



Meeting: **Constitution Committee**

Date/Time: **Friday, 25 November 2022 at 1.00 pm**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mr. E. Walters (Tel: 0116 305 2583)**

Email: **Euan.Walters@leics.gov.uk**

Membership

Mr. N. J. Rushton CC (Chairman)

Mr. P. Bedford CC Mr J. Poland CC
Mr. L. Breckon JP CC Mr. R. J. Shepherd CC
Mr. M. T. Mullaney CC Mrs D. Taylor CC

AGENDA

<u>Item</u>	<u>Report by</u>
1. Appointment of Chairman.	
2. Election of Deputy Chairman.	
3. Minutes of the meeting held on 7 December 2021.	(Pages 3 - 4)
4. Question Time.	
5. Questions asked under Standing Order 7(3) and 7(5).	
6. To advise of any other items which the Chairman has decided to take as urgent.	
7. Declarations of interest.	
8. Charitable Trust Future Arrangements.	Director of Law and Governance (Pages 5 - 18)



9. Review and Revision of the Constitution. Chief Executive (Pages 19 - 26)
10. Any other items which the Chairman has decided to take as urgent.



Minutes of a meeting of the Constitution Committee held at County Hall, Glenfield on Tuesday, 7 December 2021.

PRESENT

Mrs D. Taylor CC (in the Chair)

Mr. L. Breckon JP CC
Mr. M. T. Mullaney CC
Mr J. Poland CC

Mrs B. Seaton CC
Mr. R. J. Shepherd CC

21. Minutes of the previous meeting.

The minutes of the meeting held on 19 November 2021 were taken as read, confirmed and signed.

22. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

23. Questions asked under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

24. Urgent items.

There were no urgent items for consideration.

25. Declarations of interest.

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

No declarations were made.

26. Statement of Accounts, Annual Governance Statement and Pension Fund Accounts 2020/21

The Committee considered a report of the Director of Corporate Resources which presented the 2020/21 financial statements for approval, informed the Committee of the main areas of the financial statements, and reported the key findings from the external audit of the accounts. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

Arising from discussions the following points were noted:

- (i) The Accounts and Audit (Amendment) Regulations 2021 required the external audit of the financial statements to be complete by the end of September 2021 however agreement had been reached with the County Council's auditors Grant Thornton UK LLP that the External Audit would be completed by the end of November 2021. The audit was almost complete with the auditor expecting to finalise their opinion by 10th December. Members expressed disappointment that the External Audit had still not been completed.
- (ii) As the new Value for Money assessment had not yet been received it was not clear what factors the External Auditors had taken into account when reaching their Value For Money conclusion. However, it was expected that the assessment would comprise a mixture of benchmarking against other Authorities and a list of standards which had to be met.
- (iii) The level of the Council's Reserves had actually increased due to the funding received to help with the Covid-19 pandemic, however this money was required to be spent by the end of the financial year therefore the level of the Council's reserves would fall by April 2022.
- (iv) The Pension Fund was in surplus in terms of the Actuarial Valuation (per the latest mid-valuation update as at 31 March 2021), though it was shown in the accounts as a deficit.
- (v) The Committee thanked the Director of Corporate Resources and the Chief Executive for their work in producing the financial statements under difficult circumstances particularly with regards to the new finance and human resource system, Oracle Fusion Cloud services.

RESOLVED:

That the financial statements for 2020/21 be approved.

11.00 - 11.18 am
07 December 2021

CHAIRMAN

CONSTITUTION COMMITTEE: 25 NOVEMBER 2022**CHARITABLE TRUST FUTURE ARRANGEMENTS****REPORT OF DIRECTOR OF LAW AND GOVERNANCE****Purpose of Report**

1. The purpose of this report is to update the Committee (sitting as Trustee) on the proposals for the future arrangements for the Educational Trusts of which the County Council is the sole corporate Trustee into a single fund called the Leicestershire Educational Trust Fund to be administered by the Leicestershire and Rutland Community Foundation (LRCF) and to seek the Committee's views (1) in relation to the proposed closure and transfer of funds referred in paragraph 11 below; and (2) in relation to the potential transfer of the Kibworth Beauchamp High School Foundation to a community group.

