

Committee(s)	Dated:
Policy and Resources – For Decision	23 March 2023
Subject: Committee Terms of Reference	Public
Which outcome in the City Corporation’s Plan does this proposal aim to impact directly?	Corporate Plan outcomes 1-12
Does this proposal extra revenue and/or capital funding	No
If so, how much?	N/A
What is the source of the funding	N/A
Has this Funding Source been agreed with the Chamberlain’s Department	N/A
Report of: Deputy Town Clerk	For Decision
Report author: Chris Rumbles, Governance Officer	

Summary

The Policy & Resources Committee is responsible for the annual review of changes to Committee Terms of Reference, for onward consideration at the Court of Common Council.

This report presents a summary of changes brought forward by various Committees in respect to their own terms of reference. The detail of the Terms of Reference are set out within the appendices and the case for the change(s) contained within this cover report.

Not included in this report are changes to committee terms of reference that fall under the umbrella of the Light Touch Governance Review (LTGR). In the interest of avoiding duplication, changes made in response to the LTGR are captured within a separate report on the agenda.

Recommendations

Members are invited to:-

- 1) consider and approve the revised terms of reference for the following Committees, as appended to the report:
 - a) Board of Governors of Guildhall School of Music and Drama
 - b) Corporate Services Committee’s
 - c) Finance Committee
 - d) City of London Police Authority Board
 - e) Crime and Disorder Scrutiny Committee
 - f) Local Government Pensions Board
 - g) Barbican Centre Board
 - h) Audit and Risk Management Committee.
 - i) Culture Heritage and Libraries Committee
 - j) Opens Spaces and City Gardens Committee

- k) Markets Board
 - l) Health and Social Care Scrutiny Committee
- 2) Delegate Authority to the Town Clerk in consultation with the Chairman and Deputy Chairman to consider and approve any subsequent changes to Committee Terms of Reference required ahead of the April 2023 Court meeting, including the Boards of Governors of the three Independent schools; and
 - 3) Authorise the Town Clerk to make factual amendments to Terms of Reference (e.g. to reflect the changes to names of Committees) required ahead of presentation to the the April 2023 Court meeting.

Main Report

Background

1. The Policy and Resources Committee is responsible for the City Corporation's governance arrangements, including the composition and terms of reference of the various committees of the Court of Common Council. As a consequence, any material changes need to be considered by this Committee, prior to them being considered by the Court of Common Council as part of the annual "White Paper" process in April of each year. All Committees are required to review their terms of reference on an annual basis.
2. With respect to the Policy & Resources Committee terms of reference, these are subject to consideration as part of an item relating to the 'Light Touch Governance Review' contained elsewhere on the agenda.
3. Policy & Resources Committee, a long with a select few other Committees, have had changes to their Terms of Reference proposed within this separate report. In the interests of not doubling up on their inclusion, any committees whose terms of reference are included in this LTGR report, are not included here. This report instead centres on the 'business as usual' updates as recommended by the Committees themselves.
4. The following Committees have proposed amendments to their composition, terms of reference and/or governance arrangements of sufficient scope to merit consideration by this Committee.
 - 1) Board of Governors of the Guildhall School of Music and Drama
 - 2) Corporate Services Committee
 - 3) Finance Committee
 - 4) City of London Police Authority Board
 - 5) Crime and Disorder Scrutiny Committee
 - 6) Local Government Pensions Board
 - 7) Barbican Centre Board
 - 8) Audit and Risk Management Committee
 - 9) Culture, Heritage and Libraries Committee
 - 10) Open Spaces and City Gardens Committee
 - 11) Markets Board (By way of resolution)
 - 12) Health and Social Care Scrutiny Committee

5. Details of the proposed amendments are summarised in the body of this report and the proposed revised terms of reference are featured within the appendices.

Board of Governors Guildhall School of Music and Drama (Appendix 1)

6. A discussion took place at the last Guildhall School Board of Governors meeting on 20 February 2023, when it was agreed that safeguarding would be added to the Terms of Reference for approval at the next review date.
7. Further discussions took place following the meeting to clarify that the oversight sat with the Board rather than with the City Corporation's Community and Children's Services Committee.

