



ISLINGTON

POLICY AND PERFORMANCE SCRUTINY COMMITTEE

30 July 2020

SECOND DESPATCH

Please find enclosed the following items:

Item 7 PPS Sub-Committee - Draft Term of Reference etc.

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Enquiries to : Peter Moore
Tel : 020 7527 3252
Email : democracy@islington.gov.uk



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Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Policy and Performance Scrutiny Committee	30 July 2020	All

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Establishing a sub-committee of the Policy and Performance Scrutiny Committee to review oversight and scrutiny of Human Resources functions

1. Synopsis

- 1.1 The oversight and scrutiny of Human Resources (HR) functions is currently complex, with a number of reports being considered by more than one committee. It is proposed that a review be undertaken to simplify and bring more clarity to arrangements for the future.
- 1.2 The proposed sub-committee will review and may propose amendments to the arrangements for overview and scrutiny of HR functions, including the current roles of the Policy and Performance Scrutiny Committee, Audit Committee and Personnel Sub-Committee.
- 1.3 Following conclusion of the review, the sub-committee will submit a report to the Policy and Performance Scrutiny Committee. If the sub-committee makes recommendations which include alterations to the Terms of Reference of any committee, these will take effect following an update of the Council's Constitution at a subsequent meeting of the Council.

2. Recommendations

- 2.1 To agree establish the Policy and Performance (review of oversight and scrutiny of Human Resources functions) Sub-Committee for the period necessary to undertake the review.
- 2.2 To agree the Terms of Reference for the Policy and Performance (review of oversight and scrutiny of Human Resources functions) Sub-Committee attached as Appendix 1.

2.3 To appoint members to the Policy and Performance (review of oversight and scrutiny of Human Resources functions) Sub-Committee.

3. Background

3.1 The Policy and Performance Scrutiny Committee has two main roles:

- It is the council's statutory scrutiny committee and is therefore responsible considering matters relating to the financial position and performance of the council, holding the Executive to account, consideration of any called-in decisions and considering members call for action.
- It is also the council's scrutiny review committee in relation to the Resources Dept and therefore may review and make recommendations in relation to the services within Resources.

The Policy and Performance Scrutiny Committee therefore receives a number of reports which relate to HR functions.

3.2 In relation to HR functions, Audit Committee (the parent committee of Personnel Sub-Committee), has an overview of senior officer recruitment and the Terms of Reference of Personnel Sub-Committee include a number of HR related responsibilities, including health and safety of staff, termination payments and responsibility for the appointment of Service Directors, Corporate Directors and making recommendations to Council on the appointment of the Chief Executive.

3.3 Although there is separation in these areas of responsibility, in practice a number of reports are submitted to more than one committee and reports covering some of the responsibilities within the Personnel Sub Committee have in the past been reviewed at both the Policy and Performance Scrutiny Committee and Audit Committee.

4. Implications

4.1 Financial Implications:

It is not anticipated there will be any financial implications arising from the outcomes of the review.

4.2 Legal Implications:

If any recommendations arising from the review require amendment to the Constitution, they will not be implemented until the Constitution has been updated at a meeting of the Council.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

There are no environmental implications arising from the proposed review.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

Following an initial review, it was concluded that the proposed review will not have any direct impacts on residents.

5. Conclusion

- 5.1 It is recommended that the Policy and Performance Scrutiny Committee establish a sub-committee to review oversight and scrutiny of Human Resources functions.

Appendices

- Appendix 1 – Proposed Terms of Reference
- Appendix 2 – Existing Terms of Reference for Audit Committee, Personnel Sub-Committee and Policy and Performance Scrutiny Committee.