Policy Framework and Previous Decisions

2. Part 3 of the County Council's Constitution provides for the Constitution Committee to undertake those functions relating to the Council's role as a charitable trustee. The Committee resolved at its meeting in September 2020 to approve the principle of the transfer of certain of its educational trusts to the Leicestershire and Rutland Community Foundation.

Background

3. The County Council is the sole corporate Trustee of various Educational Trusts which have not been subject to a review for a significant period and the interest from the funds has accumulated over the years. Many of the Trusts are relatively small and the Trust objectives are difficult or impossible to apply in a modern educational context. Engagement took place with the LRCF as part of a scheme supported by the Charity Commission to reactivate inactive Trusts for the benefit of the community. This coincided with approaches from the Charity Commission seeking the Council's proposals for the Trusts.
4. LRCF is a charity which helps local individuals and companies to give money, in a tax efficient way, directly to local needs. It offers a structure under which community, trust and donor funds are invested and managed in a consolidated fund. It currently manages significant endowment funds on behalf of various charitable trusts and national grant programmes. The benefits of the transfer are as follows:
 - a. The active management of the Trusts and making grant awards would support the community and be in keeping with the wishes of the donors;
 - b. The administration of the Trusts at present is achieved through the internal services and via professional support from Corporate Resources and the Chief Executive's Department. The resource involved in maintaining the Trusts is not

significant but if the Trusts are to be actively managed this would require additional resourcing;

- c. It meets the objectives of the Charity Commission trust revitalisation initiative;
- d. LRCF is an accredited member of the UK Foundation Network and is experienced in managing educational trusts elsewhere, such as for Leicester City Council, and offers a resilient approach;
- e. Members retain involvement through receipt of an annual report on grant giving and the operation of the Trust; and
- f. It is consistent with the advice to Local Authorities from the Charity Commission to review and consolidate small funds.

Leicestershire Educational Trust Fund- (Tranche 1)

- 5. The Committee has approved the closure of the Trusts within tranche 1 and the transfer of the funds into a fund to be administered by the LRCF combined into a single fund called the Leicestershire Educational Trust Fund, subject to developing qualifying criteria for the Trusts. The trusts within Tranche 1 are listed as Appendix A to this report. .
- 6. The draft Deed of Agreement to give effect to the transfer has now been negotiated with LRCF and is almost ready for execution. It provides for the objects of the Leicestershire Educational Trust Fund to be to assist, as the first priority, schools within Leicestershire, in supporting vulnerable students who, for reasons of poverty or other disadvantage, need additional support for equipment, additional training, books, trips or other provision to enhance their education and future opportunities, including help moving into apprenticeships or further education after school and employment.
- 7. The Deed provides for a grant giving process whereby there is open access to the Fund during Quarter two of each year, via an open Portal or online access point on the LRCF's website and in accordance with any agreed Fund publicity initiatives agreed with the County Council. The portal and publicity will set out the criteria for applying to the fund and guidance notes for applicants. Access will remain open for at least six weeks but if the Fund is significantly oversubscribed, the LRCF may close the Portal earlier provided that notice is given to the council and reasonable notice is given to applicants to enable them to submit applications.
- 8. The final say on how the fund is applied rests with the LRCF. The LRCF will update the Council annually in the first five years following the date of the agreement to help identify beneficiaries and the Council may direct prospective beneficiaries meeting the Fund's eligibility requirements to the LRCF and/or the Portal or online access point. In Quarter three every year, the LRCF will provide to the Council a report of the grants made from the Fund, together with written confirmation that all of the grants have been awarded in accordance with the Fund's objects. An audited financial statement will also be provided.

9. The LRCF will invite the Council to a meeting every three years, the purpose of which is to discuss and review the objects of the fund and consider whether these remain fit for purpose and shall invite views from the Council on this. No amendments may be made without Council's approval.

