council meetings in certain situations (see above). To compliment this, we also recommend that some scrutiny reviews should be discussed in full Council at the beginning of evidence gathering in order to identify issues of importance to Members, and also to raise awareness of the review and its lines of inquiry.

4.25 The impact of the scrutiny function and the costs it incurs are determined as much by how it operates as the structures that are used. We are convinced that the scrutiny function in Hackney could achieve better value for money than at present and recommend that:

- Each commission should normally carry out one substantive review each year. A second review should only be carried out when there is a pressing reason for doing so. This recommendation is based on evidence from Hackney itself, and also has regard to the broader trend nationally of Councils conducting fewer, more in-depth scrutiny reviews.
- Commissions should review the implementation of previous scrutiny reports only once per year (rather than having two or three updates on implementation of the same review at successive Commission meetings).
- The size of the Children and Young People's Scrutiny Commission should be reviewed to bring it more into line with the other commissions (while meeting any statutory requirements)
- Asking whether other Members that are interested in an issue whether they wish to join a Scrutiny Commission for the review.

#### Cabinet

4.26 We do not believe that there is single "right" answer in terms of the balance in Cabinet between full and part-time posts. It is also important to note that the challenges and opportunities facing Hackney as a Council and a place are changing, with implications for the nature of the political leadership required and therefore the composition of the Cabinet. The political imperative that the posts should normally be full-time no longer holds.

4.27 We recommend that the Mayor should use his full discretion to match portfolios with potential cabinet members in the light of their personal circumstances and that the Independent Remuneration Panel should ensure that the members allowances scheme enables, rather than constrains that flexibility. For cabinet posts this could combine a combination of whether the post is full time or not with the complexity and profile of the brief.

4.28 We also recommend that the cabinet procurement committee should be retained, and that it should continue to streamline its procedures.

## Conclusions and reflections

- 5.1 We are confident that the recommendations of this review have the potential to both secure a modest reduction in the cost of the governance arrangements and to provide more coherent and fulfilling roles for all Council lorst. The table below summarises the impact of the recommendations on formal meetings and roles.

Current Arrangements	Proposed Arrangements
Council meets 8 times a year	Council meets 5 times a year
Overview and Scrutiny Board meets up to 9 times a year	A conference of scrutiny commission chairs and vice chairs meets twice a year
A licensing committee and a regulatory committee	A licensing and planning committee and a corporate committee (plus an annual meeting of a statutory licensing committee)
A planning sub-committee	A planning sub-committee
5 licensing sub-committees	5 licensing sub-committees
An audit sub-committee	Audit forms part of the remit of the corporate committee
A pensions sub-committee	A pensions committee
A standards committee meeting 4 times a year	Standards committee has two planned meetings a year.

- 5.2 As was noted above, however, the link between organisational structure and culture is an important one, and the same applies to the implementation of the recommendations of a review such as this. In many ways the 1980s hit got it right: "It's not what you do, it's the way that you do it."
- 5.3 This applies in particular to the ways in which the two new committees work. A key factor in recommending the establishment of the regulatory committee is the potential benefits for Hackney as a place if a rounded approach is taken to the Council's regulatory services and the relationship with business. That will only be achieved if the papers to committee, the shape of the agendas and the way the committee is chaired and supported reflects that objective.
- 5.4 Similarly the thinking behind the corporate committee is that bringing together non-executive governance issues in a single place would deliver benefits to the Council through both reducing the cost of governance, creating a cadre of members with expertise in this area and freeing Council meetings up to take the most important formal decisions and provide a vehicle for community engagement (through deputations) and informing policy (through focused debates).
- 5.5 These objectives and the goal of more impactful scrutiny will only be achieved if members are supported in delivering them through appropriate training and support - particularly, but not exclusively for committee and scrutiny chairs and vice-chairs.
- 5.6 Some of our recommendations are intended to satisfy the appetite we have detected for more discussion and debate at the start of policy-making and scrutiny processes. We recognise that the nature of debate within a Council's structures are influenced by its political balance. We are also alert to danger of diluting the focus the Council has achieved over the last decade. The changes we



have suggested in this respect are intended to help the Council prepare for a new set of challenges and opportunities.

