

Status of Report: Public

Meeting: Combined Fire Authority

Date: 4 October 2023

Subject: Appointment of Independent Members of the Corporate Governance Committee

Report by: The Monitoring Officer

Author: Lauren Haslam, Monitoring Officer

For: Decision

Purpose

1. The purpose of this report is to seek the approval of the Combined Fire Authority to the appointment of Independent Members to the Corporate Governance Committee.

Recommendation

2. It is recommended that:
 - a. Mr G. Grimes, Mr A. Maxfield and Mr B. Bhakri be appointed to serve as Independent Members of the Corporate Governance Committee up to the Annual Meeting of the Combined Fire Authority in 2027 noting that Mr G. Grimes and Mr A. Maxfield will serve, in rotation, consecutive two-year terms as follows:
 - i. From appointment to the date of the Annual Meeting in May 2025 Mr A. Maxfield; and
 - ii. From the date of the Annual Meeting in May 2025 to the date of the Annual Meeting in May 2027 Mr G. Grimes.
 - b. The Terms of Reference of the Corporate Governance Committee, as set out in the Constitution of the Combined Fire Authority, be revised as set out in paragraph 12 below to reflect these appointments.

Executive Summary

3. The appointment of Independent Members to the Corporate Governance Committee strengthens the governance framework and is compliant with best practice in local audit arrangements.

Background

4. As part of the government's response to recommendations from '*The Independent review into the oversight of local audit and the transparency of local authority financial reporting*', (the Redmond Review), it is intended that

legislation will be enacted to make audit committees mandatory in the future and that there be a statutory requirement for FRA Audit committees to have at least one independent member as part of local audit reforms. The Corporate Governance Committee performs the functions of the audit committee for the CFA. At present, the timescale for the introduction of the relevant legislation is not clear.

5. In the interim, the government is encouraging FRAs (as well as LAs) to establish arrangements in line with CIPFA's Audit Committees: practical guidance for local authorities and police which was revised in 2022. In its revised position statement issued in May 2022 CIPFA advised:-

'The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation. Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.'

6. This is intended to supplement the knowledge and experience of elected members in specific areas such as finance and audit, provide continuity outside the political cycle (this being of particular importance where members of the committee can change annually or because of elections) and to help achieve a non-political focus on governance, risk and control matters.
7. Both the Leicester City Council and Leicestershire County Council have recently recruited Independent Members (one in the case of the City Council and two in the case of the County Council) to sit on each of their respective committees with audit functions. Rutland County Council doesn't have an Independent Member on its Audit and Risk Committee.

Consideration by the Corporate Governance Committee

8. At its meeting on 13 July 2023, the Corporate Governance Committee considered a number of options in relation to this issue and resolved to identify if two (one from each local authority) of the Independent Members appointed by Leicester City Council and Leicestershire County Council would be willing and available to sit on the CFA Corporate Governance Committee in rotation. This was considered preferable to undertaking a separate recruitment exercise or awaiting the introduction of the legislation to mandate the appointment of independent members.

The Independent Members

9. The Independent members appointed by the relevant local authorities are:
 - (a) Leicestershire County Council
 - i. Mr G. Grimes

Mr Grimes is a former civil servant having specialised in operational management, corporate governance and change management and process re-engineering at both an operational and strategic level. Since the introduction of the revised standards regime following the 2011 Localism Act, he has also been appointed (and reappointed in most cases) as an independent person for 11 authorities in Leicestershire, Rutland and Lincolnshire.

ii. Mr A.Maxfield

Mr Maxfield is an experienced governance professional across public and private sector settings. He is currently Head of Governance and Assurance at the Manufacturing Technology Centre, setting corporate policy and providing advice on all matters of governance.

(b) Leicester City Council

Mr Bhakri is a Chartered Accountant and holds the role of Director of Finance and Resources at the National Space Centre . He has previous experience at a senior level with the Parliamentary and Health services Ombudsman and Nottingham City Council. He is independent member on the audit committee of the Engineering Construction Industry Training Board and Treasurer of a charity (Care after combat).

10. All three proposed Independent Members have been through a recruitment process as part of the appointment by the respective LAs referred to above. Since the County Council has two Independent Members and both have expressed an interest in sitting on the Corporate Governance Committee for the CFA, it is proposed that the County Council Independent Members each serve for a consecutive two-year term of office.
11. Independent Members are non-elected representatives that will not be able to vote on matters like elected members of the Committee but will be part of the Committee in an advisory and consultative capacity. They have been recruited based on the suitability of their qualifications and experience in the area of audit and/or governance to provide:
 - Specialist knowledge and insight to the workings and deliberations of the committee;
 - An effective, independent assurance of the adequacy of the risk management framework;
 - An independent review of the Council's financial and non-financial performance;
 - Independent challenge to, and assurance over, the Council's internal control framework and wider governance processes.

The Constitution

12. The appointment of the Independent Members will require an amendment to the Constitution as follows:

Current Article 5 –

5.1. Membership of the committee shall be determined by the CFA.

Proposed Article 5

5.1 Membership of the committee shall be determined by the CFA and shall include up to two Independent Members who shall be non-voting co-optees.

Report Implications/Impact

12. Legal (including crime and disorder)

The appointment of independent members reflects best practice. By virtue of section 13 of the Local Government and Housing Act 1989 members of Committees who are not themselves Elected Members of the Council shall be non-voting.

13. Financial (including value for money, benefits and efficiencies)

None.

14. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

The role of the independent member will enhance the controls and measures which apply to the CFA to manage its risk in the areas identified.

15. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

None.

16. Environmental

There are no environmental implications arising from this report.

17. Impact upon “Our Plan” Objectives

The CFA is responsible for delivering an effective fire and rescue service to Leicester, Leicestershire and Rutland and to provide clear leadership for residents and communities. The governance and ethical measures in place provide assurance that the Service operates with transparency and accountability and will be enhanced by the appointment of the Independent Members .

Background Papers

<https://leics-fire.gov.uk/wp-content/uploads/2023/07/18.-governance-update.pdf>

<https://www.cipfa.org/services/support-for-audit-committees>

Appendices

None.

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