



DATE: 14 March 2017 MY REF: MIS/CCouncil PLEASE ASK FOR: Mr. M. I. Seedat DIRECT DIALLING: (0116) 305 6037

E-MAIL: <u>mo.seedat@leics.gov.uk</u>

Dear Sir/Madam

I summon you to the MEETING of the LEICESTERSHIRE COUNTY COUNCIL to be held at COUNTY HALL, GLENFIELD on WEDNESDAY, 22 MARCH 2017 at 2.30 p.m. for the transaction of the business set out in the agenda below.

Yours faithfully

Chief Executive

AGENDA

- 1. Chairman's Announcements.
- 2. To confirm the minutes of the meeting of the Council held on 22 (Pages 3 16) February 2017.
- 3. To receive declarations by members of interests in respect of items on this agenda.
- 4. To answer questions asked under Standing Order 7(1)(2) and (5).
- 5. To receive position statements under Standing Order 8.

<u>To consider reports of the Cabinet, Scrutiny Commission, Scrutiny</u> Committees and other bodies:

- 6. Report of the Employment Committee.
 - (a) Pay Policy Statement.

(Pages 17 - 30)

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- 7. Report of the Corporate Governance Committee.
 - (a) Members' Planning Code of Good Practice. (Pages 31 48)
 - (b) Delegation of Leicester City Council's Internal Audit Function. (Pages 49 52)
- 8. Report of the Constitution Committee.
 - (a) Establishment of a Joint Committee for the Central Investment (Pages 53 56) Pool.
- 9. Report of the Cabinet.
 - (a) Dates of Council Meetings.

(Pages 57 - 58)

MINUTES OF THE MEETING OF THE LEICESTERSHIRE COUNTY COUNCIL HELD AT COUNTY HALL, GLENFIELD ON WEDNESDAY, 22 FEBRUARY 2017

PRESENT

Mr. W. Liquorish JP CC (in the Chair)

Mr. I. E. G. Bentley CC, Mr. D. C. Bill MBE CC, Mr. R. Blunt CC, Mr. G. A. Boulter CC,

Mr. S. L. Bray CC, Mrs. R. Camamile CC, Mr. M. H. Charlesworth CC,

Mr. J. G. Coxon CC, Mrs. J. A. Dickinson CC, Dr. T. Eynon CC,

Dr. R. K. A. Feltham CC, Mrs. J. Fox CC, Mr. S. J. Galton CC, Mr. D. A. Gamble CC,

Mr. S. J. Hampson CC, Mr. G. A. Hart CC, Dr. S. Hill CC,

Mr. Dave Houseman MBE, CC, Mr. Max Hunt CC, Mr. D. Jennings CC,

Mr. J. Kaufman CC, Mr. A. M. Kershaw CC, Ms. K. J. Knaggs CC,

Mr. P. G. Lewis CC, Mrs. H. E. Loydall CC, Mr. K. W. P. Lynch CC, Mr. J. Miah CC,

Mr. M. T. Mullaney CC, Ms. Betty Newton CC, Mr. L. J. P. O'Shea CC,

Mr. J. T. Orson JP CC, Mr. P. C. Osborne CC, Mr. I. D. Ould CC, Mrs. R. Page CC,

Mr. B. L. Pain CC, Mr. A. E. Pearson CC, Mr. T. J. Pendleton CC, Mrs. P. Posnett CC,

Mrs. C. M. Radford CC, Mr. J. B. Rhodes CC, Mr. T. J. Richardson CC,

Mrs. J. Richards CC, Mr. N. J. Rushton CC, Mr. R. Sharp CC, Mr. S. D. Sheahan CC,

Mr. R. J. Shepherd CC, Mr. E. D. Snartt CC, Mr. L. Spence CC,

Mr. D. A. Sprason CC, Mr. G. Welsh CC, Mr. E. F. White CC, Miss. H. Worman CC,

Mr. M. B. Wyatt CC and Mr. L. E. Yates CC

43. CHAIRMAN'S ANNOUNCEMENTS.

Mrs Dorothy Pickering

The Chairman was delighted to announce that Mrs Dorothy Pickering, Head Dinner Lady at Mercenfield Primary School had been awarded a British Empire Medal (BEM) as part of the New Year Honours List.

Members joined the Chairman in offering congratulations to Mrs Pickering for this well-deserved national recognition of her work in the community of Markfield.

Visitors

The Chairman welcomed to the meeting all visitors and guests of members and anyone who was viewing the meeting via the webcast.

44. MINUTES.

It was moved by the Chairman, seconded by Mrs Richards, and carried:-

"That the minutes of the meeting of the Council held on 7th December 2016, revised copies of which have been circulated to members, be taken as read, confirmed and signed."

45. DECLARATIONS OF INTEREST.

The Chairman invited members who wished to do so to make declarations of interest in respect of items on the agenda for the meeting.

All members who were members of District and Borough Councils and/or School Governors declared a personal interest in relation to the Medium Term Financial Strategy 2017/18 – 2020/21.

Dr Eynon declared a person interest in those parts of the MTFS which affected the NHS as she was a salaried GP (minute 47 refers).

There were no other declarations.

46. QUESTIONS ASKED UNDER STANDING ORDER 7(1)(2) AND (5).

- (A) Dr Eynon asked the following question of the Leader or his nominee:-
- "1. How much did the failure of the TLC Help to Live at Home contract cost this Council in staff overtime and time off in lieu?
- 2. What lessons has this Authority learned from this experience regarding its contracting and commissioning processes?"

Mr Houseman replied as follows:-

- "1. The Council will be calculating the cost to it in officer time in managing the failure of TLC to deliver care. As the Council is currently in legal dispute with TLC, information about such costs is considered commercially sensitive and cannot therefore be disclosed at this time.
- 2. Similarly, the Council will conduct a "lessons learned" exercise following resolution of the current ongoing dispute with TLC."

Dr Eynon asked the following supplementary question:-

"I understand the issues in the answer but I'm aware learning lessons from significant events ideally take place whilst matters are still fresh in people's minds and I would like the Lead Member to assure this Council that timely review exercises are in fact taking place and that the learning from these will be available for Scrutiny and dissemination as soon as the legal dispute referred to is resolved."

Mr Houseman replied as follows:-

"Thank you very much for the question Dr Eynon. I agree with the points you are making. Of course the matter hasn't been resolved yet that we were referring to in the reply but we did hold a Help to Live at Home Learning and Recognition event at Beaumanor Hall on the 20th January 2017. I took the opportunity to thank the staff for the work that they had done before, during and after Christmas because of the problems with Help to Live at Home, which are in some cases still ongoing, and there will be a report from that

event as to what the staff themselves thought. I found it very useful, I got a far better understanding of the problems from their view point and we would be very pleased to share that information with you in due course."

Dr Eynon asked the following question of the Leader or his nominee:-

"As this Council implements it Workplace Wellbeing strategy with the aim to reducing absenteeism, how much investment has gone into procuring external sickness-absence management solutions for the next financial year?"

Mr Rhodes replied as follows:-

"As reported to Employment Committee, the Council is contracting with an external company who will from April 2017 provide an absence triage service.

The pilot is based on just over 1430 people, and a monthly charge per person of £3.10, the contract value is approximately £53,000.

Based on experience, the company is confident that sickness levels in the pilot areas will reduce, and the predicted savings for year 2 are in excess of the cost".

Dr Eynon asked the following supplementary question:-

"I would like to ask how will the effectiveness of this investment be evaluated beyond that mentioned. Will this include measures of staff morale, productivity and turnover?"

Mr Rhodes replied as follows:-

"I think I've got to look into that in a little bit more detail. We've made the contract with this company and they will find what they find and we will look into everything that we need to in order to bring about a situation where we start to reduce the level of absenteeism."

(C) Mr Hunt asked the following question of the Leader or his nominee:-

"Would the Leader tell Council:

- 1. For each financial year since 2011/12:-
 - (a) What funds have been applied to meet demands for road safety projects (e.g. to address speeding, increase safety for pedestrians and cyclists, or reduce risk of collisions) on the county's road network, excluding safety provisions within capital road projects?
 - (b) How many dedicated road safety projects were these funds applied to?
 - (c) How many road safety project assessments were made and

how many resulted in action being taken?

2. When did the Road Safety Partnership become active in determining which projects went forward and which did not?"

Mr Osborne replied as follows:-

"1(a) The majority of physical road safety engineering schemes are funded as capital road projects within the Council's capital programme. The investment in these schemes totals in excess of £20 million over the past 5 years. In addition, the Council has been successful in securing in excess of £5m Local Sustainable Transport Fund which also encourages safe walking and cycling throughout Leicestershire.

Revenue funding for road safety projects is limited to minor traffic engineering schemes (such as changes to speed limits, signing or lining schemes), road safety education, community speed watch and school crossing patrols.