10. The agreement provides for the transfer of the cumulative funds as follows:

Total capital value of the Trust Funds as at 31.3.22	£209,569
Total value of the revenue held by the Authority in respect of the Trust Funds as at 31.3.22	£114,676

11. The total revenue figure is higher than had been initially anticipated and therefore discussions have taken place with LRCF and the Charities Commission to confirm that there is no objection to this being reinvested and added to the capital fund to be applied in accordance with the fund's objects. The Commission have confirmed that they are agreeable to this so long as the Trustees are satisfied that this would be in the best interests of the fund. The benefit of such an arrangement will be to avoid a large dissipation of the revenue in year 1 and to allow a bigger capital fund and annual return for grant making. This is believed to be in the interests of the community who will eventually access the funds and is particularly relevant in light of the cost of living crisis. The trustees are recommended to agree to this proposal.

Tranche 2 - the remaining funds

12. As well as the fund referred to above, there are a number of other smaller funds and funds with unique features which it is proposed be managed in a different way depending on the individual circumstances as follows:

The Mary Smith Scholarship Fund

13. The purpose of this fund, which is a permanent endowment (therefore only allowing income to be expended not capital), is to give financial assistance for students of Ashby-de-la-Zouch Grammar or Ivanhoe Secondary School who are residents of Ashby-de-la-Zouch to help them pursue a trade or profession or travel abroad for their education. The value of the fund is around £117,000. There are some anomalies in relation to the historic governance of the Trust and this is likely to require further specialist legal advice to resolve. It is proposed to engage with the school to either transfer the fund to the Governing Body of the school (which will require the approval of the Charity Commission) or if this is not permitted by the Commission to replace the Council as Trustee with representative governors.

Willis Memorial Scholarship

14. The purpose of this fund is to provide scholarships for purpose of enabling pupils of Dixie Grammar school to participate in foreign travel. The value of the funds is around £7,700 capital and £5,400 revenue. Liaison has taken place with the Dixie Grammar School and the school is willing to receive the fund and

add this to their own existing charitable fund for the benefit of their students. Subject to compliance with any Charity Commission requirements, it is proposed to close the trust and transfer the funds to the Dixie Grammar school to be added to the schools existing trust.

Minnie Burman Trust Fund

15. The purpose of the Fund is to award each year of a prize or prizes to a pupil or pupils of Dunton Bassett County Primary School. The value of the combined capital and income is around £9,100. Subject to compliance with any Charity Commission requirements, it is proposed to close the trust and transfer the funds to the Dunton Bassett Primary School for the governing body to administer for the benefit of pupils at the school.

The Piercy Scholarship Fund and Thompson Trust

16. The purpose of this fund is to assist students who have attended Loughborough schools in their education in Electrical Engineering and in exhibitions. The funds values are around £58,000 and £66,000 capital and revenue combined respectively. Some discussions have taken place with the Clerk to the Governing Body of Loughborough college who have asserted that these funds should be transferred to the college but it is not clear if the college has a suitable existing trust to act as the vehicle to the transfer. It is proposed to treat this trust in the same way as Mary Smith Trust referred to in paragraph 13 above and to obtain further specialist legal advice with a view to either transferring the fund to the Governing Body of the College (which will require the approval of the Charity Commission) or if this is not achievable to add this to the LRCF fund.

Fullhurst Community College Prize Fund

17. Fullhurst Community college is a school within the area of Leicester city and so it would not be appropriate to include the fund in the LRCF. The value of the fund is around £3,000 capital and revenue combined and it is proposed to close the trust and transfer the fund balance to the governing body of the school to use for the benefit of their students.

John Cleveland College Education Enhancement Trust

18. The previous report to the Trustees included reference to the John Cleveland College Education Enhancement Trust. Upon further investigation, it has been established that the governing body of John Cleveland College were named as trustees of this fund, and this particular trust was dissolved in 2012. Notwithstanding this, the Council continues to hold around a total of around £33,000 invested in two separate funds (known as Hinckley Upper Prize and JCC Scholarship) that appear to have connection to the John Cleveland College. Correspondence has been received by Legal Services from the Hinckley (JCC) Foundation requesting release to it of the aforementioned funds. Subject to undertaking checks with (i) the Hinckley (JCC) Foundation

seeking confirmation of whether the funds held by the Council belong to it (ii) the John Cleveland College as to its views on the release of these funds to the Hinckley (JCC) Foundation, and (iii) any proposed transfers being approved by the Charity Commission, it is proposed that the two funds are closed and the fund is transferred to the Hinckley (JCC) Foundation.

