

GOVERNANCE COMMITTEE - 29 March 2022

MINUTES

Present: Councillors: K Allsopp, S Ashraf MBE, S Caudwell, S Davis (Vice-Chairman), R Grinsell, P Hogarth MBE (Chairman) and J O'Nyons

Officers: Olly Dodds, Audit Manager
Helen Flinter, Policy Development & HR Business Manager
Andrew Kinsey, Legal Services Manager and Solicitor to the Council
Deborah Merry, Head of Legal and Democratic Services
Adam Paterson, Finance Manager
Mark Wills, Health, Safety & Risk Manager

Apologies: Cllrs L McCarthy and M Wilson, who both joined the meeting remotely by internet link.

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. QUESTIONS AND DEPUTATIONS

There were no questions or deputations.

3. MINUTES

RESOLVED:

That the minutes of the meeting held on 19th January 2022 be approved as a correct record.

4. AUDIT COMMITTEE TERMS OF REFERENCE

The Audit Manager reported that the terms of reference of the Audit Committee had been reviewed and a revised version was presented, which included updates to reflect CIPFA best practice guidance and the Public Sector internal Audit Standards.

He responded to questions from Members and agreed to circulate a change log to all Members of the Committee.

RECOMMENDED:

That the revised Terms of Reference of the Audit Committee attached as Appendix A to these minutes be approved by Council.

5. CORPORATE HEALTH AND SAFETY POLICY

The Health, Safety & Risk Manager presented a revised Corporate Health and Safety Policy, which had been updated to reflect the current structure of the organisation and the associated roles and responsibilities of Elected Members, the Chief Executive, Directors, Assistant Directors, Heads of Service, Managers and employees.

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He confirmed that consultation had taken place and views sought from a range of stakeholders including the Cabinet Resources Portfolio Holder, the Corporate Health and Safety Board, the Chief Executive, Directors, Heads of Service and Managers, and the Trade Unions.

RESOLVED:

That the revised Corporate Health and Safety Policy be approved.

6. CAPABILITY POLICY

The Policy Development & HR Business Manager presented a revised Capability Policy, which had been reviewed in line with Smarter Ways of Working principles and following the introduction of hybrid working practices. She explained the main changes to the Policy, which were set out in paragraphs 3.3 to 3.7 of the report, and she responded to questions from members.

RESOLVED:

That the revised Capability Policy be approved.

7. DISCIPLINARY POLICY

The Policy Development & HR Business Manager presented a revised Disciplinary Policy, which had been updated to incorporate greater flexibility for managers and increased support for employees in cases where disciplinary proceedings needed to be instigated. She explained the main changes to the Policy, which were set out in paragraphs 3.3 to 3.13 of the report, and she responded to questions from members.

RESOLVED:

That the revised Disciplinary Policy be approved.

8. FINANCIAL REGULATIONS UPDATE – MARCH 2022

The Committee was invited to consider the Council's revised Financial Regulations. The Finance Manager confirmed that the Audit Committee had considered the revised Financial Regulations on 14 March 2022 and had recommended that they be endorsed for approval by Council.

RECOMMENDED:

That the revised Financial Regulations and other associated guidance documents as set out in Appendices A and B to the report be approved by Council with the revised Regulations to be enforced from April 2022. The documents can be viewed [here](#).

9. RIPA – ANNUAL REPORT

The Solicitor to the Council presented an annual report on the Council's use of and compliance with the Regulation of Investigatory Powers Act 2000 (RIPA). He

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explained the three powers available to local authorities under RIPA and confirmed that there had been no use of RIPA powers during the period from 1 January to 31 December 2021.

RESOLVED:

That the report be noted.

10. REMUNERATION OF SOLIHULL COMMUNITY HOUSING BOARD MEMBERS

The Head of Legal and Democratic Services reported that on 10th February 2022 the Cabinet had agreed rates for the remuneration of independent and tenant/leaseholder Members of the Solihull Community Housing Board, and had asked the Governance Committee to make a recommendation as to the remuneration of Solihull MBC nominated Board Members.

