

REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE 16 September 2021
SUBJECT:	Recruitment and appointment of independent Chair of General Purposes and Audit Committee (GPAC)
LEAD OFFICER:	Asmat Hussain, Executive Director of Resources and Monitoring Officer (Interim)
WARDS:	All
CORPORATE PRIORITY/ POLICY CONTEXT:	
The appointment of an independent Chair of General Purposes and Audit Committee is in response to a recommendation of the non-statutory rapid review and as such forms part of the Croydon Renewal Plan.	
FINANCIAL IMPACT	
The cost of allowance payments to the Independent Chair will be contained within existing revenue budgets.	

RECOMMENDATION
General Purposes and Audit Committee is recommended to:
<ol style="list-style-type: none"> 1. Note the contents of this report 2. Agree to recommend to Full Council the approach to arrangements for the two current non-voting members of GPAC – either: <ul style="list-style-type: none"> • Option A: To replace current provision for two independent co-opted members with a requirement for one independent co-opted member, in the form of the Chair. The term of office for the current two members will terminate following a decision of Full Council to make the necessary changes to the Constitution to implement the new arrangements. <p>or</p> <ul style="list-style-type: none"> • Option B: To retain one independent co-opted member alongside the independent Chair, with effect from a decision of Full Council to implement the new arrangements. 3. Endorse the proposed changes to the Constitution set out in section 4.

1. EXECUTIVE SUMMARY

- 1.1 This report updates the Committee on the process taken to recruit an appropriately skilled Independent Chair for the Committee, following the

decision by Full Council in May that a recruitment process should be commenced.

- 1.2 Following interviews on 20 September, it is proposed to bring a proposal to appoint to Full Council on 11 October. Proposals to change the Constitution to enable the appointment and other related adjustments will be made as part of a wider set of proposals for constitutional changes.

2. BACKGROUND

- 2.1 The non-statutory rapid review recommended that the Council give consideration to appointing a Chair from outside the majority group to its General Purposes and Audit Committee. Full Council, at its meeting on 8 March, heard from the Leader, Cllr Hamida Ali, that consideration was being given to the appointment of an independent Chair.
- 2.2 Subsequently, Full Council, at its meeting of 4 May, delegated authority to the Executive Director of Resources and (then) Deputy Monitoring Officer, with the Director of Finance, Investment and Risk and s151 officer, to take necessary actions to commence a recruitment process for an independent Chair of GPAC, including:
 - Preparation of a role profile including the proposed level of remuneration
 - Establishment of a Member-led recruitment and selection process for the recruitment and formal appointment of the Chair.
- 2.3 Council required a further report to its July meeting to update Members on progress and seek approval for the necessary changes to the Constitution to enable an Independent Chair to be formally appointed to GPAC. Due to a delay in the search for potential candidates and other work commitments and priorities, no report was made to the July meeting.

3. UPDATE ON RECRUITMENT PROCESS

- 3.1 The Constitution has no provision within it for the recruitment of an Independent Chair of GPAC. In light of the unique nature and significance of the role, and in accordance with the delegation to her, the Interim Executive Director of Resources and (then) Deputy Monitoring Officer in consultation with the Director of Finance, Investment and Risk and s151 Officer considered that it was appropriate to use the Appointments Committee to shortlist and interview candidates and to make a recommendation to Full Council, not least as it had been indicated to Council in May that the recruitment and selection process would reflect practices used by Appointments Committee in recruiting senior staff.
- 3.2 The Chair will be a non-voting member of the Committee. The recruitment process and contractual terms for the Independent Chair mirror previous recruitment processes for independent members of GPAC (who are co-opted, non-voting members) in the following ways:
 - Co-opted members may not be either members or officers of the Council;

- The vacancy may be advertised on the Council's website or more widely if considered beneficial;
- In making recommendations for appointment, the Appointments Committee will be mindful of any potential conflicts of interest between the co-opted member's paid employment and their role on the Committee;
- Co-opted members may be disqualified during their term of office if they do not attend three consecutive meetings of the committee or if they are elected a Member of the Council or become an officer. It is the responsibility of the co-opted member to inform the Council if a circumstance arises which they believe would disqualify them from membership. They may resign during their term of office.
- Co-opted members are required to comply with the Code of Conduct for Co-opted Members: failure to do so may lead to their appointment being terminated.
- The role and duties of a co-opted member are:
 - Be expected to attend all meetings of the Committee to which they have been appointed and read the agenda papers
 - Bring an external perspective to the work of the Committee by utilising their knowledge and experience
 - Be expected to represent the whole community and not just one sector or viewpoint
 - Act independently of party politics and lobbying interests
 - Be expected to treat other Committee Members, officers and external parties with respect
 - Comply with the Committee procedure rules, rules of debate and the Code of Conduct for Co-optees
 - Be required to recognise that they may encounter sensitive information and to act with discretion and keep any confidential information confidential.