£4,465,046 has been spent on revenue funded road safety activity between 2011/12 and 2015/16 as detailed below:

| | 004:::- | 004644 | | 004 *** = | 004544 |
|--|---------|---------|---------|-----------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Road Safety Education, covering more than 20 projects each year including Bikeability cyclist training, pedestrian training, pre-driver days, motorcyclist safety and the older driver programme SAGE. | 175,000 | 148,000 | 176,000 | 158,000 | 136,000 |
| Community Speed Watch, typically 30 schemes run each year helping communities to tackle speeding concerns. | 47,319 | 52,894 | 53,906 | 52,000 | 38,000 |
| School Crossing Patrol Service, over 100 sites helping thousands of children and parents on the school journey each day. | 351,000 | 345,000 | 370,000 | 355,000 | 311,000 |

| Minor Traffic Management Programme - Traffic management budget. Average 25 schemes per year | 259,000 | 335,000 | 500,927 | 336,000 | 265,000 |
|---|---------|---------|-----------|---------|---------|
| Total | 832,319 | 880,894 | 1,100,833 | 901,000 | 750,000 |

1(b) On average these funds were applied on the following per year:

• Road Safety projects: 25 per annum

• Road safety Education projects: 20 per annum

Community Speed Watch: 30 per annum

School Crossing patrols: Over 100 sites

1(c) During the period 2011/12 to 2015/16, 176 road safety investigations were undertaken resulting in a total of 52 projects being taken forward into capital programmes.

| Year | Road safety assessments | Schemes that have resulted from those investigations |
|---------|-------------------------|--|
| 2011/12 | 47 | 14 |
| 2012/13 | 34 | 12 |
| 2013/14 | 35 | 13 |
| 2014/15 | 37 | 8 |
| 2015/16 | 23 | 5 |
| Total | 176 | 52 |

- 2. The Leicester, Leicestershire and Rutland Road Safety Partnership is not active in determining which projects are taken forward by the County Council. The Partnership operates and maintains Safety Cameras throughout Leicester, Leicestershire and Rutland area and reinvests any surpluses from the associated driver education workshops in road safety activity across the LLR partnership area."
- (D) Mr Galton asked the following question of the Leader or his nominee:-

"The Leader will no doubt be aware of the recent appalling case of a horse being dumped on the roadside near Skeffington and left to die in freezing

conditions. Sadly this is not the first time a horse has been dumped either dead or alive in my Division and other members may be aware of similar callous acts in their areas.

Could the Leader please clarify:

- The County Council's responsibilities with regard to dead or abandoned horses found on:
 - the public highway?
 - private land?
- Could the Leader also advise on the duties and responsibilities of other agencies such as district councils, Defra etc. in relation to dealing with such incidents?"

Mr Osborne replied as follows:-

"1. The County Council has powers under the Control of Horses Act 2015 to seize and remove horses on the public highway. We would usually try to identify the owner and encourage them to remove the animal in the first instance as using our formal powers is likely to lead to the seizure and disposal of the animal and the recovery of all costs from the individual.

In terms of dead horses or other animals on the highway, the County Council's responsibility is to ensure that the location is made safe whilst the removal of the animal is arranged by the relevant District Council under their statutory duties.

On private land the Animal By-Products (Enforcement) (England) Regulations 2013 regulate the disposal of animal by-products. A person who fails to dispose of a dead horse without undue delay and by an approved method commits an offence.

The County Council's Trading Standards Service is the appropriate enforcement authority. However, an investigation often fails to identify the perpetrator and the landowner, in some cases the local authority, will inevitably incur the cost of an appropriate disposal.

2. The Horse Passport Regulations 2009 require a foal to be microchipped before it is six months old. This is done through a passport issuing organisation (PIO). There are around 80 PIOs, but no central register, making it extremely difficult for an enforcement agency to identify current registered owner details. The accuracy of the system relies on details being kept up to date as a horse changes ownership. The County Council does not bear a statutory responsibility to carry out spot checks to ensure horses are microchipped. It is often the case that a dead horse found in these circumstances will have no identifying microchip. Whilst these regulations fall within the trading standards remit, new EU regulations aimed at revising horse identification controls were introduced

recently, rendering the existing regulations unenforceable. Parliament has yet to introduce domestic legislation to implement the new EU regulations.

The County Council's Trading Standards Service Animal Health Team investigate and when appropriate, institute proceedings for breaches of animal welfare legislation, but this enforcement role is primarily concerned with farmed animals within the food chain. However, when officers are made aware of non-farm welfare issues, matters will be referred to Leicestershire Police, RSPCA, and World Horse Welfare as appropriate."

(E) Mr Sheahan asked the following question of the Leader or his nominee:-

"Is the Leader aware of the frustration and annoyance felt by local residents in my division and in many other divisions at the inadequate enforcement of weight restrictions on local roads, due to a lack of police resources?

Is he also aware of the LGA call for councils to be given the ability to enforce weight restrictions where there are hotspots of abuse in communities by issuing fines, and will he commit the County Council to back this call and urge the Government to enact the necessary secondary legislation to bring the relevant powers contained in the Traffic Management Act 2004 (part 6) into force in England?"

Mr Osborne replied as follows:-

"I am aware of the concerns regarding enforcement of weight restrictions in many other divisions across the County. I share the frustration that as a Council whilst we may be able to make many restrictions to benefit our residents we are unable to enforce them.

I am aware and fully support the LGA's call for the Government to enact fully the powers contained in the Traffic Management Act 2004 (part 6) so that Councils have the necessary powers to take enforcement action where necessary.

I also fully endorse the LGA in its drive to ensure lorry drivers use commercial Sat Navs. Commercial Sat Navs include weight restrictions, low bridge heights, width restrictions and roads unsuitable for HGV traffic and will route the HGV traffic on the most appropriate road. This would help alleviate the level of infringement of restrictions on the road network currently being experienced not only in Leicestershire but across the country."

(F) Mr Sheahan asked the following question of the Leader or his nominee:-

"From April 2017, employers with a payroll in excess of £3million will be affected by the national Apprenticeship Levy which will amount to 0.5% of the total payroll.

(a) Is the Leader aware that for Community and Voluntary Controlled

Schools, where the County Council is the employer, the payroll costs are aggregated and therefore these schools will be affected, whereas Voluntary Aided Schools, Stand Alone Academies and smaller Multi Academy Trusts (MATs) would be exempt as their payroll is likely to be below the £3m threshold and that this will result in them being treated differently compared to other schools?

(b) Could the Leader please advise me as to what measures the County Council could take to ensure that our Community and Voluntary Controlled Schools are not unfairly disadvantaged?"

Mr Rhodes replied as follows:-

"I am aware of the forthcoming Apprenticeship Levy. Officers have been working on what it means for the Council and for schools, and looking at opportunities to increase the number of Apprenticeships across a range of vocations and professional areas.

(a) In summary, the position related to schools and academies, who have received a briefing note on the arrangements, is as follows:

Community schools (including voluntary controlled schools) - local authorities will typically be responsible for paying the levy in community schools they maintain, where the local authority employs the staff. We expect the cost of the levy to be passed on to schools. Where the local authority is the employer, schools will have access to funding for apprenticeship training.

Foundation and voluntary aided schools - typically employ their own staff so they will be responsible for paying the levy.

Standalone academies - The Trusts of standalone academies will typically be responsible for paying the levy where they are the employer. Academies that are part of multi-academy trusts - generally employ the staff in their academies, and will be responsible for paying the levy.

In relation to small employers, including small academies and multi academy trusts, the government will pay 90% of the cost of apprenticeship training and assessment for employers that have a pay bill of less than £3m and who have used all the funds in their digital account. The employer will be required to pay the remaining 10%.

(b) To ensure that that Community and Voluntary Aided schools are not disadvantaged following the implementation of the Levy and their financial contribution to it, they will be able to access funding from the levy where they identify feasible apprenticeship opportunities.

The County Council is currently a provider of apprenticeships to some of our Community and Voluntary Aided schools with the cost incurred, coming from the school's budget. Following the levy, the funding will come from the County Council's Levy account.

Officers will be running briefings for maintained schools in March to identify where apprenticeships can add value to them and to discuss the increased vocational range of apprenticeships which will be available to them. These include new apprenticeships for both teaching assistants and teachers.

The Government wants local authorities and schools to work together, using the levy to meet skills gaps and plan future workforce needs, this is an approach that the Council is committed to, following the implementation of the levy."

(G) Mr Charlesworth asked the following question of the Leader or his nominee:-

"I have been informed a Blaby District service user who states that carers were brought in from as far as Southampton and Warwick to deal with the problems experienced at the launch of the Help to Live at Home (HTLAH) Scheme. Can the Leader:-

- Provide a full list of those providers who were commissioned by Help to Live at Home to meet the needs of service users and who experienced difficulties in delivering to the service they were contracted for?
- 2. Confirm whether it's true that carers have had to be drafted in from all over the UK to care for service users in Leicestershire as a result of this?
- 3. Reveal how much Leicestershire County Council had to pay in travel and accommodation costs for these carers?"

Mr Houseman replied as follows:-

"1. The appointed providers were identified on the map showing the lots covered by each provider, which was issued along with the HTLAH stakeholder bulletins circulated to all members during November 2016. The stakeholder bulletins and answers provided to the question raised at the last County Council meeting refer to the operational difficulties experienced during the mobilisation period. A further copy can be provided to Mr Charlesworth if required.

We are aware operational difficulties affected a number of locations during the mobilisation period, including the Blaby area. These were due to problems with recruitment in specific locations, and the impact of the contingency plan we needed to enact for the lots that were vacated by the provider, TLC. This meant all available staff resources across Leicestershire were stretched to capacity during the first few weeks of the service.

2. It is a matter for each provider as to how they resource the services they have been contracted to provide. We are aware that in the early stages of the contract, due to the reasons noted above, some providers brought staff in from other parts of their business to support the mobilisation of the new contract in Leicestershire.

3. The Council has not been asked to pay for these costs, nor would it be appropriate for providers to make this request. Again it is a matter for the providers themselves should they need to cover such costs in delivering the service."

47. TO CONSIDER A BUDGET REPORT OF THE CABINET AS FOLLOWS:-

(a) Medium Term Financial Strategy 2017/18 - 2020/21.