RECOMMENDATIONS TO CABINET:

1. That the Solihull MBC nominated Board Members should receive the same remuneration (£4,000) as the Independent and tenant/leaseholder Board Members, and
2. That in future all SMBC nominated Board members should be serving members of the Council.

RESOLVED:

That a report be presented to a future meeting of the Governance Committee with a proposal on how SMBC nominated Board Members' attendance and performance at SCH Board meetings could be monitored.

11. INDEPENDENT REMUNERATION PANEL REVIEW OF THE MEMBERS' ALLOWANCES SCHEME

The Head of Legal & Democratic Services invited members to consider the report of the Independent Remuneration Panel on their review of the Members Allowances Scheme.

RECOMMENDED:

That Council approve the Members' Allowances Scheme for 2022-23, as attached at Appendix B to these minutes.

The meeting closed at 7.40 pm

**Solihull Metropolitan Borough Council
Audit Committee
Terms of Reference**

Membership

3 elected members of Solihull Metropolitan Borough Council

3 independent co-opted members who shall each serve for a four year fixed term

The Chairman of the Committee is to be one of the independent co-opted members

Purpose

1. The Audit Committee is a key component of SMBC's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

2. The purpose of the audit committee is to provide independent assurance to the Members of the adequacy of the risk management framework and the internal control environment. It provides independent review of SMBC's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.

4. To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

5. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

6. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

7. To monitor the effective development and operation of risk management in the council by:

a) having oversight of the Council's risk management policy, strategy and implementation, including the integration of risk management into the governance and decision-making processes of the Council

b) reviewing the arrangements to coordinate and lead risk management and review the risk profile, including major operational risks, and seek assurances these risks are managed effectively and appropriately from the responsible officers

c) monitoring the effectiveness of risk management arrangements by having oversight of any risk maturity assessments, benchmarking exercises or external risk management assurance exercises that occur.

8. To monitor progress in addressing risk-related issues reported to the committee.

9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

10. To review the assessments of fraud risks and potential harm to the council from fraud and corruption.

11. To monitor the counter-fraud strategy, actions and resources.

12. To review the governance and assurance arrangements for significant partnerships or collaborations.

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Internal Audit

13. To review and approve the Audit Charter on an annual basis.
14. To endorse the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
15. To endorse significant interim changes to the risk-based internal audit plan and resource requirements.
16. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
17. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
18. To consider reports from the head of internal audit on internal audit's performance during the year. These will include:
 - a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) Reports on the results of the Quality Assurance Improvement Program (QAIP)
 - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards, considering whether the non-conformance is significant enough that it must be included in the AGS
19. To consider the head of internal audit's annual report including the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion (which will assist the committee in reviewing the AGS).
20. To consider specific internal audit reports as requested.
21. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
22. To contribute to the QAIP and the external quality assessment of internal audit that takes place at least once every 5 years.
23. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.
24. To provide feedback on the performance of the Head of Audit Services to the Director of Resources and Deputy Chief Executive via the Chair of the Audit Committee.
25. To recommend (for approval by the Director of Resources and Deputy Chief Executive and the Chief Executive) the appointment and dismissal of the Head of Audit Services should the need arise.

External Audit

26. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd.
27. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
28. To consider specific reports as agreed with the external auditor.
29. To comment on the scope and depth of external audit work and to ensure it gives value for money.
30. To commission work from internal and external audit.
31. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

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Regulatory Framework and Financial Reporting

32. To maintain an overview of the Council's constitution in respect of contract procedure rules and financial regulations.

33. To review any issue referred to it by the Chief Executive or an Executive Director, or any Council body.

34. To consider the Council's compliance with its own and other published standards and controls.

35. To ensure the effective scrutiny and monitoring of the Treasury Management strategy and policy.

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

37. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability

38. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

39. To report to Full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose and publish an annual report on the work of the committee.