- 5.7 We are aware that there are concerns that the current allocation of members allowances do not reflect the nature of the current roles filled by committee and scrutiny chairs. We welcome the IRP's identification of criteria<sup>1</sup> to be used in determining the allowance band for chairs and believe that they can be applied to our proposed structure.
- 5.8 Finally, we understand that, if accepted, our recommendations would be implemented following the local elections in 2014. That makes sense in terms of the electoral cycle and the time needed to implement some of the changes we are recommending. There may be merit in some of the recommendations being implemented in the coming municipal year – including, for example, a number of recommendations relating to the way in which scrutiny is carried out and the number and management of Council meetings.

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<sup>1</sup> The criteria are:

- The public facing nature of the work
- The complexity or difficulty of the work
- The time commitment involved; and
- The effect on policy and the community

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<b>Regulatory Committee</b>	<p>Regulatory Committee is responsible for the functions set out below.</p> <ol style="list-style-type: none"> <li>1) The discharge of any non-executive functions assigned to it in the table of responsibility for local choice functions and responsibility for Council functions in part 3 of the Constitution.</li> <li>2) The appointment of a Planning Sub-Committee, including approval of the terms of reference, procedures and protocols governing the consideration of planning applications.</li> <li>3) All arrangements relating to Member training in codes of practice, procedures and protocols in respect of Planning Sub-committee.</li> <li>4) Appointment of a Pensions Sub-Committee including approval of its terms of reference.</li> <li>5) Appointment of such other Sub-Committees or other bodies, including their terms of reference, as the Committee deems from time to time appropriate.</li> <li>6) The consideration of matters in relation to Part 1 Health and Safety at Work Act 1974, to the extent that those functions are discharged otherwise than in the Authority's capacity as an employer.</li> <li>7) To receive performance monitoring information on matters within the remit of the Planning Sub-Committee and Pensions Sub-Committee. To monitor appeals made in respect of decisions of the Planning Sub-Committee.</li> <li>8) Consideration and the submission of recommendations to other bodies of the Council on policy development and</li> </ol>
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responses to Government consultations within the remit of the Committee or its Sub-Committees.

- 9) To develop, review, monitor and maintain a strategic overview of the Council's regulatory function.
- 10) To maintain a strategic overview of Human Resources matters, including adopting any proposed changes to current policies which may affect the terms and conditions of staff employed by the Council.

<b>Corporate Committee</b>	The Corporate Committee is responsible for the functions set out below:
	<p><b>Regulatory Framework</b></p> <ol style="list-style-type: none"> <li>1. To discharge all non executive functions not allocated to the Council or another Committee.</li> <li>2. To appoint a Planning Sub-Committee and approve its terms of reference, procedures and protocols including the adoption of a Planning Code of Practice.</li> <li>3. To appoint any Sub-Committees within its remit deemed necessary to perform its functions and approve their terms of reference, procedures and protocols.</li> <li>4. To develop, review, monitor and maintain a strategic overview of the Council's regulatory function.</li> <li>5. To consider the functions relating to health and safety under any relevant statutory provision within the meaning of Part 1 Health and Safety at Work Act 1974, to the extent that those functions are discharged otherwise than in the Council's capacity as an employer.</li> <li>6. To consider Polling District and Place Reviews undertaken in accordance with the Representation of People act 1983.</li> <li>7. To consider recommendations to other bodies of the Council on policy development and responses to Government consultations within the remit of the Committee or its Sub-Committees.</li> </ol>

8. To approve any Member training deemed necessary for the Committee or its Sub-Committees.

#### **Human Resources**

9. To maintain a strategic overview of Human Resources matters, including adopting any proposed changes to current policies which may affect the terms and conditions of staff employed by the Council.

#### **Accounts**

10. To adopt the annual statement of accounts – specifically, to consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

#### **Treasury Management**

11. To maintain an overview on the Council's Treasury Management Strategy.
12. To consider regular reports on the Council's investment and debt management arrangements.