3.3 No offer of appointment will be made to anyone who would be disqualified from being a Member of the Council.

3.4 The Council commissioned Starfish, via the Adecco agency framework, to run the executive search and recruitment process. Starfish have a strong track record of recruiting to 'Chair' roles of this nature. The opportunity was advertised on the Council's website, on Starfish's own website and on LinkedIn. In the search process Starfish contacted over 100 individuals, with a particular focus on the public and not for profit sectors: those targeted were financially astute and at executive level, and were mainly already in Non-Executive Director roles. A targeted search was also carried out within the community of interim s151 officers. The executive search process was carried out on a national basis: additionally, the role was highlighted within Croydon's voluntary and community sector.

3.5 The person specification for the Independent Chair included:

- Appropriate financial training and experience, ideally as a qualified accountant;
- Detailed knowledge and experience of internal control and audit standards in a large, multi-disciplinary organisation, ideally local government/ health;
- Experience of operating within a formal risk management framework;

- Experience of chairing high level meetings to achieve effective outcomes, ideally experience of chairing Audit Committees;
- Evidence of having worked at least 10 years at a senior level;
- Able to demonstrate the ability to develop and manage a good working relationship with politicians and senior managers;
- Ability to manage and present information to groups in politically sensitive environments and to work effectively with colleagues who may have different levels of experience and understanding;
- Able to demonstrate influencing and consensus building skills;
- Assertive in pursuing the correct course of action;
- Enthusiastic, not easily deterred & able to convey enthusiasm to others;
- Committed to excellent public services;
- Understanding and commitment to promoting equality of opportunity in service delivery with an understanding of the issues underpinning these values.

3.6 The role requires up to 9 days per year and the appointment is for an initial 4-year term. The remuneration will be £8,000 per year, which is slightly less than the current Chair's allowance, and therefore is consistent with recommendations of the Independent Panel on the Remuneration of Councillors in London (the Panel makes no reference to payments to co-optees).

3.7 The Appointments Committee was convened with the following membership:

- Cllr Hamida Ali
- Cllr Stuart King
- Cllr Joy Prince
- Cllr Callton Young
- Cllr Jason Cummings
- Cllr Stuart Millson

The Committee was supported by the Executive Director of Resources and Monitoring Officer (interim), the Assistant Chief Executive (interim), the Director of Finance Investment and Risk (interim - Richard Ennis) and the Head of HR - Resources.

3.8 Appointments Committee met on 17 August and four candidates were shortlisted who have the relevant skills and experience. Interviews will take place on 20 September and GPAC members will be advised of the outcome.

3.9 General Purposes and Audit Committee is asked to consider arrangements for the two current independent co-opted members of the Committee. The report to Council in May stated that the proposal is 'to end the current arrangements for the two independent, non-voting co-opted members of GPAC' and that it would be necessary to 'agree the ongoing role of existing co-opted members on the committee'. The following options are proposed:

- Option A: To replace current provision for two independent co-opted members with a requirement for one independent co-opted member, in the form of the Chair. The term of office for the current two members will terminate with effect from the Full Council meeting on 11 October.

or

- Option B: To retain one independent co-opted member alongside the independent Chair, with effect from the Full Council meeting on 11 October.