February 2022

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APPENDIX B

SOLIHULL METROPOLITAN BOROUGH COUNCIL Members' Allowances Scheme 2022 - 2023

Introduction

1. This scheme of allowances ("the Scheme") is made this 5th day of April 2022 in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and following consideration of the report of the Independent Remuneration Panel dated March 2022.
2. The Scheme applies for the payment of allowances to Members for the period from 1 April 2022 to 31 March 2023.
3. The Members' Allowances Scheme previously approved by the Council is hereby revoked and ceases to exist after 31st March 2022 and shall be replaced by this scheme (Members' Allowances Scheme 2022 - 2023).

Basic Allowance

3. For the period from 1st April 2022 to 31st March 2023 a Basic Allowance at the annual rate of £10,500 will be paid to each Councillor.

Special Responsibility Allowances

5. Special Responsibility Allowances will be paid as follows at the annual rates shown in the table below:-

	2022-23 w.e.f. 1 April 2022*
Special Responsibility Allowance (annual rates)	
Leader of the Council	*£24,700
Deputy Leader of the Council	£14,820
Cabinet Members	*£9,880
Chairmen, Overview & Scrutiny Boards	*£7,903
Chairman of Planning Committee	*£7,903
Chairman of Licensing Committee or Licensing Sub-Committee	*£3,953
Chairman of Governance Committee	*£3,953
Co-opted Chairman of Audit Committee	£1,752
Member of Adoption Panel and Fostering Panel	*£2,964
Group Leader (10 or more Councillors)	*£9,880
Group Leader (5-9 Councillors)	*£4,919
Group Leader (less than 5 Councillors)	*£2,471
Spokesperson of a political group (Subject to the Political Group having at least the same number of Members as there are current places in the Cabinet)	*£1,976
Spokesperson of a political group (Where the Group has less Members than the number of current places in the Cabinet)	*£988

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**With the exception of the Deputy Leader's Allowance and the Audit Committee Chair's Allowance which are dealt with separately, the Special Responsibility Allowances for 2022-23 to be increased by 2% or the level of the 2022 -23 staff pay award once determined, whichever is the greater. The figures above include a 2% increase.*

Childcare/Dependants' Carers' Allowance

6. Allowances will be paid in respect of the expenses of a councillor in arranging for the care of their children or a dependant as are necessarily incurred for the purposes of the duties specified in Regulation 7 of the Local Authorities (Members' Allowances) (England) Regulations 2003 which for information are set out in Appendix 1 to the Scheme.
7. The allowance for childcare shall be the actual costs (supported by receipts) incurred not exceeding the hourly rate for the National Living Wage applicable to the age of the carer.
8. The allowance for dependants' carers' shall be at the Council's own hourly rate for Home Care Assistance for care of other dependants per hour for the time spent, to be paid only on the production of a receipt issued by a professional carer.
9. No member may claim for a childcare/dependants' carers' allowance unless details of the arrangements and their proposed cost have been notified in advance to the Chief Executive.

Travelling and subsistence allowance

10. Travelling allowances for the use of vehicles are payable for the purposes of the duties specified in Regulation 8 of the Local Authorities (Members' Allowances) (England) Regulations 2003 which for information are set out in Appendix 1 to the Scheme.
11. The rates for travelling allowances in respect of the use of a private vehicle shall be the same as the rates which are applicable in the terms and conditions of employment of the Council's staff.
12. Members who travel by bicycle may claim an allowance at the rate of 20p per mile.
13. Members who travel by public transport should claim actual fares and may only claim first class rail fares in exceptional circumstances. In special circumstances, claims in respect of the use of taxis may be reimbursed.
14. Where a member has undertaken an approved duty an amount reasonably and necessarily expended for the purpose of meals and refreshments may be claimed in accordance with guidelines approved by the Council from time to time.