#### **Risk Management**

13. To consider the Risk Management Annual Report and Risk Strategy and Policy Statement and relevant reports that support risk control by Cabinet.

#### **Audit, Anti-Fraud and Corruption**

14. To consider and make recommendations to Cabinet on the Annual Internal Audit Report and opinion, a summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements.

15. To maintain a strategic and independent overview of matters relating to corporate governance of the Council including audit, assurance and reporting arrangements and to consider reports dealing with the management and performance of the providers of internal audit services including progress reports, the Charter, Strategy and Annual Plan and to oversee the production of the Authority's Annual Governance Statement and to recommend its adoption.
16. To consider specific reports as agreed with the external auditors.
17. To monitor Council policies on 'Raising Concerns at Work', as outlined in the public Interest Disclosure Act, consider the Council's anti fraud and anti-corruption strategy and reports of the effectiveness of counter fraud measures across the Council.
18. To consider the use of Regulation of Investigatory Powers Act (RIPA) powers across the Council and review the Council's corporate policy and guidance.
19. The Assistant Director Audit and Anti-Fraud should be able to have access to the committee and Chair as required and the committee should have the right to call any officers or agencies of the Council as required.

The quorum for the Corporate Committee shall be 4 elected Members.

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## Comparison of Terms of Reference of the current Corporate Committee and the former Regulatory Committee

**Note: \* Means new term of reference added. \*\* Means that term of reference has been removed from the new Committee**

CORPORATE COMMITTEE	REGULATORY COMMITTEE
<p>The Corporate Committee is responsible for the functions set out below:</p> <p><b>Regulatory Framework</b></p> <ol style="list-style-type: none"> <li>1. To discharge all non executive functions not allocated to the Council or another Committee.</li> <li>2. To appoint a Planning Sub-Committee and approve its terms of reference, procedures and protocols including the adoption of a Planning Code of Practice.</li> <li>3. To appoint any Sub-Committees within its remit deemed necessary to perform its functions and approve their terms of reference, procedures and protocols.</li> <li>4. To develop, review, monitor and maintain a strategic overview of the Council's regulatory function.</li> <li>5. To consider the functions relating to health and safety under any relevant statutory provision within the meaning of Part 1 Health and Safety at Work Act 1974, to the extent that those functions are discharged otherwise than in the Council's capacity as an employer.</li> <li>6. To consider Polling District and Place Reviews undertaken in</li> </ol>	<p>The Regulatory Committee was responsible for the functions set out below.</p> <ol style="list-style-type: none"> <li>1. The discharge of any non-executive functions assigned to it in the table of responsibility for local choice functions and responsibility for Council functions in part 3 of the Constitution.</li> <li>2. The appointment of a Planning Sub-Committee, including approval of the terms of reference, procedures and protocols governing the consideration of planning applications.</li> <li>3. All arrangements relating to Member training in codes of practice, procedures and protocols in respect of Planning Sub-committee.</li> <li>4. Appointment of a Pensions Sub-Committee including approval of its terms of reference. **</li> <li>5. Appointment of such other Sub-Committees or other bodies, including their terms of reference, as the Committee deems from time to time appropriate.</li> <li>6. The consideration of matters in relation to Part 1 Health and Safety at Work Act 1974, to the extent that those functions are discharged</li> </ol>