Mr Rhodes, with the consent of the seconder of the motion, sought and obtained the agreement of the Council to move the following altered motion:-

It was moved by Mr Rhodes and seconded by Mr Rushton:-

- "(a) That, subject to the items below, the MTFS which incorporates the recommended revenue budget for 2017/18 totalling £348m as set out in Appendices A, B and E of this report and including the growth and savings for that year as set out in Appendix C, subject to the removal of saving ET11, Public Bus Services – Revised Policy on Subsidised Transport, be approved;
- (b) That the projected provisional revenue budgets for 2018/19, 2019/20 and 2020/21, set out in Appendix B to the report, be approved including the growth and savings for those years as set out in Appendix C as amended by (a) above, allowing the undertaking of preliminary work, including business case development, consultation and equality impact assessments, as may be necessary towards achieving the savings specified for those years including savings under development, set out in Appendix D;
- (c) That it be noted that the expected savings from the outcome of the Review of Council Tax and Business Rates Collection, set out in Appendix D, will total at least £1.3m;
- (d) That further work be undertaken into the cost effectiveness of the Council's policy on Subsidised Transport;
- (e) That the early achievement of savings that are included in the MTFS, as may be necessary, along with associated investment costs, be approved subject to the Director of Finance agreeing to funding being available;
- (f) That the level of earmarked funds as set out in Appendix J be noted and the use of earmarked funds be approved;
- (g) That the amounts of the County Council's Council Tax for each band of dwelling and the precept payable by each billing authority for 2017/18 be as set out in Appendix K (including the adult social care precept of 2%);
- (h) That the Chief Executive be authorised to issue the necessary precepts to billing authorities in accordance with the budget requirement above and the tax base notified by the District Councils, and to take any other action which may be necessary to give effect to the precepts;

- (i) That the Director of Finance be authorised to approve changes to the Business Rates Pooling agreement, which might occur as a result of the creation of a Leicester and Leicestershire Combined Authority;
- (j) That the transfer of £2.85m from the Schools Block to the High Needs Block of Dedicated Schools Grant be approved;
- (k) That the 2017/18 to 2020/21 capital programme as set out in Appendix F be approved;
- (I) That the Director of Finance following consultation with the Lead Member for Corporate Resources be authorised to approve new capital schemes including revenue costs associated with their delivery;
- (m) That it be noted that new capital schemes, referred to in (I), are shown as future developments in the capital programme, to be funded from capital funding available;
- (n) That the financial indicators required under the Prudential Code included in Appendix L, Annex 2 be noted and that the following limits be approved:

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|------------------------------------|---------|---------|---------|---------|
| | £m | £m | £m | £m |
| Operational boundary for | | | | |
| external debt | | | | |
| i) Borrowing | 274.6 | 264.6 | 264.1 | 263.6 |
| ii) Other long term liabilities | 1.3 | 1.3 | 1.2 | 1.2 |
| TOTAL | 275.9 | 265.9 | 265.3 | 264.8 |
| Authorised limit for external debt | | | | |
| i) Borrowing | 284.6 | 274.6 | 274.1 | 273.6 |
| ii) Other long term liabilities | 1.3 | 1.3 | 1.2 | 1.2 |
| TOTAL | 285.9 | 275.9 | 275.3 | 274.8 |

- (o) That the Director of Finance be authorised to effect movement within the authorised limit for external debt between borrowing and other long term liabilities;
- (p) That the following borrowing limits be approved for the period 2017/18 to 2020/21:
 - (i) Upper limit on fixed interest exposures 100%
 - (ii) Upper limit on variable rate exposures 50%
 - (iii) Maturity of borrowing:-

| | <u>Upper Limit</u> | Lower Limit |
|--------------------------------|--------------------|-------------|
| | <u>%</u> | <u>%</u> |
| Under 12 months | 30 | 0 |
| 12 months and within 24 months | 30 | 0 |
| 24 months and within 5 years | 50 | 0 |
| 5 years and within 10 years | 70 | 0 |
| 10 years and above | 100 | 25 |

- (q) That the Director of Finance be authorised to enter into such loans or undertake such arrangements as necessary to finance capital payments in 2017/18, subject to the prudential limits in Appendix L;
- (r) That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2017/18, as set out in Appendix L, be approved including:
 - (i) The Treasury Management Policy Statement, Appendix L; Annex 4
 - (ii) The Annual Statement of the Annual Minimum Revenue Provision as set out in Appendix L, Annex 1;
- (s) That the Risk Management Policy and Strategy (Appendix H) be approved;
- (t) That the Capital Strategy (Appendix G) and Earmarked Funds Policy (Appendix I) to the report be approved.
- (u) That the Director of Finance, following consultation with the Leader and Deputy Leader, be authorised to update the budget proposals to take into account new information in the Final Local Government Financial Settlement on the basis that such changes will be reported to the Cabinet and Scrutiny Commission."

The Chairman indicated that a named vote would be recorded, as required by Government Regulations.

The vote was recorded as follows:-

For the motion

Mr Bentley, Mr Blunt, Mrs Camamile, Mr Coxon, Mrs Dickinson, Dr Feltham, Mr Hampson, Mr Hart, Mr Houseman, Mr Jennings, Mr Kershaw, Mr Lewis, Mr Liquorish, Mr Orson, Mr Osborne, Mr O'Shea, Mr Ould, Mrs Page, Mr Pain, Mr Pearson, Mr Pendleton, Mrs Posnett, Mrs Radford, Mr Rhodes, Mrs Richards, Mr Richardson, Mr Rushton, Mr Shepherd, Mr Snartt, Mr Spence, Mr White.

Against the motion

Mr Bill, Mr Boulter, Mr Bray, Mr Charlesworth, Dr Eynon, Mrs Fox, Mr Galton, Mr Gamble, Dr Hill, Mr Hunt, Mr Kaufman, Ms Knaggs, Mrs Loydall, Mr Lynch, Mr Miah, Mr Mullaney, Ms Newton, Mr Sharp, Mr Sheahan, Mr Sprason, Mr Welsh, Miss Worman, Mr Wyatt, Mr Yates.

The motion was put and carried, 31 members voting for the motion and 24 against.

2.30 pm - 4.13 pm 22 February 2017

CHAIRMAN



REPORT OF THE EMPLOYMENT COMMITTEE

A. PAY POLICY STATEMENT 2017/18

Introduction

1. This report concerns the Council's proposed Pay Policy Statement 2017/18.

Background

- 2. Section 38 of the Localism Act 2011 requires local authorities in England and Wales to produce a Pay Policy Statement for each financial year, which must be approved by full Council.
- 3. This statement must set out the Council's policies in relation to:
 - a) The remuneration of its Chief Officers;
 - b) The remuneration of its lowest-paid employees; and
 - c) The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 4. For the purposes of this statement, remuneration includes basic salary, bonuses and other allowances or entitlements related to employment.
- 5. The Council is required to publish the Pay Policy Statement for 2017/18 on or before 1st April 2017.

Key Points

- 6. The proposed Pay Policy Statement which is attached as Appendix A to this report sets out:
 - a) The Council's approach to job evaluation and grading of posts;
 - b) Additional payments that employees are eligible to receive, such as night enhancement, overtime, etc.;
 - c) The Council's pay multiple (the ratio between the highest paid employee and the median average salary of the Council's workforce (excluding schools but including ESPO), is 7.93;
 - d) That there is no distinction between chief officers and other employees in relation to pension entitlements and severance payments.

Consideration by Employment Committee

7. The Policy was considered at the meeting of the Employment Committee on 2nd February 2017 whose decision appears in the motion which appears below.

(Motion to be moved:

That the County Council's Pay Policy Statement 2017/18, as referred to in the report of the Employment Committee, be approved.)

2nd February 2017

Mr J B Rhodes Chairman

Background Papers

Report of the Director of Corporate Governance to the Employment Committee on 2nd February 2017



Pay Policy Statement 2017/18

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Purpose

As a responsible employer Leicestershire County Council is committed to delivering a fair, equitable and transparent policy covering pay and other employee benefits which improves flexibility in delivering services and provides value for money.

Within the framework of its terms and conditions of employment, the Council aims to develop and maintain appropriate pay systems and benefit packages to attract and retain motivated, flexible people who take responsibility, work as a team, improve performance and acquire new skills.

This Pay Policy Statement sets out the Council's policies relating to the pay of its workforce for the period from 1st April 2017 to 31st March 2018, in particular the:

- Remuneration of chief officers;
- Remuneration of the lowest-paid employees;
- Relationship between the remuneration of chief officers and employees who are not chief officers.

The statement meets the Council's obligations under the Localism Act 2011 and will enable the elected members of the Council to make decisions on pay.

Pay Policy Statement 2017/18

Version: 2017 - 2 Agreed at: Date agreed: Review date: The Council's Pay Policy Statement will be agreed by Full Council before the beginning of each financial year and will then be published on the County Council's website (Click here). The statement may also be amended by Full Council during the course of the year if necessary.

Scope

This statement applies to all employees of Leicestershire County Council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services;
- Joint Negotiating Committee for Chief Officers of Local Authorities;
- Joint Negotiating Committee for Local Authority Chief Executives;
- School Teachers' Pay and Conditions (for Centrally Employed Teachers);
- Soulbury Committee.

It is not applicable to employees based in schools and colleges with delegated budgets.

Definitions

For the purposes of this Pay Policy Statement the following definitions will apply:

Remuneration

This includes three elements:

- Basic salary;
- Pension:
- Any other allowances arising from employment.

Chief Officers

Under the Localism Act 2011 a Chief Officer is defined as:

- The head of the Council's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- Its monitoring officer designated under section 5(1) of that Act;
- A statutory chief officer mentioned in section 2(6) of that Act:
- A non-statutory chief officer mentioned in section 2(7) of that Act;
- A deputy chief officer mentioned in section 2(8) of that Act.

In Leicestershire County Council this definition would apply to the posts set out in Appendix A.

Definition of a Day's Pay

The definition of a day's pay is the hours worked on the day multiplied by the employee's hourly rate of pay.

Lowest Paid Employees

Pay Policy Statement 2017/18 Version: 2017 - 2 Agreed at: Date agreed: Review date: This refers to employees on Grade 2, Pay Point 3. This definition has been adopted as it is the lowest level of remuneration attached to a post within the Council. The lowest pay point value with effect from 1 April 2017 will be £7.78.

Pay and Grading Structure

The grading of all posts in the Council, except Centrally Employed Teachers, is determined using the nationally recognised Hay Job Evaluation Scheme. This is in order to ensure that all posts are graded and therefore rewarded financially through a fair and non-discriminatory process, that there is consistency in treatment between posts and that the Council complies with equal pay legislation. The scheme is an analytical one that takes into consideration three key elements of a post:

- Know How the levels of knowledge, skill and experience (gained through work experience, education and training) which are required to perform the job successfully;
- Problem Solving the complexity of thinking required to perform the job when applying Know How;
- Accountability the impact the job has on the organisation and the constraints that the job holder has on acting independently.