Background papers:

- None

Signed by:



22 July 2020

Corporate Director of Resources

Date

Report Author: Philippa Green, Head of Democratic Services and Governance
Tel: 0207 527 3184
Email: Philippa.green@islington.gov.uk

Financial Implications Author: Khogen Sutradhar
Tel: 0207 527 2499
Email: Khogen.Sutradhar@islington.gov.uk

Legal Implications Author: Peter Fehler
Tel: 0207 527 3126
Email: Peter.Fehler@islington.gov.uk

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POLICY AND PERFORMANCE (REVIEW OF OVERSIGHT AND SCRUTINY OF HUMAN RESOURCES FUNCTIONS) SUB-COMMITTEE

Purpose:

The sub-committee will review and may propose amendments to the arrangements for overview and scrutiny of Human Resources (HR) functions, including the current roles of the Policy and Performance Scrutiny Committee, Audit Committee and Personnel Sub-Committee.

It is anticipated that the sub-committee will:

- 1) Examine the remit of the Policy and Performance Scrutiny Committee, Audit Committee and Personnel Sub-Committee in relation to *oversight and scrutiny* of the following HR functions:
 - reporting of HR related issues, such as use of agency and interim staff, sickness absence, staff performance management and the Annual Gender Pay gap report
 - recruitment and retention
 - diversity in the workforce
- 2) Make recommendations to the Policy and Performance Scrutiny Committee to reduce overlap in the committee's roles and ensure future arrangements are clear and underpinned by the committees' Terms of Reference.
- 3) It is not anticipated that the sub-committee will review the arrangements for the permanent recruitment of senior staff, which fall within the Terms of Reference of Personnel Sub-Committee

The sub-committee will meet as necessary over the period of the review and produce a formal report making recommendations for agreement by the Policy and Performance Scrutiny Committee.

If the committee's recommendations are approved by the Policy and Performance Committee, the Policy and Performance Committee will submit the recommendations to the Executive for consideration, in line with the Council's scrutiny procedures.

The implementation of any proposed changes to the committees' Terms of Reference will be subject to agreement by Council.

Composition

The sub-committee will comprise of the Scrutiny Committee Chairs, the Chair of Audit Committee and the Chair of Personnel Sub-Committee.

Appendix 1

Quorum

Quorum shall be five members.

Terms of Reference

1. To review the arrangements for overview and scrutiny of HR functions on behalf of the Council.
2. To receive and consider reports and witness evidence, as appropriate.
3. To make recommendations to the Policy and Performance Scrutiny Committee to increase the efficiency and transparency of oversight and scrutiny of HR functions.

AUDIT COMMITTEE

Composition

The membership of the committee shall not include any members of the Executive.

The membership of the Audit Committee (Advisory) shall include two independent members.

Quorum

The quorum shall be three members not including Independent members

Terms of Reference

Audit Committee (Advisory) Functions

To consider the following matters and to make recommendations concerning them to the relevant Council bodies or to officers:

1. The Head of Internal Audit's annual report and opinion and the level of assurance internal audit activity can give over the Council's corporate governance arrangements;
2. The external auditor's annual letter, relevant reports and the report to those charged with governance on issues arising from the audit of the accounts;
3. Reports dealing with the management, performance and value for money of the providers of internal and external audit services;
4. A report from internal audit on agreed recommendations not implemented within a reasonable timescale;
5. The appointment of the Council's external auditor;
6. Work to be commissioned from internal and external audit;
7. Specific internal and external audit reports as requested;
8. The contract procedure rules and financial regulations in the Council's constitution and the Council's compliance with its own and other published standards and controls;
9. Any issue referred to it by the Council, Executive, Policy and Performance Scrutiny Committee or the Chief Executive;

Appendix 2 – Current Terms of Reference for Audit Committee, Personnel Sub-Committee and Policy and Performance Scrutiny Committee

10. The Council's arrangements for corporate governance and risk management and recommend necessary actions to ensure compliance with best practice;
- 11 The production and content of the authority's Annual Governance Statement;
- 12 The annual report from the Monitoring Officer concerning standards of member conduct, which shall include a summary of complaints received under the Code of Conduct Complaints Procedure and their outcome.
- 13 Any report on any matter relevant to the advisory functions of the Committee which the Committee may request from the Corporate Director of Resources or other proper officer.

Audit Committee Decision-Making Functions

Audit related matters

To review and agree the annual statement of accounts, including considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or the audit that need to be brought to the attention of the council.