<p>accordance with the Representation of People act 1983. *</p> <p>7. To consider recommendations to other bodies of the Council on policy development and responses to Government consultations within the remit of the Committee or its Sub-Committees.</p> <p>8. To approve any Member training deemed necessary for the Committee or its Sub-Committees.</p> <p><b>Human Resources</b></p> <p>9. To maintain a strategic overview of Human Resources matters, including adopting any proposed changes to current policies which may affect the terms and conditions of staff employed by the Council.</p> <p><b>Accounts *</b></p> <p>10. To adopt the annual statement of accounts – specifically, to consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.</p> <p><b>Treasury Management *</b></p> <p>11. To maintain an overview on the Council's Treasury Management Strategy.</p> <p>12. To consider regular reports on the Council's investment and debt management arrangements.</p>	<p>otherwise than in the Authority's capacity as an employer.</p> <p>7. To receive performance monitoring information on matters within the remit of the Planning Sub-Committee and Pensions Sub-Committee. To monitor appeals made in respect of decisions of the Planning Sub-Committee. **</p> <p>8. Consideration and the submission of recommendations to other bodies of the Council on policy development and responses to Government consultations within the remit of the Committee or its Sub-Committees.</p> <p>9. To develop, review, monitor and maintain a strategic overview of the Council's regulatory function.</p> <p>10. To maintain a strategic overview of Human Resources matters, including adopting any proposed changes to current policies which may affect the terms and conditions of staff employed by the Council.</p>
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**Risk Management \***

13. To consider the Risk Management Annual Report and Risk Strategy and Policy Statement and relevant reports that support risk control by Cabinet.

**Audit, Anti-Fraud and Corruption \***

14. To consider and make recommendations to Cabinet on the Annual Internal Audit Report and opinion, a summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements.

15. To maintain a strategic and independent overview of matters relating to corporate governance of the Council including audit, assurance and reporting arrangements and to consider reports dealing with the management and performance of the providers of internal audit services including progress reports, the Charter, Strategy and Annual Plan and to oversee the production of the Authority's Annual Governance Statement and to recommend its adoption.

16. To consider specific reports as agreed with the external auditors.

17. To monitor Council policies on 'Raising Concerns at Work', as outlined in the public Interest Disclosure Act, consider the Council's anti fraud and anti-corruption strategy and reports of the effectiveness of counter fraud measures across the Council.

18. To consider the use of Regulation of Investigatory Powers Act (RIPA) powers across the Council and review the Council's corporate policy and guidance.

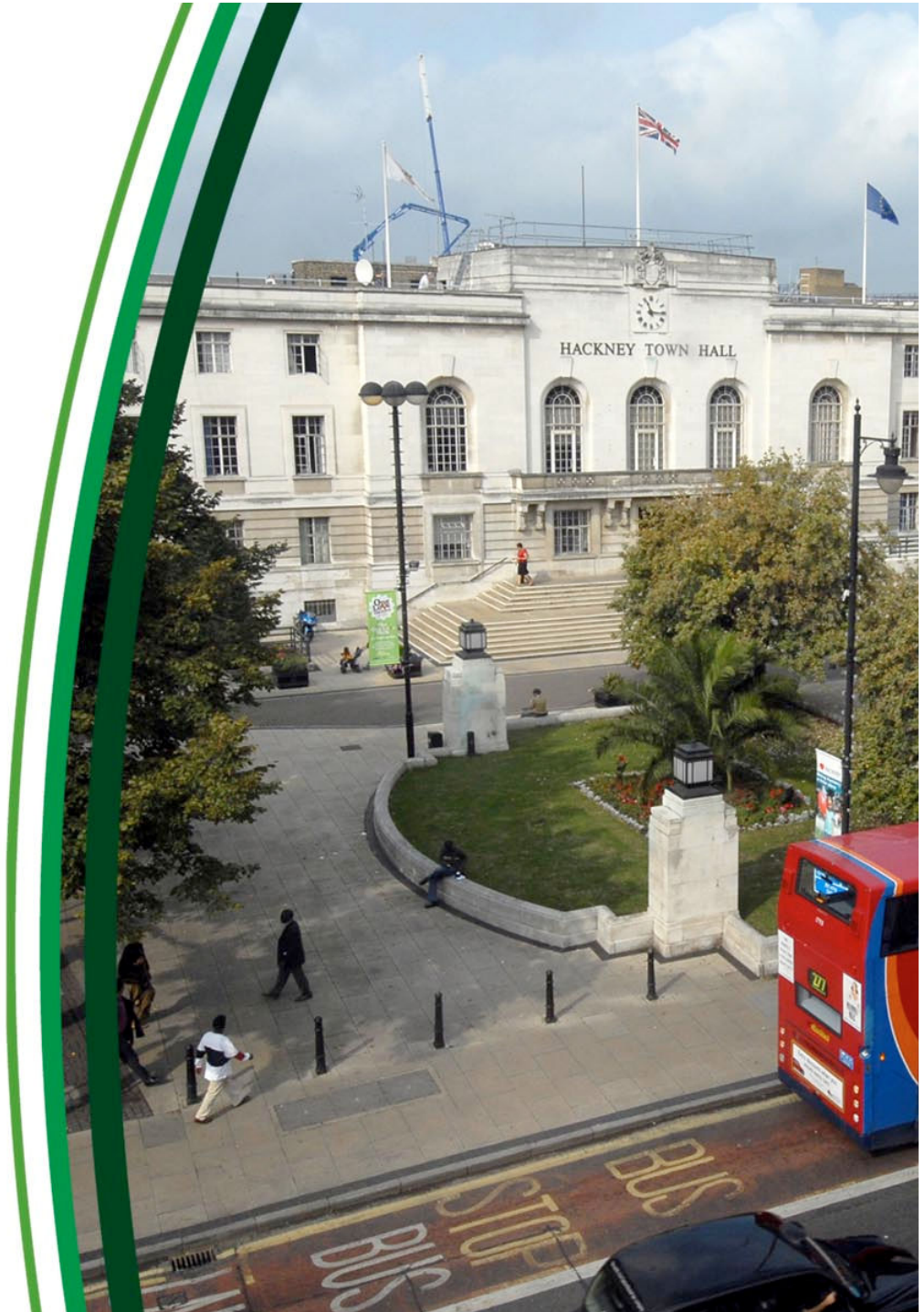
19. The Assistant Director Audit and Anti-Fraud should be able to have access to the committee and Chair as required and the committee should have the right to call any officers or agencies of the Council as required. *	
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New matters contained within the Corporate Committee terms of reference not previously directly contained within the terms of reference of the former Regulatory Committee are set out at [items 6 and 10 - 19](#)