Part of the guidance from Hay when introducing the scheme was that there should be a 33.3% differential between the Chief Executive and the highest paid Chief Officer.

Basic pay is paid in accordance with the evaluated grade of the post. Each grade comprises a range of pay points. A copy of the Council's pay and grading structure is attached at Appendix B. The introduction of the National Living Wage with effect from 1 April 2016 will impact on the value of the Council's lowest pay grades and work is ongoing to address this.

Annual pay awards for all employees except Centrally Employed Teachers and those employed on Soulbury Committee conditions will be agreed by Employment Committee having regard to any agreement reached by the relevant national negotiating bodies. The current pay award for all employees up to and including Grade 17 follows the national award made by the National Joint Council for Local Government Employees and covers the period 1 April 2016 to 31 March 2018. A pay award covering the same period has been agreed for employees on Joint Negotiating Committee (JNC) terms and conditions for Chief Officers, and JNC terms and conditions for Chief Executives.

Annual pay awards for centrally employed teachers and those on Soulbury Committee conditions will be in accordance with those agreed by the respective national bodies.

Details of the national pay scales for Centrally Employed Teachers are available on the <u>Department for Education's website</u>.

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Version: 2017 Agreed at: Date agreed: Review date: Details of senior management remuneration are published annually on the Council's website as part of this Pay Policy Statement (Click here) and in the Council's Statement of Accounts. A copy of the information for 2015/2016 contained in the Pay Policy Statement is attached at Appendix A.

The 'pay multiple' - the ratio between the highest paid full-time equivalent (FTE) salary (Grade 22) and the median average salary of the Council's workforce - is 7.93 (excluding schools).

Remuneration on Appointment

All employees are usually appointed to the minimum pay point applicable to the grade of the post. If the employee is already being paid above the minimum pay point, managers have discretion in some circumstances to appoint to a higher pay point, subject to the maximum of the grade.

Where it is necessary for a newly appointed employee to relocate in order to take up a post, the Council may make a contribution towards the reimbursement of relocation expenses in line with the Relocation Policy.

Employment Committee are given the opportunity to consider salary packages over £100,000 before new posts are established and advertised.

Market Premia

There is provision for the award of market premia where a job has been evaluated under the Hay Job Evaluation Scheme and the resulting salary is proven to be out of step with the market rate for the job. The award of market premia is subject to the agreement of the Chief Executive in consultation with the Chairman or Vice Chairman of the Employment Committee. If approved, market premia are awarded for a two year period. Details of the scheme can be found in the Council's Market Premia Policy and Procedure.

Incremental Progression

Centrally Employed Teachers

A locally agreed Pay Policy for Centrally Employed Teachers is in place from April 2014.

Soulbury Employees

Employees covered by the Soulbury Agreement are eligible to receive annual increments on 1st September each year until they reach the maximum for the grade of their job.

Other Employees

Subject to one year's satisfactory service in the grade, employees are eligible to receive annual increments on 1st April each year until they reach the maximum pay

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point for the grade of their job. Where circumstances warrant, accelerated increments may be granted by a Chief Officer.

Career Graded Posts

Employees subject to career grade schemes will progress in line with the arrangements for that post.

Additional Payments

Employees are eligible to receive a flat-rate enhancement for working at night.

Employees are eligible to receive enhancements for working on public holidays.

Employees in posts graded 1-9 who work additional hours are eligible to receive payment at plain time rate for hours worked; employees in Grades 10-14 who work additional hours are not eligible to be paid, but may receive time off in lieu (other than in exceptional circumstances, as set out in the Council's Smarter Working Policy); and for employees in Grades 15 and above, there is no entitlement to pay or time off in lieu for working additional hours. Details of these provisions are set out in the Council's Pay Arrangements Policy.

Employees required to "sleep in" on the premises receive an allowance as agreed by the National Joint Council for Local Government Services.

Other Allowances

All senior officers on grade 18 and above receive allowances as detailed in the Conditions of Service of the Joint Negotiating Committee for Chief Officers of Local Authorities and the Joint Negotiating Committee for Local Authority Chief Executives. However, where these conditions are silent, or do not cover an allowance or process, the Chief Executive and senior officers receive the same as those employees covered by the National Joint Council for Local Government Services.

A copy of the School Teachers' Pay and Conditions document can be found on the <u>Department for Education's website</u>. Copies of the conditions of service for all other employees covered by this statement can be requested from the <u>Local Government Employers</u>.

Professional Fees

The Council reimburses annual registration or comparable fees to employees who are unable to practise their professions unless such fees are paid. Professional fees are also paid to employees who are being sponsored to undertake training leading to a professional qualification. However, once the qualification has been gained, the individual will become responsible for paying their own professional fees.

The Council pays the annual subscription for Chief Officers to Societies of Chief Officers and similar organisations.

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Car Allowances

All posts, including Chief Officers, within Leicestershire County Council may claim mileage paid at HRMC rates for business travel. The Council operates a lease car scheme which is open to employees who undertake business travel.

First Aid Allowances

Employees who are classified as a 'designated first-aider' are eligible to receive an allowance.

All designated first-aiders (but not appointed persons) will receive an allowance of 1% of the salary for pay point 7, pro rata to hours worked. The allowance will not be used in calculating any enhancements.

Bonus Payments

The Council does not pay any group of employees a bonus.

Pension Benefits

Centrally Employed Teachers

All Centrally Employed Teachers are eligible to join the Teachers' Pension Scheme. Employees within Leicestershire Youth Service and Leicestershire Adult Learning Service may also join if their role gives eligibility to join the scheme. The scheme is a statutory scheme with contributions from employees and employers. Details of the scheme can be found on the Teachers' Pension Scheme website.

Other Employees

All employees under the age of 75 are eligible to join the Local Government Pension Scheme. The scheme is a statutory scheme with contributions from employees and employers. Details of the scheme can be found on www.leics.gov.uk/pensions.

The scheme allows for the exercise of discretion on the enhancement of retirement benefits. The Council will consider each case on its merits, but has determined that its usual policy is not to enhance benefits for any of its employees.

The scheme provides for flexible retirement. To be eligible to request flexible retirement, the Council requires that an employee must either reduce their working hours by a minimum of 40% and/or be appointed to a post on a lower grade. In applying this provision no distinction is made between employees.

Under the Local Government Pension Scheme, employees who return to work after drawing their pension will not have their pension abated (i.e. reduced or suspended) except where they have been previously awarded "added years".

The Council does not award "added years" to employees and has not done so since 2006.

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Honoraria

Subject to certain conditions, employees (excluding Centrally Employed Teachers) who are temporarily required to undertake some or all of the duties of a higher graded post are eligible to be paid an honorarium. Details of the scheme can be found in the Council's Honorarium and Acting-Up Policy and Procedure.

Salary Protection

Details of the Council's salary protection provisions that apply to employees who are redeployed into a new post as a result of organisational change can be found in the Council's Organisational Change Policy and Procedure.

Details of the Council's salary protection provisions that apply to employees whose post is downgraded as a result of a grading review can be found in the Council's Job Evaluation Guidance.

The provisions relating to safeguarding (pay protection) set out in the School Teachers Pay and Conditions Document apply to centrally employed teachers. Other Council employees are eligible to receive salary protection for a period of up to one year if they are redeployed into a lower-graded post, with the amount of protection depending on the difference between the grades of their former job and new job.

Severance Payments

Early Retirement (Efficiency of Service)

The Local Government Pension Scheme allows employers certain discretionary powers but the Council's usual policy is not to enhance pension benefits for any employee. Therefore, there are no provisions for employees to seek early retirement on the grounds of efficiency of the service.

Redundancy

The Council has a single redundancy scheme which applies to all employees. Redundancy payments are calculated in accordance with the Employment Rights Act 1996 and the 2006 Discretionary Compensation Regulations and are based on the employee's age, length of continuous local government service and salary. Details of the redundancy scheme can be found in the Council's Organisational Change Policy and Procedure.

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of accrued annual leave.

Employees who have TUPE transferred into the Council on redundancy terms which are more favourable than those detailed above will retain these provisions as per TUPE legislation.

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Full Council will be given the opportunity to vote on severance packages over £100,000 before they are approved. New regulations setting a cap of £95,000 on public sector exit payments are due to come into force in 2017, requiring a change to this current provision.

Re-Engagement of Employees

Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the Council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post. Any necessary adjustments to pension would be made in accordance with the scheme regulations.

Employees who are offered another post with any organisation covered by the Modification Order Act prior to their redundancy leaving date and commence this post within 4 weeks of that date are not eligible to receive their redundancy payment.

Publication and Access to Information

This Pay Policy Statement will be published on the Council's website, together with the Council's pay and grading structure and information relating to senior management remuneration.

Appendix A - Senior Management Remuneration 2015/2016

The information below shows the total pay received by Senior Officers (as defined in the Localism Act) within the County Council for the financial year 2015/16. It does not include Head Teachers. The figures include taxable benefits i.e. lease car payments made for these positions during the year 2015/16.