1. To adopt the authority's Annual Governance Statement.
2. To agree annually the amount calculated by the Council as its tax base for the whole area of the borough, any tax base applying as special levies, and other matters associated with the tax base.

General Matters

3. To appoint a Personnel Sub-Committee, including approval of its terms of reference and membership. Members of the committee will be the Leader of the Council, the Executive Member with responsibility for Human Resources, and three ordinary member positions, one of whom will be appointed as Chair by the Audit Committee. All other Executive Members will be appointed to act as substitutes for the Committee, with the relevant Executive Member joining the Committee depending on the appointment being made. There will also be 5 ordinary member substitutes, one of whom will be the Chair of Audit Committee.
3. To appoint a Pensions Sub-Committee.
4. To appoint such other sub-committees or other bodies, including their membership and terms of reference, as the Committee deems from time to time appropriate.

Appendix 2 – Current Terms of Reference for Audit Committee, Personnel Sub-Committee and Policy and Performance Scrutiny Committee

5. To grant exemptions under section 3 of the Local Government and Housing Act 1989 from political restriction to holders of posts under the Council and to give directions as to inclusion of specified posts in the list maintained by the Council under section 2(2) of that Act.
6. To make appointments between council meetings to those outside bodies and panels appointed to by the Council under Part 3 paragraph 7.2.
7. To determine matters relating to the organisation and conduct of elections, including the following:
 - i. provision of assistance at European Parliamentary elections;
 - ii. division of the constituency into polling districts;
 - iii. division of the borough into polling districts.
8. To regulate matters affecting members, including remuneration, expenditure and training and to promote high standards of conduct amongst members.
9. To recommend to Council the introduction, amendment or revocation of byelaws.
10. To take decisions on any matter within the terms of reference of any of its sub-committees where the proper officer considers that it is necessary and reasonable to do so.
11. All other non-Executive matters specified under the relevant legislation save for those which are delegated to officers (unless the relevant Corporate Director refers the matter to the committee) or are reserved to the Council under paragraph 1 of Part 3 of this Constitution or to the Licensing Committee or Licensing Regulatory Committee and Planning committees.

PERSONNEL SUB-COMMITTEE

Composition

The Audit Committee will appoint members and substitutes to the Personnel Sub-Committee and appoint the Chair. Members of the committee will be the Leader of the Council, the Executive Member with responsibility for Human Resources, and three ordinary member positions. One of the ordinary committee members will be the appointed Chair. All other Executive Members will be appointed to act as substitutes for the Committee, with the relevant Executive Member joining the Committee depending on the appointment being made. There will also be 5 ordinary member substitutes, one of whom will be the Chair of Audit Committee.

If a member of the committee cannot attend a meeting, they will arrange for a substitute to attend. Substitutes should be selected bearing in mind that the committee should be broadly representative of the Council.

When an appointment is to a post employed jointly by the Council and another organisation, such as the National Health Service, membership of the committee may be increased to include a relevant representative of that organisation as a co-opted non-voting member subject to the agreement of the Personnel Sub-Committee Chair.

Quorum

The quorum shall be three members.

Terms of Reference

1. Responsibility for and monitoring of, the Council's health and safety policies as employer, including reports on health and safety within Council departments.
2. To approve the early retirement of the Chief Executive and to agree the award of any discretionary payments in connection with such retirement or redundancy.
3. To approve any payment to an officer on termination of employment in respect of redundancy entitlement, any payment under the Local Government (Early Termination of Employment) Discretionary Compensation Regulations and notice pay in respect of termination in the interests of the efficient exercise of the Authority's functions, which exceeds £100,000 in total.
4. To be responsible for the recruitment and appointment of Corporate Directors and Service Directors in accordance with Part 4, Rule 101.