Matters within terms of reference of the former Regulatory not directly transferred to the new Corporate Committee are set out at [items 4 and 7](#). Item 4 reason is a new Pension Committee has been established. Item 7 is because the Planning Sub-Committee looks at performance of applications to that committee and appeals.

# CORPORATE COMMITTEE ROLES AND RESPONSIBILITIES

**Gifty Edila, Corporate Director for  
Legal, HR and Regulatory Services**



# CORPORATE COMMITTEE'S AUTHORITY AND CONTRIBUTION TO THE COUNCIL'S GOVERNANCE



- Local Government Act 2000 introduced existing 'executive arrangements'
- Hackney adopted the Mayor and Cabinet executive model of governance.
- Hackney's model is therefore:

Mayor  
+  
Cabinet  
+  
Committee  
(CPC)

Full Council  
+  
Committees

+  
Scrutiny



- Secretary of State specifies functions for the executive, Council or leaves to local choice.
- Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended allocates responsibilities for the executive and Council.
- Council functions in the Constitution – page 79 to 101 covers:
  - ◆ Town and Country Planning and Development Control
  - ◆ Licensing and Registration
  - ◆ Health and Safety
  - ◆ Elections
  - ◆ Name and status of areas and individuals
  - ◆ Community governance
  - ◆ Byelaws
  - ◆ Smoke free premises



- ◆ Local or personal bills
- ◆ Pensions
- ◆ Public rights of way
- ◆ Staffing
- ◆ Arrangements for financial affairs - s151
- ◆ Approving Statement of Accounts, income and expenditure and balance sheet
- ◆ Scrutiny functions
- ◆ Adoption of specified policies such as Licensing Policy or Sustainable Community Strategy.





## CORPORATE COMMITTEE'S AUTHORITY

- Section 101 Local Government Act 1972 provides that a local authority may arrange for the discharge of any of their functions:
  - by a Committee, Sub-Committee or an officer of the authority;  
or
  - by any local authority
- Hackney's Full Council has delegated many of its functions to Corporate Committee and other Committees.
- Corporate Committee's authority therefore comes from s101 Local Government Act 1972.