Kibworth Beauchamp High School Foundation

19. This is a larger fund comprising a significant Capital holding and land.
20. The objects of the charity are to advance the education (including social and physical training) of the beneficiaries through:
- a. *the provision of items, services, facilities and special benefits of any kind not required to be provided by the local education authority for the benefit of the school;*
 - b. *awarding scholarships exhibitions bursaries maintenance allowances or grants tenable at any school, university, college of education or other institution of further (including professional and technical) education approved for the purposes by the trustee;*
 - c. *the provision of financial assistance, outfits, clothing, tools, instruments or books to assist them to pursue their education (including the study of music and other arts) to undertake travel in furtherance thereof, or to prepare for or enter a profession, trade, occupation or service on leaving school, university or other educational establishment;*
 - d. *retaining the land identified in the scheme as a site for the school.*
21. The Scheme was amended in 2011 to allow the Charity to continue to support Kibworth High School after its conversion to academy status and renaming as Kibworth Mead Academy.
22. The value of the trust fund is circa £350,000 made up as follows:

	£
Market value of the original endowment (original endowment £4,306)	33,000
Value of other land sales	293,000
Revenue	24,000
Total	350,000

23. In addition, the trust has agricultural land holding the notional value of which is approximately £1M and land currently let as a playing field and school site as shown on the map attached as Appendix B as follows:

Title	Description of property	Proprietor	Status
Freehold LT435715	Two parcels of land on the south west side of Wistow Road, Kibworth. [THE OFFICIAL CUSTODIAN FOR CHARITIES on behalf of Leicestershire County Council As Trustees Of The Kibworth Beauchamp High School Foundation	let subject to three separate agricultural tenancies
Freehold LT435711	Land on the west side of Kibworth Road, Fleckney.	THE OFFICIAL CUSTODIAN FOR CHARITIES on behalf of Leicestershire County Council As Trustees Of The Kibworth Beauchamp High School	let subject to an agricultural tenancy
Freehold LT435564	Land on the south east side of Barnards Way, Kibworth Harcourt (Kibworth Primary School Playing Field)	THE OFFICIAL CUSTODIAN FOR CHARITIES on behalf of Leicestershire County Council As Trustees Of The Kibworth Beauchamp High School	Subject to a lease of the land lying to the south of Hillcrest Avenue, Kibworth Harcourt 21-year lease from 1 July 2012 of recreational playing field . Lease granted to DISCOVERY SCHOOLS ACADEMIES TRUST The Lease prohibits assignment, underletting of the whole or part. RPI rent review on every 3 rd anniversary of the term.
Freehold LT436516	Kibworth High School, Smeeton Road,	THE OFFICIAL CUSTODIAN FOR CHARITIES on behalf	Subject to a lease of 125 years to Kibworth High

	Kibworth (LE8 0LG).	of Leicestershire County Council As Trustees Of The Kibworth Beauchamp High School	School Technology Community College (now the Mead Educational Trust) . Subject to various restrictions on disposal and underletting etc Leasehold LT441696
Freehold LT435595	Land on the west side of Gumley Road, Smeeton Westerby.	THE OFFICIAL CUSTODIAN FOR CHARITIES on behalf of Leicestershire County Council As Trustees Of The Kibworth Beauchamp High School Foundation	let subject to an agricultural tenancy

24. The Scheme does not allow the Trustee to make any amendment and there is therefore a requirement for the Trustee to apply to the Charity Commission if there are to be any amendments to the scheme as the charity contains a permanent endowment.
25. It is understood that members of the community wish to be considered as trustees in place of the County Council. Preliminary external legal advice has been taken on this and this recommends that as a starting point any prospective candidates seeking appointment as trustee should firstly be made aware of rules and requirements around conflicts of interest and to avoid placing themselves in situations where their duties and obligations as trustee could conflict with other duties and interests they may hold.
26. Subject to the Council as trustee being satisfied that the particular trustee(s) appointments proposed would not give rise to any conflict of interests, as outlined above, the Council would need to apply to the Charity Commission for permission to amend the Scheme to include:
- (i) provisions allowing for the appointment of additional trustees (in addition to LCC, which is currently the sole trustee);

(ii) provisions regulating trustee meetings, including quorum requirements as well as arrangements for trustee meetings

(iii) provisions barring a trustee from exercising any voting or decision making in circumstances where their involvement would give rise to a conflict of interest as well as

(iv) provisions prohibiting distributions or payments to trustees or connected parties.