Corporate Services Committee (Appendix 2)

8. Corporate Services Committee is proposing a series of changes including:-
 - i. the inclusion of corporate health and safety as an area under its area of responsibility
 - ii. the inclusion of equality, diversity and inclusion.
 - iii. It is also proposed reference to Heads of Departments or Institutions be replaced by 'Chief Officers'.
 - iv. Clarity has been provided within the terms of reference on the definition of staff at the City Corporation.
 - v. Updates have been made to reflect the organisational structure as part changes from Target Operating Model, Corporate Services Committee to be the service Committee for the Chief Operating Officer's Department (HR: Corporate Health and Safety; Equality, Diversity and Inclusion) in addition to Town Clerk's Department (Policy and Democratic Services and Comptroller and City Solicitor's Department.
 - vi. The introduction of a reference to the approval of Market Forces Supplements and Honorarium payments
9. On this final point, the Corporate Services Committee proposed approval of Markets Forces Supplements and Honorarium payments over officer delegation thresholds be agreed under delegation to the Chair and Deputy Chair of Corporate Services Committee. An updated proposal has now been incorporated into the terms of reference instead proposing Markets Forces Supplements and Honorarium payment be approved in line with the Officer Scheme of Delegations (which are due to be presented for consideration and approval by Policy and Resources Committee and Court of Common Council). This revision was made after Corporate Services Committee met, on the basis that it is not possible to delegate authority to individual Members. It is felt that this revised wording still captures the intended purpose, and the Officer Scheme of Delegations is the appropriate mechanism which to use.

Finance Committee (Appendix 3)

10. Finance Committee is proposing a straightforward change to its quorum from any nine Members for a 'quorum to consist of any seven Members.
11. Further changes to the terms of reference may arise out of consideration of the Light Touch Governance Review by virtue of changes to some of its sub-committees.

City of London Police Authority Board (Appendix 4)

12. The Board is recommending a change to its quorum to include a requirement that the quorum consists of any five voting Members. There are currently four non-voting external Members on the Board and without this amendment, it could be possible for one Court of Common Council Member to hold the vote on decision items, which was likely not the intention of the Court when originally establishing this quorum.
13. There is also a minor amendment to replace reference to Economic Crime with National Lead Force for Fraud, this is simply to better capture the Board's responsibilities as a National Lead.

Crime and Disorder Scrutiny Committee (Appendix 5)

14. It is proposed that Crime and Disorder Scrutiny Committee's Terms of reference be revised so that it may be properly constituted and appointed for the beginning of the new civic year.
15. As the proposed Membership of the Crime and Disorder Scrutiny Committee would be constituted by the Chairmen of the specified committees, half of the membership would be ineligible to stand as the Committee's Chair. As such, it is proposed that Standing Order 29.3(a) be reviewed to include Crime and Disorder Scrutiny Committee on the list of those committees which do not cause a Member to be ineligible to serve as the Chair of another committee. Furthermore, it was also proposed that Standing Order 22(2) be reviewed relating to the maximum numbers of committees on which Members can serve should be considered to ascertain the suitability of including the Crime and Disorder Scrutiny Committee on those committees not counting toward the maximum.
16. Standing Order changes have been included within the appendices to the LTGR report.

Local Government Pensions Board (Appendix 6)

17. A proposed minor amendment to the terms of reference by dispensing with the requirement for the Board to meet at least three times a year.
18. It was felt that this was an unnecessary clause. There would be an obligation to meet at least once each year, which is implicit in the annual appointment of the Board.
19. This proposal has been made in response to establishment of a Pensions Committee at the City Corporation and will look to ensure the meeting scheduling and reporting between the two committees to align.

Barbican Centre Board (Appendix 7)

20. The Barbican Centre Board is requesting an amendment to its composition to reduce the number of Board members to 17 (eight Court of Common Council Members and eight External Members, plus the Chair of the Barbican Centre Trust who has an ex-officio position). The suggested method to achieve this figure is to remove the appointee from the Finance Committee and the ex-officio positions for the Chairs of the Board of Governors of the Guildhall School of Music and Drama and the Culture, Heritage and Libraries Committee.

21. The Board is also seeking to change its quorum requirements, having experienced several inquorate meetings over the past year. The current arrangements require five Members to be present, as long as Court Members are in the majority. In practice, this has resulted in a delicate balance where a single apology from a Court member has caused an inquorate meeting. Therefore, approval is sought to change the quorum rules so Court Members need only be in the majority for three items of business:
 - the approval of the Budget;
 - the appointment of External Members;
 - the appointment of the Chief Executive Officer
22. The overall number of Members required to be present for a quorum would remain at five. These arrangements would be akin those in place for the Board of Governors of the Guildhall School of Music and Drama. The Board also undertook to review these arrangements after one year.
23. It is also recommended that item (b) of the terms of reference be updated to change Managing Director to Chief Executive Officer, following the outcomes for the Barbican Centre in the TOM.
24. The Board is requesting that Standing Order 29 be changed so that Board Chairs are allowed to serve terms of four years, rather than the current three year limit. This change has been captured within the revised Standing Orders appendix to the LTGR report elsewhere on the agenda. The Board felt that amending the term limit would align the Board with the length of service for Chairs of other institutions across the arts sector. For example, the Chair of the Royal Opera House Board can serve for two terms of four years, while the Chair of the RSC can serve up to two terms of three years.
25. The Board also felt it would be appropriate that the current Chair, whose three-year term as Chair is due to expire in April 2023, should be eligible to stand again to serve out a fourth year, should the recommend change to the term length be approved.