All the jobs listed below have been ranked in terms of level of responsibility within a job evaluation framework applied to all County Council employees (excluding teaching staff). Rates of pay have then been determined with reference to market rates within similar local government authorities.

| Post title | Total Pay |
|--|-----------|
| | £'000 |
| Chief Executive's Department | |
| Chief Executive | 191 |
| County Solicitor (combined pay of postholder leaving in May 2015 and new appointment in June 2015) | 111 |
| Assistant Chief Executive | 86 |
| Head of Planning | 65 |
| Head of Regulatory Services (reduced working hours) | 39 |
| Public Health | |
| Director of Public Health | 123 |
| Corporate Resources | |
| Director (Section 151 duties transferred to Director of Finance, and reduced working hours) | 89 |
| Assistant Director - Strategic Information and Technology left February 2016 | 82 |
| Head of East Midlands Shared Services | 80 |
| Assistant Director – Corporate Services and Transformation | 102 |
| Director of Finance (Change of job title) | 102 |
| Assistant Director - Customer Services and Operations | 90 |
| Children and Young People's Service | |
| Director | 126 |
| Assistant Director Children's Social Care | |
| Assistant Director Commissioning & Development | 86 |
| Head of Supporting Leicestershire Families | 74 |

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| Assistant Director Education & Learning left October 2015 | 50 |
|--|-----|
| Adults and Communities | |
| Director (appointed May 2015) | 105 |
| Assistant Director Promoting Independence combined pay of postholder leaving September 2015 and new appointment January 2016 | 68 |
| Assistant Director Strategy & Commissioning | 90 |
| Assistant Director Personal Care & Support | 90 |
| Environment and Transportation | |
| Director | 119 |
| Assistant Director Highways & Transportation appointed October 2105 | 50 |
| Assistant Director Highways left July 2015 | 30 |
| Assistant Director Transportation left June 2015 | 16 |
| Assistant Director Environment combined pay of postholder leaving October 2015 and new appointment November 2015 | 83 |
| Eastern Shires Purchasing Organisation | |
| Director | 129 |
| Assistant Director (Finance) | 77 |
| Deputy Director and Chief Commercial Officer | 83 |
| Assistant Director (Operations) | 81 |
| Assistant Director (Sales & Marketing) left December 2015 and post deleted | 61 |

Appendix B - Pay and Grading Structure

Effective from 1st April 2017

| Grade | Pay Point | Annual Salary (£) | | |
|---------------------|-----------|-------------------|--|--|
| There is no Grade 1 | | | | |
| | | | | |
| 2 | 3 | £15,014 | | |
| 3 | 4 | £15,014 | | |
| | 5 | £15,119 | | |
| 4 | 6 | £15,244 | | |
| | 7 | £15,394 | | |
| | 8 | £15,789 | | |
| 5 | 9 | £15,807 | | |
| | 10 | £16,026 | | |
| | 11 | £16,492 | | |
| 6 | 12 | £16,888 | | |
| | 13 | £17,264 | | |
| | 14 | £17,643 | | |
| | 15 | £18,049 | | |
| 7 | 16 | £18,499 | | |
| | 17 | £19,026 | | |
| | 18 | £19,568 | | |
| | 19 | £20,139 | | |
| 8 | 20 | £20,727 | | |
| | 21 | £21,333 | | |
| | 22 | £21,964 | | |
| | 23 | £22,658 | | |
| 9 | 24 | £23,399 | | |
| | 25 | £24,176 | | |
| | 26 | £25,000 | | |
| | 27 | £25,878 | | |
| 10 | 28 | £26,848 | | |
| | 29 | £27,885 | | |
| | 30 | £28,975 | | |
| | 31 | £30,157 | | |
| 11 | 32 | £30,847 | | |
| | 33 | £31,604 | | |
| | 34 | £32,421 | | |
| | 35 | £33,305 | | |
| 12 | 36 | £34,337 | | |
| | 37 | £35,435 | | |
| | 38 | £36,604 | | |
| | 39 | £37,874 | | |

| Grade | Pay Point | Annual Salary (£) |
|-------|-----------|-------------------|
| | | |
| 13 | 40 | £39,119 |
| | 41 | £40,408 |
| | 42 | £41,764 |
| | 43 | £43,218 |
| 14 | 44 | £44,607 |
| | 45 | £46,088 |
| | 46 | £47,658 |
| | 47 | £49,354 |
| 15 | 48 | £50,955 |
| | 49 | £52,640 |
| | 50 | £54,403 |
| | 51 | £56,236 |
| 16 | 52 | £58,482 |
| | 53 | £60,867 |
| | 54 | £63,416 |
| | 55 | £66,240 |
| 17 | 56 | £69,178 |
| | 57 | £72,259 |
| | 58 | £75,491 |
| | 59 | £78,879 |
| 18 | 60 | £81,279 |
| | 61 | £84,762 |
| | 62 | £88,380 |
| | 63 | £92,168 |
| 19 | 64 | £101,661 |
| | 65 | £104,260 |
| | 66 | £109,171 |
| | 67 | £114,460 |
| 20 | 68 | £118,092 |
| | 69 | £121,901 |
| | 70 | £125,929 |
| | 71 | £130,256 |
| 21 | 72 | £128,047 |
| | 73 | £133,938 |
| | 74 | £140,099 |
| | 75 | £146,543 |
| 22 | 76 | £171,362 |
| | 77 | £177,446 |
| | 78 | £183,837 |
| | 79 | £190,740 |

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

A. REVIEW OF THE MEMBERS' PLANNING CODE OF GOOD PRACTICE

Introduction

1. This report concerns changes to the Members' Planning Code of Good Practice (the Planning Code).

Background

- 2. Article 15 of the County Council's Constitution gives the Chief Executive a duty to monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect. It requires that changes to the document should only be approved by the full County Council after consideration of the proposal by the Chief Executive and the Constitution Committee or the Corporate Governance Committee.
- 3. In 2010 the Council adopted the current Planning Code. It was based on a model originally produced by the Association of Council Secretaries and Solicitors (now the LLG (Lawyers in Local Government)) which was prepared following the introduction of the new ethical framework and consultation with the Local Government Association (LGA), the Local Government Ombudsman, and firms of solicitors and Counsel acting on their behalf.
- 4. The Planning Code is now somewhat out of date and so has been reviewed to take account of changes in legislation and more recent guidance.

Revision of the Members' Planning Code of Good Practice

- 5. The amendments incorporate some changes introduced by the Localism Act 2011 relating to declarations of interest and changes in approach to issues such as predetermination.
- 6. As part of the review, account has been taken of the guide on 'Openness and transparency on personal interests' published by the Department for Communities and Local Government 2013, the updated Seven Principles of Public Life (the 'Nolan principles') and commentary from the Committee on Standards in Public Life, and revised guidance titled 'Probity in Planning' issued by the LGA and the Planning Advisory Services.
- 7. The aim of the Planning Code was and continues to be to ensure that in the planning process there are no grounds for suggesting that a decision has been biased, partial or not well-founded in any way and that the Council is not likely to be at risk of any legal challenge or suggestions of maladministration following its consideration of planning applications.
- 8. The Planning Code continues to be drafted so that it is accessible to members, officers and the public. It is intended to guide elected members dealing with all planning matters, including planning applications and planning

policy and guidance issues. It explains how members can be involved in the planning process in a fair impartial and transparent way.

- 9. The Planning Code continues to cover the following areas:
 - 1. Relationship to the Members' Code of Conduct
 - Development proposals and interests under the Members' Code of Conduct
 - 3. Predetermination in the Planning Process
 - 4. Contact with Applicants, Developers and Objectors
 - 5. Lobbying
 - 6. Site Visits
 - 7. Pre-Meetings
 - 8. Public Speaking at meetings
 - 9. Officers
 - 10. Decision Making
 - 11. Members Awareness.
- 10. The key areas of change relate to sections 2 and 3, which have now been brought into line with the Members' Code of Conduct (Part 5A of the Constitution) with references to 'disclosable pecuniary interests' and 'personal interests leading to bias'.
- 11. The revisions also take account of the changed approach with regard to 'predisposition'; that is, members expressing views on a planning matter prior to its determination. It is more generally accepted that members will often wish to express views and in fact are often expected to do so. Subject to the caveats given in the revised Planning Code, members are no longer strongly dissuaded from doing this.

Decision of the Corporate Governance Committee

12. The Corporate Governance Committee at its meeting on 17th February agreed the Code subject to an amendment to section 4 - Presentations by Applicants/Developers - in order to make a distinction between events which were held for the general public and those to which members might be invited as individuals and/or as part of a select group because of their County Council role. The amendment is reflected in the new Code now appended to this report.

Consideration by the Development Control and Regulatory Board

13. The Development Control and Regulatory Board at its meeting on 9th March endorsed the new Code subject to minor changes being made regarding the role of planning and to include reference to the fact that the Code applied not only to the Board but also to the Council and Cabinet when consideration is being given to Development and Local Plans. The Code appended to this report now reflects these changes.

(Motion to be moved:-

That the revised Members' Planning Code of Good Practice as set out in Appendix A to the report of the Corporate Governance Committee, be approved.)

Background Papers

Constitution of Leicestershire County Council - Part 5, Member Code of Conduct 'Probity in Planning' - LGA and Planning Advisory Services

'Openness and Transparency on Personal Interests' - Department for Communities and Local Government (2013)

Reports on the changes to the Planning Code of Conduct submitted to the:-

- Corporate Governance Committee on 17th February 2017
- Development Control and Regulatory Board on March 2017.



Part 5A(1)

Members' Planning Code of Good Practice

Part 5A(1) – Members' Planning Code of Good Practice

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| 2 | Development Proposals and Interests under the Members' Code of Conduct |
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| 4 | Contact with Applicants, Developers and Objectors |
| 5 | Lobbying |
| 6 | Site Visits |
| 7 | Pre-Meetings |
| 8 | Public Speaking at Meetings |
| 9 | Officers |
| 10 | Decision Making |
| 11 | Members Awareness |

Part 5A (1) - Members' Planning Code of Good Practice

Background

This Code of Good Practice reflects changes introduced by the Localism Act 2011. It clarifies how councillors can get involved in planning in a fair, impartial and transparent way.

It has been based on a model originally produced by the Association of Council Secretaries and Solicitors (now Lawyers in Local Government) which was prepared in the light of the introduction of the new ethical framework and in consultation with the Local Government Association, the Local Government Ombudsman, and others.

Definitions of interests referred to in this Code are given in Part 5 of the Constitution; the Members' Code of Conduct.

Introduction

The aim of this Code of Good Practice: to ensure that in the planning process there are no grounds for suggesting that a decision has been biased, partial or not well founded in any way.