27. Subject to the above, once the Charity Commission has made an amending Scheme to include all of the provisions where the charity has more than one trustee, the Council as current trustee would need to follow the procedure set out in the amended scheme to appoint the additional individuals as trustee, and the Council could then, if it so wishes, retire as trustee. The Council would need to undertake appropriate due diligence processes before any retirement / transfer could be recommended. It is recommended that further legal advice be sought on this option and how this may be progressed and how the interests of third parties (such as the Trust's agricultural tenants and lessees) may be assured.
28. The alternative to replacing the County Council as trustee may be to better develop the administration of the fund so that there is more engagement with the governing body of the academy trust in relation to the income distribution in accordance with the objects referred to above

Resource Implications

29. These are contained within the report.

Recommendations

30. The Committee is recommended to:

- a) Note the progress in relation LRCF Leicestershire Educational Trust Fund and confirm that the revenue held in relation to the closing trusts may be invested into the new fund;
- b) Note the reporting arrangements in relation to the LRCF fund;
- c) Authorise the Director of Law and Governance to proceed with steps necessary to close and transfer funds listed at para 12.1-12.6 as set out in this report and to take any steps necessary to achieve this, including external specialist legal advice, if required;
- d) Note the position in relation to the Kibworth Beauchamp High School Foundation and to consider whether the trustees wish to explore the potential to transfer the trust (in whole or in part) to new trustees as outlined in para 20-22 above and if so to authorise the Director of Law and Governance to take external legal advice in relation to achieving this.

Background Papers

Report to the Constitution Committee on 29th July 2019:

<https://politics.leics.gov.uk/documents/s147457/Charitable%20Trusts%20report.pdf>

Report to the Constitution Committee 18th September 2020:

<https://politics.leics.gov.uk/documents/s155499/Constitutional%20Committee%20-%20Charitable%20Trust%20Future%20Arrangements%20Update%20002%20003.pdf>

Circulation Under the Local Issues Alert Procedure

Dr. R. K. A Feltham CC

Equality and Human Rights Implications

31. A full EHRIA is not considered necessary.

Appendices

Appendix A – Tranche 1 trusts

Appendix B Kibworth Beauchamp High School Foundation land holdings

Officer to Contact:

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Appendix A**Tranche 1 trusts transferring to LRFC to form the Leicestershire Educational Trust Fund**

Charities in Connection with Humphrey Perkins High School (LCC Humphrey Prkns Sch Prize) 527839

The Longwill Agricultural Scholarships (LCC Longwill Bqst No2 Ag Schl) 527888

Charities in Connection with Loughborough Burleigh College (LCC Spriggs Memorial Prize) 527842