Appendix 2 – Current Terms of Reference for Audit Committee, Personnel Sub-Committee and Policy and Performance Scrutiny Committee

5. To agree the starting salary for any post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100k
6. To hear representations in respect of the termination of a Corporate Director's employment in accordance with the JNC terms and conditions of employment.
7. To appoint an independent person (within the meaning of the Local Authorities (Standing Orders) (England) Regulations 2001) to carry out the functions in Regulation 7 of those regulations.
8. To take decisions on disciplinary matters relating to the Chief Executive including termination of the Chief Executive's contract of employment following consideration of a report prepared by a designated person.
9. To receive submissions from trades unions' representatives on agenda items concerning staff terms and conditions.
10. To make recommendations to Council on the appointment of the Chief Executive.
11. To make recommendations to Council on the appointment of independent persons to serve on the Standards Committee and Audit Committee.
12. To receive notification when any member of staff performing a role appointed by Personnel Sub Committee leaves their position or gives notice that they are leaving and to agree a timeline for recruitment, if applicable.

SCRUTINY COMMITTEES

1. Overview and scrutiny functions are:
 - Reviewing or scrutinising decision or actions taken in connection with the discharge of executive functions
 - Making recommendations about executive functions
 - Reviewing or scrutinising decision or actions taken by the council in connection with the discharge of non-executive functions
 - Making recommendations about these functions
 - Making recommendations about matters which affect the authority's area or its inhabitants.
 - Carrying out the specific roles of health scrutiny and crime and disorder scrutiny.
 - To consider matters relating to the performance of the council.
2. Overview and scrutiny functions in respect of the Council's education functions are allocated to the Children's Services Scrutiny Committee the membership of which includes education representatives as set out in its terms of reference below.
3. Where one of the other Scrutiny Committees is carrying out a review or dealing with other business which will involve a consideration of the Council's education functions, the education representatives on the Children's Services Scrutiny Committee shall be entitled to join the Scrutiny Committee as voting members for the meeting concerned to participate in that review.
4. All Scrutiny Committee are responsible for considering equalities issues arising in respect of matters falling within their terms of reference.

POLICY AND PERFORMANCE SCRUTINY COMMITTEE

(This Scrutiny Committee is the Council's statutory crime and disorder scrutiny committee)

Composition

Members of the Executive may not be members of the Policy and Performance Scrutiny Committee.

The membership of the committee shall include the Chairs of the Scrutiny Committees (subject to political balance rules)

No member may be involved in scrutinising a decision in which he/she has been directly involved.

Policy and Performance Scrutiny Committee shall be entitled to appoint a number of people as non-voting co-optees

Quorum

The quorum for the Policy and Performance Scrutiny Committee shall be four members not including co-optees.

Terms of Reference

1. The co-ordination of all overview and scrutiny functions on behalf of the Council.
2. To receive reports from the Leader on the Executive's priorities for the coming year and its performance in the previous year.
3. To consider matters relating to the financial position and performance of the Council other than detailed performance matters in the remit of another scrutiny committee.
4. To consider matters relating to the performance of the Council and its partners other than detailed performance matters falling within the remit of any other Scrutiny Committee.
5. To carry out the functions of an overview and scrutiny committee in respect of matters relating to the Chief Executive's Department and the Resources Directorate.
6. To be the Council's crime and disorder committee and to review or scrutinise matters relating to the discharge of crime and disorder functions by the Council and its partners and make reports or recommendations to the Executive or other appropriate part of the council.

Appendix 2 – Current Terms of Reference for Audit Committee, Personnel Sub-Committee and Policy and Performance Scrutiny Committee

7. To receive requests from the Executive or the Leader of the Executive for scrutiny involvement in policy development and review and key decisions before they are made and decide how to respond.
8. To monitor the Executive's Forward Plan.
9. To consider all matters which have been referred to it in accordance with the provisions contained in the call in procedure contained within Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of this Constitution and to decide whether such matters should be referred to Council or to the Executive for reconsideration.
10. To consider all matters that have been referred to it in accordance with the provisions contained in the councillor call for action procedure contained within the Overview and Scrutiny Procedure Rules.
11. To set at the beginning of each municipal year a work programme for itself and the four Scrutiny Committees following consultation with the Chairs of those committees.
12. To receive the annual report of the Voluntary and Community Sector Committee.
13. To set aside one or more meeting(s) each year to receive an annual report from each of the 4 Scrutiny Committees.