The key purpose of Planning: is to contribute to the achievement of sustainable development, not development at any cost. Planning ensures that the right development happens in the right place at the right time, benefitting communities and the economy. It plays a critical role in identifying what development is needed and where, what areas need to be protected or enhanced and in assessing whether proposed development is suitable. It does this by regulating the development and use of land in the public interest.

Your role as a Member of a Planning Authority: to make planning decisions openly, impartially, with sound judgement and for justifiable reasons.

When the Code of Good Practice applies: this Code applies to Members at all times when involving themselves in the planning process. This includes both decision making meetings of the Council when exercising the functions of the Planning Authority (usually at the Development Control and Regulatory Board for development management, referred to here as 'the Board' and at Cabinet and County Council for development plans) and involvement on less formal occasions, such as at meetings with officers or the public and at consultative meetings. It applies to planning applications, enforcement matters and policy issues (such as the Minerals and waste local plan).

If you have any doubts about the application of this Code to your own circumstances you should seek advice early from the Director of Law and

Governance as the County Council's Monitoring Officer or one of his or her staff, and preferably well before any meeting takes place.

1. Relationship to the Members' Code of Conduct

- **Do** apply the rules in the Members' Code of Conduct first. This must always be complied with.
- **Do** then apply the rules in this Planning Code of Good Practice, which seek to explain and supplement the Members' Code of Conduct for the purposes of your involvement in planning matters. If you do not abide by this Code of Good Practice, you may put:
 - the Council at risk of proceedings on the legality or maladministration of the related decision; and
 - yourself at risk of being in breach of the Members' Code of Conduct and if the failure is also likely to be a breach of the interest provisions of the Localism Act 2011, a complaint being made to the police to consider criminal proceedings.

2. Development Proposals and Interests under the Members' Code of Conduct

- Do disclose the existence and nature of your interest at any relevant meeting, including informal meetings or discussions with officers and other Members.
 Preferably, disclose your interest at the beginning of the meeting, or as soon as the interest becomes apparent, and not just at the commencement of discussion on that particular matter.
- Do then act accordingly. Where your interest is a disclosable pecuniary interest or a personal interest that might lead to bias you should declare the existence and the nature of the interest before it is considered, and
 - **don't** get involved in the processing of the application;
 - don't seek or accept any preferential treatment, or place yourself in a position that could lead the public to think you are receiving preferential treatment, because of your position as a Member. This would include using your position to discuss that proposal with officers or Members when other members of the public would not have the same opportunity to do so;
 - do be aware that, whilst you are not prevented from seeking to explain and justify a proposal in which you have a disclosable pecuniary interest or a personal interest that might lead to bias to an appropriate officer, in person or in writing, the Code places greater limitations on you in representing that proposal than would apply to a normal member of the public;

- don't participate, or give the appearance of trying to participate, in the making of any decision on the matter by the planning authority;
- don't try to represent local views, get another Member to do so instead;
- do be aware that where you have a disclosable pecuniary interest or a
 personal interest that might lead to bias you may attend a Board meeting
 to make representations, answer questions, or give evidence provided
 that public speaking rights also apply;
- do withdraw from any meeting prior to consideration of the matter, or if you have made representations as above, immediately after this, prior to any discussion on the matter (members of the public may remain in the meeting).
- **Do note the Principle of Honesty** "holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest"

3. Predetermination in the Planning Process

Predetermination is also referred to as 'fettering discretion'. It is not the same as *predisposition*, as explained below.

As an elected Member involved in a planning matter:-

- **Don't** predetermine (fetter your discretion) by approaching the decision with a closed mind.
- **Do** be aware that in your role as an elected Member you are entitled, and are often expected, to have expressed views on planning issues (predisposition) and that these comments have an added measure of protection under the Localism Act 2011.
- Do keep at the front of your mind that, when you come to make the decision, you
 - are entitled to have and to have expressed your own views on the matter, provided you are prepared to reconsider your position in the light of all the evidence and arguments;
 - must keep an open mind and hear all of the evidence before you, both the officers' presentation of the facts and their advice as well as the arguments from all sides;
 - are not required to cast aside views on planning policy you held when seeking election or otherwise acting as a Member, in giving fair consideration to points raised;
 - are only entitled to take account material considerations and must disregard considerations that are irrelevant to the question and legal context at hand; and

- are to come to a decision after giving what you feel is the right weight to those material considerations.
- Don't participate in the determination of the matter at the Board if you do not have an open mind because if you did take part in the discussion or vote it would put the County Council at risk:

Firstly, it would probably constitute maladministration in the opinion of the Local Government Ombudsman.

Secondly, the Council could be at risk of a legal challenge, including Judicial Review, on a number of possible grounds:

- that there was a danger of bias on your part; or
- predetermination; or
- a failure to take into account all of the factors enabling the proposal to be considered on its merits.
- Do be aware that predetermination occurs when you are deemed to have made your mind up and will not consider any subsequent information presented.
- Do be aware that you can be predisposed by having an initial view of an application as to how you might decide a particular application, but you must keep an open mind at the meeting and make it clear that you are still willing to listen to all the material considerations presented before deciding how to exercise your vote.
- **Do** consider yourself able, for example, to:
 - make public statements on an issue, and
 - campaign on a particular issue;

provided you make it clear that you do not have a closed mind and are amenable to changing your mind in the light of all the information, advice and evidence presented to you at the time of making a decision.

- Where you have predetermined an application and you decline to speak or vote on a proposal:
 - do consider whether you should withdraw from the meeting during the Board's consideration of that application. Although you are not required to, you may prefer to leave to avoid any complaint that your presence may have influenced the decision;
 - do, if you decide to stay, explain that you do not intend to speak and vote because you have or you could reasonably be perceived as having predetermined the matter elsewhere, so that this may be recorded in the minutes.

County Council Proposals

 Do be aware that if you have been involved in the preparation, submission or advocacy of a planning proposal on behalf of the County Council (i.e. where it is the landowner, developer or applicant) you should avoid participating in the decision-making process as you could be considered to be biased or have predetermined the matter.

If you are a Local Member whose electoral division is directly affected by the application

- Do consider whether you should take the opportunity to exercise your separate speaking rights as a Local Member subject to the consent of the Chairman of the Board under Meeting Procedure Rule 34 where you have represented your views or those of local electors to such an extent that you have, or are likely to be seen as having predetermined the application. Where you do:
 - advise the proper officer or the Chairman that you wish to speak in this capacity before commencement of the item;
 - remove yourself from the member seating area for the duration of that item; and
 - ensure that your actions are recorded.

If you are a Member of another body involved in an application

- **Do** be aware that, although the provisions in the Members' Code of Conduct are applied in such a manner as to recognise that the Code should not obstruct a member's service on:
 - another local or public authority; or
 - a body to which you have been appointed or nominated by the Council as its representative;

you must decide in relation to any planning proposal, whether you have been involved to such an extent in the preparation, submission or advocacy of a planning proposal on behalf of such a body as to make your participation in the decision making process inappropriate. If you have then you should always disclose a personal interest that might lead to bias and withdraw from the meeting.

Participation in the discussions of consultee bodies by Members of the decision-making body

- **Do** consider yourself able to take part in the debate on a proposal when acting as part of a consultee body (i.e. where you are also a member of the district/borough council as well as being a County Member), provided that:
 - the proposal does not substantially affect the wellbeing or financial standing of the consultee body;
 - you make it clear during the discussion at the consultee body that:
 - (i) you will reserve judgement and the independence to make up your own mind on each separate proposal when it comes before the decision making body (e.g. the Board) and you hear all of the relevant information;
 - (ii) you will not in any way commit yourself as to how you or others may vote when the proposal comes before the Board for consideration; and
 - (iii) you disclose the personal interest regarding your membership of the consultee body or role when the Board comes to consider the proposal.

4. Contact with Applicants, Developers and Members of the Public

- Do refer an applicant, developer, or member of the public who approaches you about a planning application to Council Officers for planning, procedural or technical advice.
- Don't agree to any meeting with applicants, developers or groups of objectors/supporters where it can be avoided. Where you feel that a formal meeting would be useful in clarifying the issues, it is advisable that you do not seek to arrange that meeting yourself as this may be seen as your promoting one point of view or the other. Instead, you may request the Chief Executive (Head of Planning) to organise it. Officers will then ensure that those present at the meeting are advised from the start that the discussions will not bind the Authority to any particular course of action, that the meeting is properly recorded on the application file, and that the record of the meeting is disclosed when the application is considered by the Board.
- **Do** make it clear that you will only be in a position to make a final decision on the application after having heard all the relevant evidence and arguments at the Board.

• **Do** remember to:

- follow the rules on lobbying (below);
- consider whether it would be prudent in the circumstances to make notes when contacted and whenever an officer is not present; and
- report to the Chief Executive any significant contact with the applicant or other parties, explaining the nature and purpose of the contacts and your

involvement in them, and ensure that this is recorded on the planning file.

Presentations by Applicants/Developers

- Do feel able to attend public exhibitions or information events held by applicants/developers, but remember -
 - to ask questions only for the purposes of clarifying your understanding of the proposals;
 - that the presentation is not part of the formal process of debate and determination of any subsequent application; this will be carried out by the Board;
 - that a presentation can be a form of lobbying and you must not state how you or other members might vote.
- **Don't** attend private presentations from applicants/developers without requesting an officer to be present.

5. Lobbying

Special attention is needed with regard to lobbying in the planning decision making process. Lobbying in respect of other aspects of their work as a Member is commonplace and it is an accepted part of the democratic process. However, if such lobbying of members of the Development Control and Regulatory Board oversteps the mark (by reference to the examples below) it can lead to the impartiality and integrity of members being called into question and any decisions taken being referred to the Local Government Ombudsman and/or being subject to legal challenge.

This can be especially difficult for the Local ('patch') Member who is also a member of the Board. Therefore care is required when lobbying of and by a member occurs during consideration of a planning application.