Lutterworth Grammar School (LCC Lutterworth Upper Sch Endow) 527857

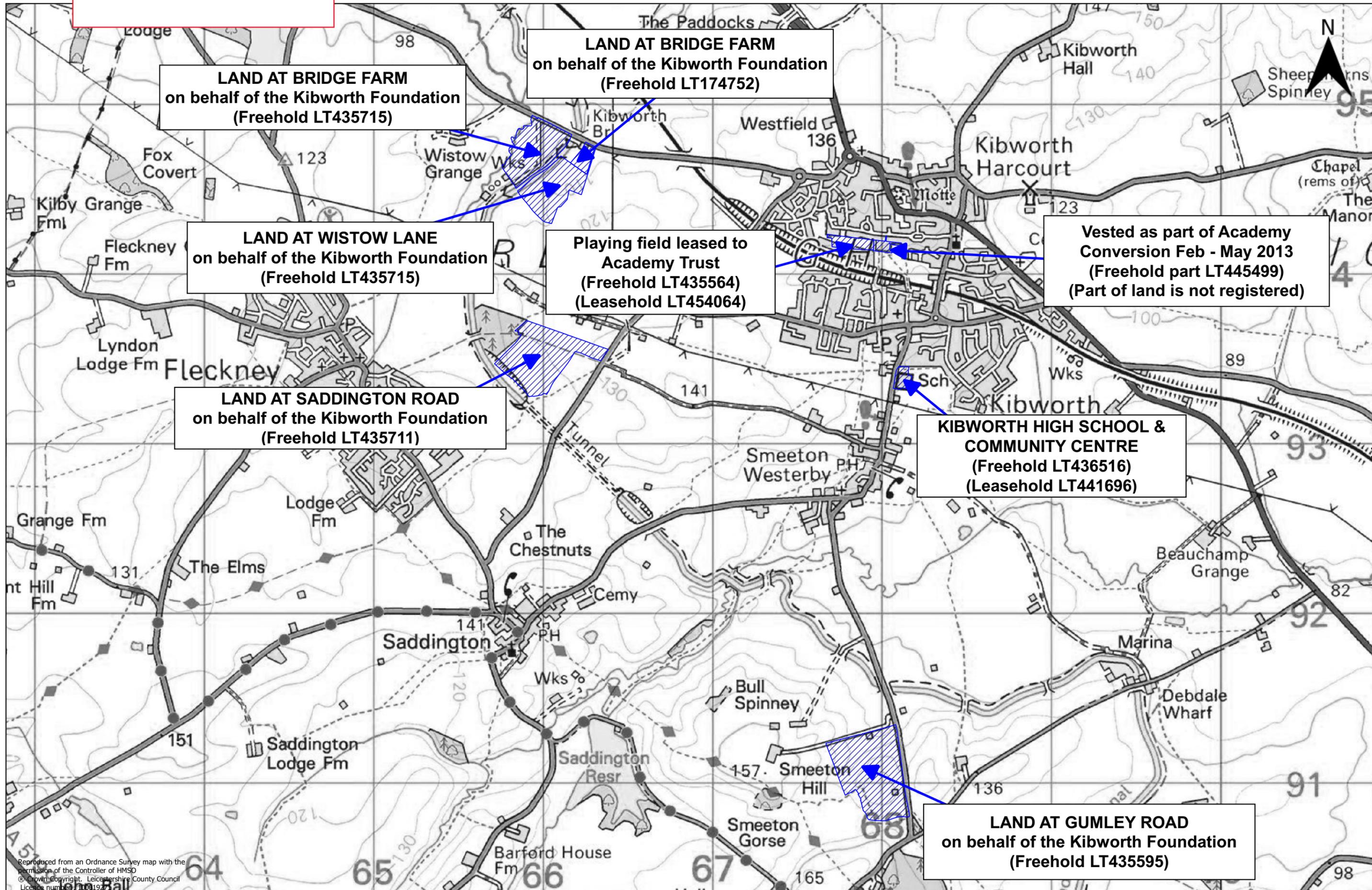
The Longwill Educational Foundation (LCC Longwill Bequest No 1) 527889

Lord Maynard's Trust (LCC Maynards Charity) 527936

The Doctor Peter Hill Prize Fund (LCC Dr Peter Hill Prize) 515108

Marjorie Wright Scholarship (Trust No. 527839- 2)

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Kibworth Foundation Land

Not to Scale @ A3 Landscape
 (Kibworth Foundation Land)
 by Vanessa Hughes
 July 2021



Strategic Property Services
 Corporate Resources
 Department
 County Hall, Glenfield
 Leicester LE3 8RE

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CONSTITUTION COMMITTEE – 25th NOVEMBER 2022

REPORT OF THE CHIEF EXECUTIVE

REVIEW AND REVISION OF THE CONSTITUTION

Purpose of the Report

1. The purpose of this report is to recommend changes to the Constitution as part of this year's annual review.

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, in the case of the Financial Procedure Rules and Contract Procedure Rules, the recommendations of the Corporate Governance Committee.
3. In the case of everything except the Meeting Procedure Rules the final decision on changes can be made at a single meeting of the County Council. However, in the case of the Meeting Procedure Rules any motion to add, to vary or revoke Standing Orders must, having been proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.
4. The Constitution has been reviewed on an annual basis every year since it came into effect in June 2001. This report sets out the results of the latest review.