# CORPORATE COMMITTEE'S TERMS OF REFERENCE AND POWERS

- Appears on page 112 to 114 of the Constitution.
  
- Covers:
  - ◆ Matters not allocated to a Committee by Full Council or reserved to Full Council
  - ◆ Planning – to appoint a sub-committee
  - ◆ Human Resources – strategic policies overview and approval
  - ◆ Health & Safety – make decisions on discharging obligations
  - ◆ Audit and Risk Management – strategic risk register overview and consideration
  - ◆ Corporate governance – maintain strategic overview
  - ◆ Statement of Accounts and Treasury Management – to adopt Statement of Accounts and have strategic overview of Treasury Management
  - ◆ Consider recommendations to other bodies of the Council on policy development – such as Cabinet, Licensing, Scrutiny
  - ◆ To *develop* and *maintain* strategic overview of Regulatory functions. Includes reviewing and monitoring.
  - ◆ Consider polling district and place reviews.

# CORPORATE COMMITTEE'S REGULATORY FUNCTIONS

Corporate Committee has responsibility for developing, reviewing, monitoring and maintaining a strategic overview of the following 'regulatory functions'

- ◆ Environmental Management – Public Realm
- ◆ Pollution Control
- ◆ Trading Standards
- ◆ Environmental Health
- ◆ Planning enforcement
- ◆ Building Control

- A comprehensive list was provided to Corporate Committee at its meeting on 17 September 2014

# CORPORATE COMMITTEE'S EXPECTED OUTPUTS AND CONTRIBUTION TO THE COUNCIL'S GOVERNANCE

- Taking on some of the work that would have gone to Full Council – so reduced the burden on Full Council.
- Having strategic overview of key service areas – critical decisions made on service delivery.
- Making critical decisions such as adoption of HR policies and adoption of Statement of Accounts – Good employer policies. Transparency in how the Council manages its budget/spend.
- Overseeing risk management and making recommendations for improvements – Assisting to effectively manage/reduce/eliminate risk.
- Having strategic overview of corporate governance which ensures effective risk management – the Council is high performer with low risk and adopts best practice.



<b>Governance and Resources Scrutiny Commission</b> 8 <sup>th</sup> December 2014 <b>Governance and Resources Scrutiny Commission</b> <b>Work Programme 2014/15</b>	Item No  <b>8</b>
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## **Outline**

Attached is the work programme for the Governance and Resources Scrutiny Commission for 2014/15. Please note this is a working document and is regularly revised and updated.

## **Action**

The Commission is asked to consider and note the report and suggest any amendments to its work programme.

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# Overview & Scrutiny

## Governance and Resources Scrutiny Commission (as at 25 July 2014)

### Rolling Work Programme July 2014 – March 2015<sup>1</sup>

All meetings take place at 7.00 pm in Hackney Town Hall unless stated otherwise on the agenda. This rolling work programme report is updated and published on the agenda for each meeting of the Commission.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
<b>Mon 14 July 2014</b>  Papers deadline: Thu 3 July	Election of Chair and Vice Chair	Chief Executive's	First meeting of newly elected Commission.
	Introduction to G&R	O&S Officer	To note.
	ICT Review	Finance and Resources (Christine Peacock)	To agree final report. Changes requested at April meeting.
	London Living Wage investigation	Chief Executive's	To note Commission's letter to Cabinet Member for Finance on outcome of this investigation
	Finance update	Finance and Resources (Ian Williams)	Briefing on the budget scrutiny process and update on General Fund savings 2011/12-2013/14.
	Work Programme Discussion		To agree a review topic and topics for one-off items for the year.

<sup>1</sup> Please note there will be no Commission meetings in April 2015 because of the General Election purdah period.