A. Lobbying of Members

- **Do** remember that your overriding duty is to the whole community in Leicestershire, not just the people in your division. You need to make decisions impartially and ensure that you do not favour, or appear to favour, any person, company, group or locality.
- **Don't** declare the way you intend to vote.
- Do feel able to express an opinion on the merits prior to your formal
 consideration of the matter at the Board but only if you are very clear that you
 will only make your mind up at the meeting after hearing the officers'

presentation and evidence and arguments on both sides.

- **Do** explain to those attempting to lobby you that, whilst you can listen to what is said, you may be open to accusations of predetermination if you express a firm point of view or an intention to vote one way or another, and you would not then be able to participate in the Board's decision making.
- Do pass on any representations you receive and copy or pass on any lobbying correspondence you receive to the Chief Executive (Head of Planning) at the earliest opportunity.
- **Do** refer any offers made to you of planning gain or to restrict the development through a proposed section 106 planning obligation or otherwise to the Chief Executive (Head of Planning).
- Don't accept gifts or hospitality from any person involved in or affected by a
 planning proposal. If a degree of hospitality is entirely unavoidable, ensure it
 is of a minimum and its acceptance is registered in accordance with the
 Members' Code of Conduct.
- **Do** indicate that you will pass on that person's views to the Chief Executive and, if necessary, to the Board when it considers the matter, but that you cannot commit yourself to vote in any particular way. If you intend to speak at the Board in this way make it clear at the start of the meeting that this is what you are doing so that this can be recorded.
- Do remember that, unless you have a disclosable pecuniary interest or a personal interest that might lead to bias, you may:
 - Listen/receive viewpoints from residents or other interested parties;
 - Make comments to residents, interested parties, other members or appropriate officers, provided they do not consist of or amount to predetermining the issue and you make clear that you are keeping an open mind;
 - Seek information through appropriate channels; or
 - Be a vehicle for the expression of opinion or speak at the meeting as a Local Member, provided that, if you are also a member of the Board, you explain your actions at the start of the meeting/item and make it clear that, having expressed the opinion or local view, you will make up your own mind having heard all the facts and listened to the debate.

B. Lobbying by Members

 Don't lobby fellow members excessively regarding your concerns or views nor attempt to persuade them that they should decide how to vote in advance of a meeting of the Board. In this context:

Lobbying is: asking fellow members to hear or share one's thoughts and concerns on an issue.

Excessive lobbying is: applying such pressure on a fellow member that it amounts to an attempt to obtain a commitment as to how they will vote, whether spoken or unspoken. Pressure of this sort is an attempt to predetermine the outcome of the issue (making the decision potentially unlawful) and may also amount to the Member using their position improperly to confer an advantage or disadvantage (breaching paragraph 3.6 of the Members' Code of Conduct).

If you approach a fellow Member regarding a planning application:

- **Do** be mindful that they may feel under undue pressure more readily in the following situations:
 - a senior member lobbying a less senior colleague;
 - a number of members lobbying an individual;
 - persistent lobbying of a member.
- **Do** always be clear that your lobbying is to solicit interest only and is not to solicit a voting commitment.
- **Do** cease to lobby a member if it appears there is a risk that they will feel subject to pressure as to how he/she votes.
- **Don't** discuss how to vote on a planning proposal at a political group meeting or lobby other members to do so. The Local Government Ombudsman has made it clear that in his view the use of political whips to determine planning applications could amount to maladministration.

Membership of Lobby Groups

- **Don't** lead or act as spokesperson of an organisation whose *primary purpose* is to lobby or promote or oppose a planning application.
- Do feel able to join general interest groups which reflect your areas of interest and which concentrate on issues beyond particular planning applications, e.g. The Victorian Society, The Ramblers, CPRE, or a local civic society. However, if you are a member of such an organisation and this is relevant to a particular application, you should make sure that you declare a personal interest and consider whether this personal interest might lead to bias.

Undue or Excessive Lobbying

• **Do** inform the Director of Law and Governance if you feel you have been exposed to undue or excessive lobbying or approaches (including inappropriate offers of gifts or hospitality). The Director will ensure that the appropriate action is taken.

6. Site Visits

- Do attend site visits organised by the County Council.
- Do ensure that any information which you gained from the site visit is reported back to the Board, so that all members and officers have the same information.
- Do ensure that you treat the site visit only as an opportunity to seek information and to observe the site.
- **Do** ask the officers at the site visit questions or seek clarification from them on factual matters which are relevant to the site inspection.
- **Do** have regard to the Site Visit Protocol, in particular noting that all discussion during visits should be conducted through the Chairman and limited to the drawing of attention to facts/features associated with the site.
- **Don't** get involved in discussion with the applicant/developer or any members of the public who may be present during the visit; if you are approached advise them that representations should be made in writing, and direct them to or inform the County Council officer accompanying you.
- **Don't** express firm opinions or views or declare the way you intend to vote.
- Don't enter a site which is subject to a planning proposal other than as part of an official site visit, even in response to an invitation, as this may give the impression of bias unless:
 - you feel it is essential for you to visit the site other than through attending the official site visit;
 - you have first spoken to the Chief Executive (Head of Planning) about your intention to do so and why (which will be recorded on the planning file); and
 - you can ensure you will comply with these good practice rules on site visits.

7. Pre-Meetings

Briefing meetings for the Chairman and Spokesmen of the Board are held to facilitate the smooth running of the Board meetings. Discussion will be limited to procedural issues such as the organisation of site visits, arrangements for members of the public to exercise their speaking rights at the meeting, and to ensure that all the relevant paperwork and information is available for the meeting.

- **Do** use pre-meetings to resolve procedural issues to facilitate the smooth running of the formal meeting.
- Don't discuss the determination of applications at either briefing meetings or political group meetings.

Don't ever use the political whip on a planning matter. This would leave the
decision open to challenge and could give rise to a finding of
maladministration by the Local Government Ombudsman.

8. Public Speaking at Meetings

The County Council has a procedure to allow members of the public to make representations at meetings of the Development Control and Regulatory Board. As an elected Member -

- Do, if contacted the public before the meeting, explain that whilst you may
 express a view you must be seen to be keeping an open mind on the matter,
 and that you will determine the application on its merits, having regard to
 material considerations.
- **Don't** allow members of the public to communicate with you at all during the Board's proceedings as this may give the appearance of bias.
- **Do** ensure that you comply with the Council's procedures in respect of public speaking.

9. County Council Officers

- Don't put pressure on officers to put forward a particular recommendation as
 this may be seen as prejudicing his/her professional integrity and impartiality.
 This does not prevent you from asking questions or submitting views to the
 Chief Executive which may be incorporated into any Board report.
- Do recognise that officers are part of a management structure and you should only discuss a development proposal, outside of any arranged meeting, with a Head of Service or those officers who are authorised by their Head of Service to deal with the proposal at a member level.
- Do recognise and respect that officers involved in the processing and determination of planning matters must act in accordance with any appropriate officer and professional codes of conduct, primarily the Royal Town Planning Institute's Code of Professional Conduct. As a result, planning officers' views, opinions and recommendations will be presented on the basis of their overriding obligation of professional independence, which may on occasion be at odds with the views, opinions or decisions of elected Members.

10. Decision Making

 Do come to Board meetings with an open mind and demonstrate that you are open-minded.

- Do make decisions in accordance with the relevant Development Plan unless material considerations indicate otherwise.
- **Do** come to your decision only after due consideration of all of the information reasonably required upon which to base a decision. If you feel there is insufficient time to digest new information or that there is simply insufficient information before you, request that further information. If necessary, defer or refuse the application.
- Don't vote or take part in the decision on a proposal unless you have been present to hear everything that has been said at that meeting, including the officers' introduction to the matter.
- Do make sure that if you are proposing, seconding or supporting a decision that you clearly identify and understand the planning reasons leading to this conclusion/decision. Where a decision is being taken contrary to officer recommendations, reasons must be given prior to the vote and these must be recorded. Be aware that you may have to justify the resulting decision by giving evidence in the event of any legal challenge.

11. Member Awareness

The planning system involves complex legal and technical issues which require the application of sound judgement in the assessment of planning proposals. A failure to follow proper practice and procedures can lead to serious consequences for the County Council as the Planning Authority.

The County Council has determined that all elected Members must attend a planning training session prior to being involved in the determination of planning decisions. You are strongly encouraged to participate in any further training on planning matters and this Code of Good Practice to assist you in carrying out your role properly and effectively.

B: DISCHARGING THE CITY COUNCIL'S INTERNAL AUDIT FUNCTION

Introduction

1. This report concerns the decision of Leicester City Council to delegate its Internal Audit function to the County Council. Under Article 11.04 a delegation from another authority requires the approval of the County Council.

Background

- 2. Section 151 of the Local Government Act 1972, states that every local authority should 'make arrangements for the proper administration of their financial affairs, and shall secure that one of their officers (often referred to as the s151 Officer) has responsibility for the administration of those affairs'. CIPFA defines that 'proper administration' should include 'compliance with the statutory requirements for accounting and internal audit'.
- 3. The Accounts and Audit Regulations 2015 (the Regulations), require that 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 4. In the light of reducing budgets for the Internal Audit team at the City Council and the inability to recruit to vacant positions, the City Council's Director of Finance is getting close to being unable to deliver an effective internal audit function through its internal teams
- 5. The two councils' Directors of Finance (s151 Officers) have been exploring the potential for combining their two internal audit functions into a single team employed and managed by one council, which would then deliver the service to both councils in a more sustainable, efficient and effective manner.