4. AMENDMENTS TO CONSTITUTION

- 4.1 Subject to the views of this Committee, a report to Full Council on 11 October will include a recommendation that appropriate changes are made to the constitution to enable the appointment of the Independent Chair and all associated changes to terms of reference.
- 4.2 The proposed changes will ensure that the Council's arrangements are consistent with the requirements of section 102(1) of the Local Government Act which enables the appointment of co-optees only to committees which do not have a role in regulating and controlling the finance of the local authority.
- 4.3 Changes will be proposed to the following sections of the constitution:
- i) Article 8 – amend GPAC membership to add the independent Chair and reflect the Committee's recommendation on the ongoing role of co-opted members.
 - ii) Part 3 – Responsibility for Functions, s2.1 – amend Appointments Committee terms of reference to include responsibility for recommendation of the appointment of co-opted Members to Full Council where the role attracts remuneration.
 - iii) Part 3 – Responsibility for Functions, 2.3 – amend GPAC membership to add the independent Chair and reflect the Committee's recommendation on the ongoing role of co-opted members and clarification of arrangements for decisions on non-audit functions.
 - iv) Part 4F- Non-Executive Committee procedure rules, s2.3 – amend to except GPAC from arrangements for annual appointment of Chair and include requirement for external advertisement on a four-yearly cycle.
 - v) Part 6A - Scheme of Members' Allowances Appendix B – add allowance payable to Independent Chair (a slight reduction to the previous allowance for the Chair).
 - vi) Part 6D- scheme of co-option, s6.1 – amend to reflect revised arrangement for independent co-opted Members on the Committee to include the independent Chair and arrangements for their appointment, and reflect the Committee's recommendation on the ongoing role of co-opted members.
- 4.4 The Non-Executive Committee procedure rules currently include a requirement that GPAC appoint a Vice Chair for the duration of the Council year. It is proposed, subject to discussion with the successful candidate for Chair of the Committee, that the Committee elect a Vice Chair within its own membership, with no limitations on their power to act in the absence of the Chair. It is not

proposed that the role of Vice Chair will receive a Special Responsibility Allowance.

- 4.5 Additionally, as part of the wider review of the Constitution, if Council adopts the revised member code of conduct which appears elsewhere on this agenda, consideration will be given as to whether to bring the code of conduct for co-opted (non-voting) members into alignment with the new code of conduct for members.

5. CONSULTATION

- 5.1 The Interim Executive Director of Resources and Monitoring Officer consulted with the Interim Director of Finance, Investment and Risk and the Assistant Chief Executive to inform the preparation of the job description and person specification for the role of Independent Chair.

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 The cost of allowance payments to the Independent Chair will be contained within existing revenue budgets.

Approved by: Matthew Davis, Deputy s151 officer

7. LEGAL CONSIDERATIONS

- 7.1 The Head of Litigation and Corporate Law comments on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer that the power to co-opt persons who are not councillors onto committees appointed by the Council, under section 102(1) of the Local Government Act 1972 ("the 1972 Act", is set out in section 102(3) of the 1972 Act. A committee appointed under Section 101 of the 1972 Act, other than a committee for regulating and controlling the finance of the local authority or of their area, may, subject to section 104 of the 1972 Act, include persons who are not members of the appointing authority.
- 7.3 Section 104 of the 1972 Act will apply to any proposed appointment under Section 102(3) above and provides that a person who is disqualified under Part V of the 1972 Act from being elected or being a member of a local authority shall be disqualified for being a member of a committee (including a sub-committee) of that authority, or being a representative of that authority on a joint committee (including a sub-committee) of the authority and another local authority, whether the committee or joint committee are appointed under this Part of this Act or under any other enactment. Part V of the Act deals, in section 80 with disqualifications from serving as a member of the Council and these requirements are applied to co-optees by virtue of Section 104 so that if any of the circumstances in Section 80 apply (or subsequently apply) to a co-optee, they are disqualified from being a co-optee.

7.4 By virtue of section 13(1) of the Local Government and Housing Act 1989, any co-opted member of a committee appointed under section 102(1) of the 1972 Act shall, for all purposes, be treated as a non-voting member of that committee.

7.5 Co-opted members are required to sign an undertaking to observe the Code of Conduct for Non-Voting Co-opted Members before acting as a co-optee.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer.

8. HUMAN RESOURCES IMPACT

8.1 There are no immediate HR issues arising from this report for Council employees or staff.

Approved by: Gillian Bevan, Head of HR, Resources.

9. EQUALITIES IMPACT

9.1 The post of Independent Chair of GPAC has been advertised within and beyond the borough using channels relevant to potential candidates with the relevant skills and experience. The appointments process is being carried out in compliance with the Council's recruitment and selection policies, to ensure that all candidates are treated fairly.

10. ENVIRONMENTAL IMPACT

10.1 There are no environmental impacts arising from this report.

11. CRIME AND DISORDER REDUCTION IMPACT

11.1 There are no crime and disorder reduction impacts arising from this report.

12. DATA PROTECTION IMPLICATIONS

12.1 There are no data protection implications arising from the content of this report.

Approved by: Asmat Hussain, Executive Director Resources and Monitoring Officer (Interim).

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