<b>Dates</b>	<b>Proposed Item</b>	<b>Directorate and officer contact</b>	<b>Comment and Action</b>
<b>Mon 8 Sept 2014</b> Papers deadline: Thu 28 August	'Public Spend' review – expert briefing	OPM - Sue Goss and Independent Consultant - John Atkinson	Briefing on 'Total Place' to begin scoping of review on 'Public Spend'
	'Public Spend' review – Methodology of Approach to Mapping Total Spend	O&S Team (Tracey Anderson)	Information on the methods of approach used to map total spend
	Impact of welfare reforms on local residents	Finance & Resources (Kay Brown and Jennifer Wynter)	Continuing regular updates on how the Council is responding to local impact of welfare reforms. Joint with CSSI members following up on their own review. <sup>2</sup> Both Commissions collaborating.
<b>Mon 13 Oct 2014</b> Papers deadline: Thu 2 Oct	'Public Spend' review – evidence gathering session	Finance and Resources	Information presented on total public spend in the Borough
	Complaints Service – annual report	Chief Execs Office (Bruce Devile)	Annual report of the Council's complaints service
	Council Governance – scrutiny inquiry	Mayor's Office (Ben Bradley)	Response to additional recommendation from April (proposal for an annual Full Council work programme planning meeting)
	'Public Spend' review – Terms of Reference '	O&S Team (Tracey Anderson)	To agree terms of reference

<sup>2</sup> G&R received update in Dec 2013. CSSI received update April 2014 and is due to receive another in March 2015.



<b>Dates</b>	<b>Proposed Item</b>	<b>Directorate and officer contact</b>	<b>Comment and Action</b>
<b>Mon 10 Nov 2014</b> Papers deadline: Thu 30 Oct	'Public spend' review – evidence gathering session	Lewisham Council	Information about the Lewisham, Lambeth and Southwark Community Budget Programme.
	Policy Update – Long Term Unemployment	Chief Executive – Corporate Policy	Information about long term unemployment in Hackney.
<b>Mon 8 Dec 2014</b> Papers deadline: Thu 27 Nov	Cabinet Question Time with Cllr Taylor (Cabinet Member for Finance) TBC	Cllr Taylor – Cabinet Member Finance	Cabinet Question Time is now carried out by individual Commissions. Cllr Taylor has lead responsibility for revenues and benefits, audit, procurement, pensions, and customer services.
	Governance Review	Legal, HR and Regulatory Services (Gifty Edila)	Discussion about the role and responsibility of Corporate Committee.
	Finance update	Finance & Resources (Ian Williams)	Update on the Autumn Statement.
<b>Mon 19 Jan 2015</b> Papers deadline: Thu 8 Jan	Finance update	Finance & Resources (Ian Williams)	Budget and Finance update
	ICT Review Executive Response	O&S Team (Tracey Anderson)	Response from Cabinet to ICT Review recommendations
	Fees and Charges	O&S Team (Tracey Anderson)	Update on implementation of recommendations
<b>Mon 9 Feb 2015</b>	Finance update	Finance & Resources (Ian Williams)	Budget and Finance update

<b>Dates</b>	<b>Proposed Item</b>	<b>Directorate and officer contact</b>	<b>Comment and Action</b>
Papers deadline: Thu 29 Jan	North London Waste Authority (NLWA)	Community Services Directorate Tom McCourt David Beadle (NLWA)	Update on the NLWA's – covering recent history, proposals and impact.
	'Whole person services' review	O&S Team (Tracey Anderson)	Draft Terms of Reference.
<b>Mon 16 Mar 2015</b>	'Whole person services' review – evidence gathering session 1	tbc	Evidence gathering session 1
Papers deadline: Thu 5 March	Council Tax Reduction Scheme	Finance & Resources	Discussion about the scheme
No mtg in April due to general election purdah	Work programme for 2015/16 discussion		Discussion on topics for work programme for 2015/16.

The following are also to be scheduled:

*Public Participation* – full review to commence June 2015

*The Future Public Servant* – full review to commence Jan 2016

*Technology and Innovation* – full review of Task & Finish

*Capital Strategy* – full review

*Fees and Charges* – revisit implementation of recs of previous review

*Council Tax Reduction Scheme* – one off item

*Big Data* – major review

*Full Council* – implementation of recs from previous review – one off