General

15. No Member may be paid more than one special responsibility allowance.

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16. A Member who is a member of another authority may not receive allowances from more than one authority in respect of the same duties.
17. Payments in respect of basic and special responsibility allowances will be paid monthly in instalments of one twelfth of the amounts referred to above, one half of the monthly payment to be paid in arrear and one half to be paid in advance.
18. Payments will be made by direct transfer to a Members' bank/building society account and will be made on the 15th of the month or on the previous Friday if the 15th falls on a Saturday or Sunday.
19. A Members entitlement to payment of the basic and special responsibility allowances will be reduced pro-rata on ceasing to hold an office carrying a special responsibility, on ceasing to be a Councillor or in the event of the Scheme being amended by the Council.
20. A Member who does not wish to be paid all or any of the basic or special responsibility allowances must give notice, in writing, to the Chief Executive of the amount he or she wishes to forgo.
21. Where payment of any allowance has already been made in respect of any period during which a Member
 - a) Ceases to be a member of the Council; or
 - b) Is in any other way not entitled to receive the allowance in respect of that period,the Council may require that such part of the allowance as relates to any such period to be repaid to the Council.
22. Any travelling or subsistence allowance payable in respect of the responsibilities or duties from which a member is suspended or partially suspended may be withheld by the Council.
23. Claims for payment of the dependents' carers' allowance and travel and subsistence allowance must be made within the claim periods set out in Appendix 2.

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APPENDIX 1

APPROVED DUTIES FOR THE PURPOSE OF DEPENDANTS' CARERS AND TRAVELLING AND SUBSISTENCE ALLOWANCES ¹

- (a)(i) The attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
- (a)(ii) Attendance of a member at meetings of working parties and advisory groups constituted by the Council, or by or on behalf of the Cabinet (including any Cabinet Member);
- (a)(iii) Attendance at seminars, training events and open days organised by or through the Council;
- (a)(iv) Attendance at a meeting on Council premises with an officer of the Council for the purpose of receiving a briefing by officers on matters on business before any decision making body (including decisions by Cabinet Members) (excluding any meeting only for the purpose of raising matters on behalf of constituents);
- (a)(v) Any specific duty on any occasion specifically approved by a Scrutiny Board, Committee, or Sub-Committee for the purpose of or in connection with the functions of that body.
- (b) The attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and one or more local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee provided that -
 - (i) Where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) If the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
- (c) The attendance at a meeting of any association of authorities of which the authority is a member;
- (d) The attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;

¹ The categories of approved duties are as set out in Regulations 7 and 8 of the Local Authorities (Members' Allowances) (England) Regulations 2003 Statutory Instrument No. 1021

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- (e) The performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- (f) The performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- (g) The performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996, and
- (h) The carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

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APPENDIX 2

Claim periods for travelling, subsistence and dependents' carers' allowances

Claim Period					
2022					
From	To				Pay Day
28-Feb-21	27-Mar-22		31/03/22		14-Apr
28-Mar-22	24-Apr-22		29/04/22		13-May
25-Apr-22	22-May-22		31/05/22		15-Jun
23-May-22	26-Jun-22		30/06/22		15-Jul
27-Jun-22	24-Jul-22		29/07/22		15-Aug
25-Jul-22	28-Aug-22		31/08/22		15-Sep
29-Aug-22	25-Sep-22		30/09/22		14-Oct
26-Sep-22	23-Oct-22		31/10/22		15-Nov
24-Oct-22	27-Nov-22		30/11/22		15-Dec
2023					
28-Nov-22	25-Dec-22		30/12/22		13-Jan
26-Dec-22	22-Jan-23		31/01/23		15-Feb
23-Jan-23	26-Feb-23		01/03/23		15-Mar
<p>Payments of the Basic and Responsibility Allowance are made two weeks in arrears and two weeks in advance. Payments of Attendance and Special Allowances, together with expenses, are made in arrears in accordance with the timetable shown above.</p>					
<p>Please submit forms by reference to the Claim Periods in order to avoid unnecessary or excessive payments of Income Tax and/or National Insurance.</p>					
<p>Claims should be submitted monthly</p>					
<p>PLEASE ENSURE THAT YOUR EMPLOYEE NUMBER IS ENTERED ON EACH CLAIM FORM.</p>					