Audit and Risk Management Committee (Appendix 8)

26. Audit and Risk Management Committee is proposing removal of a need to consider and approve annually the rolling three year plan for internal audit. It is proposed an annual report of the Head of Internal Audit is provided to include a review of the effectiveness of the City of London's risk management strategy. It is proposed meetings with external auditors take place as necessary.
27. There are also changes proposed relating to Risk Management, with specific reference being made to Anti-Fraud and Anti-Corruption arrangements and reporting to Court of Common Council, inclusion of a need to be satisfied that that the risk management framework for the identification and mitigation of existing and emerging risk is robust.
28. Specific reference is proposed within the terms of reference to consider and report back to the Court on risks related to all governance and value for money issues arising from the operational activities of the City Corporation.

Culture, Heritage and Libraries Committee (Appendix 9)

29. Culture, Heritage and Libraries Committee is proposing to remove responsibility for the Small Business Research Centre SBREC. This would move to the Policy and Resources Committee.
30. It is also proposed that responsibility for the City of London Police Museum be deleted as a responsibility on the basis that the agreement with the City of London Police to host and facilitate the CoLPM's collection expired on 14 November 2021.

Open Spaces & City Gardens Committee (Appendix 10)

31. Proposed change of name from Open Spaces & City Gardens Committee to Natural Environment Board.

Markets Board – Resolution (Appendix 11)

32. Markets Board is proposing a change its constitution in relation to three non-voting Members (who shall not count towards the quorum), to include provision for the Market Tenants' Association Chairs to nominate a 'deputy' in the instances where either they (or their permanent representative, where they have chosen not to appoint themselves) are not able to attend a meeting.
33. Reference is also made to the Chair and Deputy Chair of the Board, or their nominated representative, shall be appointed to Capital Buildings Board and the Barking Reach Group.
34. An additional area of responsibility is proposed to include Markets Board 'to be directly involved in the on-going Markets Co-location Project including Finance, tenant relationships and partnership negotiations; including funding and asset requirements.

Health and Social Care Scrutiny Committee (Appendix 12)

35. Health and Social Care Scrutiny Committee are proposing under their areas to be responsible for that it include a reference to 'the Local Authority (Public, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013'.

Boards of Governors of the three independent schools

36. Following a series of piecemeal changes to the Boards' Terms of Reference in April/May 2022, consideration is being sought on amendments that will bring all three schools back in line with one another, whilst ensuring that they each retain the desired principles implemented in response to the Tomlinson Review and Governance Review.
37. In addition to this, following ongoing discussions between Chairmen and officers, a developing proposal been brought in an attempt to better manage the relationship between the Court's appointment processes and Government legislation necessitating the completion of a satisfactory Criminal Records Certificate within 21 days of a Governor's appointment or election.

38. The drafts of these terms of reference are still in the process of being approved by all three boards. As such, Members are invited to grant delegated authority to the Town Clerk in consultation with the Chairman and Deputy Chairman, to consider these on behalf of the Policy & Resources Committee ahead of consideration by the Court of Common Council.

Proposals and Options

39. It is for Members to decide what of the proposed changes to the various terms of reference are required and to put these forward for recommendation to the Court of Common Council in April 2023.

Corporate & Strategic Implications

Strategic implications

One of the purposes of the annual review of terms of reference, is to help ensure that the City Corporation has in place the best governance structures to deliver against our Corporate Plan.

Financial implications

None.

Resource implications

None.

Legal implications

None.

Risk implications

There is a risk that further amendments to terms of reference alongside the Light Touch Governance Review can result in changes to responsibilities and processes that officers and Members are not aware of. To mitigate this, following approval at Policy & Resources, the contents of this and the LTGR report will be socialised with Officers and Members to help advise on changes and what that may mean in terms of committee reporting etc.

Changes contained within this report are reasonably minor and are therefore not considered to be of significant risk.

Equalities implications

Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.

Climate implications

The proposals included in this paper do not carry any significant implications for the Climate Action programme.

Security implications

There are none.

Conclusion

40. The Committee is asked to consider the proposed amendments to Terms of Reference and Constitutions as set out above, as requested by various committees. Those which are approved will be submitted to the Court of Common Council in April for final approval.

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