Constitutional and statutory requirements

- 6. The City Council's Constitution Article 12.04 'Delegation to and from other local authorities' states that 'The City Mayor may delegate executive functions to another local authority or the Executive of another local authority where the law permits'.
- 7. On 12 January 2017, the City Mayor decided that with effect from 1 April 2017, or such other subsequent date as is agreed between the City Council and the County Council, to:
 - a. Delegate the City Council's internal audit function to the County Council in accordance with the provisions of Section 9EA of the Local Government Act 1972, the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 and all other enabling powers. This would be for an initial period of three years;

- b. Approve the City Council entering into an Administrative Collaboration Agreement (the Agreement) with the County Council under S9EA of the Local Government Act 1972:
- c. Approve the transfer of City general internal audit staff to the County Council on the terms set out in the Agreement from the Commencement Date, and in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE); and
- d. Note that the two council's Section 151 Officers (or their representatives) will oversee the implementation and ongoing monitoring of the Agreement.

Future working arrangements

- 8. The Director of Corporate Resources (through the Director of Finance) will oversee the implementation and ongoing monitoring of the arrangements from the County Council's perspective. The details of the delegation, including responsibilities, liabilities, roles and expectations will be secured through the Agreement which will record that the City Council retains all pre-existing pension and other employment liabilities up to the date of the transfer of staff.
- 9. The County Council's Head of Assurance Services will act in the capacity of Head of Internal Audit Service (HoIAS) for both councils.
- 10. Each council will retain its own internal audit charter, annual plan and annual report including the HoIAS opinion on the organisation's control environment. Oversight of the internal audit function will not change with the HoIAS reporting initially to the respective Directors of Finance and to the Corporate Governance Committee at the County Council, and the Audit and Risk Committee at the City Council.
- 11. Whilst there will need to be a period of stabilisation at the start of the arrangement, the intention is to build an integrated audit team where staff would be directed to undertake audits at both councils and other clients that the County Council team currently provides an internal audit service for.

Risks and Benefits

- 12. There are a number of examples of delegated internal audit functions between local authorities and so it has been possible to plan taking into account of others' experiences. Nevertheless, there are risks applicable to any change project, and this is in effect a merger of two functions which has its own risks.
- 13. Some examples of risks to the success of the project are:
 - a. Head of Internal Audit Service capacity is over-stretched;
 - b. Staff resistance to change;
 - c. The change could (if managed badly) result in a fall in morale and the loss of staff and/or increased turnover:
 - d. Lead-in time adapting to different systems and working practices; or

- e. Either party chooses to terminate the delegation
- 14. Predicted benefits include:
 - f. Economies of scale from the employment of a single Head of Internal Audit Service across the two councils;
 - g. Optimising use of resources through a modern collaborative approach;
 - h. Efficient and effective use of audit managers and specialist auditors
 - i. Provision of a critical mass and improved business resilience e.g. enabling the risk of sickness and vacancies to be better managed;
 - j. Opportunities for staff to experience different audits and workplaces;
 - k. Synergy auditing the same risks with the same auditor and capacity to share best practice across both councils. For example research and development work is undertaken once only and as a result can be done in more depth. Audit programmes and other audit resources will also only be developed once;
 - I. Benefits of adopting common day to day audit reporting and procedural approaches driven by a single Audit Management System;
 - m. Capacity to increase trading; and
 - n. Enabling succession planning, career opportunities and development for staff.
- 15. The risks and benefits will be actively managed by the Head of Assurance Services.

Resource Implications

- 16. As well as a £10,000 one off contribution to start-up costs, for an agreed level of service, the City Council has agreed to pay the County Council £280,000 for each of the initial three years of the Agreement. This would release savings to the City Council.
- 17. The County Council Internal Audit Service is required to make savings in its 2017-18 budget, and the City Council's payment would contribute to the costs of the Head of Internal Audit Service, which is currently fully met by the County Council.
- 18. A detailed schedule on financial arrangements will support the Agreement.

Decision of the Corporate Governance Committee

19. The Corporate Governance Committee at its meeting on 17th February supported the approach by the City Council to delegate its internal audit function and recommended that Cabinet and full County Council accept the delegation

Consideration by the Cabinet

20. The Cabinet at its meeting on 10th March supported the proposed delegation and recommended the Council to accept the delegation.

(Motion to be moved:-

That the County Council accepts the delegation of the internal audit function from Leicester City Council on the basis outlined in the report.)

17th February 2017

A. M. Kershaw Chairman

Background Papers

Reports on the proposed delegation of the City Council's Internal Audit Function to the:-

- Corporate Governance Committee on 17th February 2017
 Cabinet on 10th March 2017.

REPORT OF THE CONSTITUTION COMMITTEE

A: LOCAL GOVERNMENT PENSION SCHEME CENTRAL INVESTMENT POOL - ESTABLISHMENT OF A JOINT COMMITTEE

Introduction

1. This report concerns the establishment of a Joint Committee made up of the eight Midlands-based Local Government Pension Funds (including the Leicestershire Fund) which will form the LGPS Central Investment Pool.

Background

 Article 11 of the County Council's Constitution requires that if the County Council wishes to establish joint arrangements to exercise non-executive functions with one or more local authorities, the arrangement must be approved by the full County Council. The normal practice is for any such proposal to be considered by the Constitution Committee before a recommendation is made to the Council.

National Guidance

- 3. The Government's summer budget of 2015 contained details of its intention to encourage Local Government Pension Funds to combine assets. It stated;
 - "The government will work with the Local Government Pension Scheme administering authorities to ensure that they pool investments to significantly reduce costs, while maintaining overall investment performance. The government will invite local authorities to come forward with their own proposals to meet common criteria for delivering savings. A consultation to be published later this year will set out those detailed criteria as well as backstop legislation which will ensure that those administering authorities that do not come forward with sufficiently ambitious proposals are required to pool investments."
- 4. Following further guidance from Government, the Local Pension Committee approved Leicestershire County Council Pension Fund's involvement in LGPS Central, an investment pool made up of eight Midlands-based Local Government Pension Funds (including Leicestershire). Formal approval for LGPS Central was given by the Minister for Local Government in November 2016, and investment pooling will commence on 1st April 2018.

Proposed Formation of a Joint Committee

5. The establishment of a Joint Committee would enable a representative from each of the eight authorities (Cheshire, Leicestershire, Shropshire, Staffordshire, West Midlands, Derbyshire, Nottinghamshire and Worcestershire) to meet and ask relevant questions of the operator (i.e. LGPS)

Central) about investment performance and a host of other potential issues such as how responsible investment is dealt with and how investment managers performance is monitored.

- 6. This level of governance could be carried out in an informal manner, but the Public Sector nature of the Pension Funds means that it is important that as much of the governance as possible is transparent and open. As a result, all eight Funds strongly support a formal Joint Committee, established under s102 of the Local Government Act 1972, as the appropriate method of delivering this transparency. The Cheshire Fund has offered to service the Joint Committee.
- 7. The Joint Committee will not have any decision-making powers and should, therefore, be seen as a conduit between the individual Funds' decision making bodies and the operator. It will be a practical way of ensuring that the Funds have a forum to ensure that they can be kept fully informed of any matter that they feel is of relevance to the investments of the pool investments that the Funds are the beneficial owners of. The current governance arrangements in place for the Leicestershire Fund will continue after LGPS Central becomes active.
- 8. It is intended that a Practitioners Advisory Forum, comprising of the Section 151 Officer or their substitute is formed to advise and assist the Joint Committee and ensure that the wishes of the Committee are presented to individual Funds for their consideration.
- 9. It is also the intention that a separate Shareholders Forum will also be established between the eight funds which will focus on shareholder-related matters in respect of LGPS Central. This will include, amongst other things, the appointment of key officers, approval of business plans, appointment of auditors and approval of the accounts. The Chairman of the Local Pension Committee will represent the County Council on the Forum, with the Vice Chairman acting as a substitute.
- 10. The Leicestershire Local Pension Committee at its meeting on 15 November 2016 supported the establishment of a Joint Committee and proposed that the Chairman of the Local Pension Committee should act as the Fund's representative on the Joint Committee and the Vice Chairman act as a substitute.

Consideration by the Constitution Committee

11. The Constitution Committee at its meeting on 10th March recommended that the Council should support the establishment of the Joint Committee and the motion below gives effect to this

(Motion to be moved:-

That approval be given to the establishment of a Joint Committee made up of the eight Midlands-based Local Government Pension Funds (including the Leicestershire Fund) to form the LGPS Central Investment Pool and that the Chairman of the Leicestershire Local Pension Committee act as the Funds representative on the Joint Committee with the Vice Chairman acting as a substitute).

10th March 2017

Mr N. J. Rushton CC Chairman

Background Papers

Report to the Constitution Committee – 10th March 2017, Proposed Governance of LGPS Central Investment Pool.



REPORT OF THE CABINET

A. DATES OF COUNCIL MEETINGS 2017/18 and 2018/19

Introduction

1. This report concerns the proposed dates for Council meetings in 2017/18 and 2018/19

Background

- 2. Standing Order 1 (2) requires that, in addition to the Annual Meeting of the Council and any meetings convened by the Chairman or members of the Council, meetings of the Council for the transaction of general business shall be held on such days as may be determined by the Council on the recommendation of the Cabinet. A date so determined may be varied by the Cabinet. Standing Order 1 (4) also makes it necessary for the Council to fix a date in February for the Council's Budget Meeting.
- 3. Dates for the 2018/19 municipal year have been included in order to provide members with advanced notice of future meetings. All meetings County Council meetings commence at 2.30 p.m.
- 4. The recommendation of the Cabinet on this matter is set out in the motion which appears below:-

(Motion to be moved:

That Council meetings in 2017/18 and 2018/19 be held on the following dates:-

Wednesday 28 June 2017

Wednesday 27 September 2017

Wednesday 6 December 2017

Wednesday 21 February 2018 (Budget Meeting)

Wednesday 21 March 2018

Wednesday 16 May 2018 (Annual Meeting)

Wednesday 27 June 2018

Wednesday 26 September 2018

Wednesday 5 December 2018

Wednesday 20 February 2019 (Budget Meeting)

Wednesday 20 March 2019

Wednesday 15 May 2019 (Annual Meeting)

10th March 2017

N. J. Rushton Leader of the Council

Background Papers

Report to the Cabinet, 10th March 2017 – Dates of Council meetings 2017/18 and 2018/19.