Key Changes

5. The changes made are to bring the Constitution in line with changes in legislation and current good practice. The main changes relate to membership of, and the terms of reference for, the Corporate Governance Committee made in light of new CIPFA guidance received in October 2022.

6. The delegation to the Director of Law and Governance has also been amended in the Articles (Article 14.03) to reflect new Regulations on the making of severance payments to staff.

Members Allowances

7. The Members' Allowance Scheme set out in Part 6 of the Council's Constitution, makes provision for Members' basic and special responsibility allowance to be adjusted on an annual basis in line with the Local Government Employee pay award. This year Local Government employees received a flat rate increase of £1925 per annum across all pay points.
8. Following consultation with all political groups, Members agreed that the application of the flat rate offer to Member allowances would be disproportionate and so agreed to freeze their allowances at the 2021/22 rate.

Recommendation

9. That the County Council be recommended to approve the proposed changes to the Constitution as set out in Appendix A and B attached to this report.

Equal Opportunities and Human Rights Implications

There are no equalities and human rights implications arising from this report.

Background Papers

The Constitution of Leicestershire County Council.

Circulation under Local Issues Alert Procedure

None.

Officers to Contact

Lauren Haslam
The Director of Law and Governance
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Appendices

Appendix A – Proposed Changes to the Constitution 2021
Appendix B – Revised Terms of Reference for Corporate Governance Committee

**PROPOSED AMENDMENTS TO THE CONSTITUTION
OF LEICESTERSHIRE COUNTY COUNCIL
NOVEMBER 2022**

<u>ITEM</u>	<u>PROPOSED AMENDMENT</u>	<u>EXPLANATION</u>
<u>PART 2 - ARTICLES</u>		
<p>Article 7A – the Health and Wellbeing Board (7A.02 – Composition)</p>	<p>Amend paragraph 7A.02 (a) (vi) to read: “a representative of the Integrated Care System”</p>	<p>To reflect changes in NHS governance</p>
<p>Article 9 – the Corporate Governance Committee (9.02 Composition)</p>	<p>Amend paragraph 9.02 to read:</p> <p>“(a) The Corporate Governance Committee will reflect the political balance on the Council as a whole and may not include a member of the Executive or a Cabinet Support Member.</p> <p>(b) Up to two members of the Corporate Governance Committee will be non-voting Independent Members, appointed in accordance with the functions of the Constitution Committee as set out in Part 3 of this Constitution, subject to the Chairman of the Corporate Governance Committee also forming part of the appointment process.</p> <p>(c) The Lead Member(s) of the Executive responsible for resources, performance management and risk</p>	<p>To reflect the latest CIPFA guidance on audit committees</p>

	management will be entitled to attend meetings in an observer/advisory capacity.”	
Article 14 – Finance, contracts and legal matters <i>(Article 14.03 – Legal proceedings)</i>	Add the following to Article 14.03: With regard to the settlement of any legal proceedings where the settlement terms include the payment of a ‘special severance payment’, such payment shall be approved as follows: <ul style="list-style-type: none"> (i) The full Council must approve any special severance payments of £100,000 and above; (ii) The approval of the Head of Paid Service and the Leader of the Council must be obtained and recorded for any payments above £20,000 but below £100,000. (iii) The approval of the Director of Law and Governance in consultation with the Director of Corporate Resources must be obtained for any payments below £20,000. 	To reflect the statutory guidance on the making and disclosure of Special Severance Payments by local authorities
<u>PART 3 - RESPONSIBILITY FOR FUNCTIONS</u>		
Section B: Responsibility for “County Council” Functions <i>Corporate Governance Committee</i>	Replace the Terms of Reference for the Corporate Governance Committee with Appendix B.	To reflect current practice and the latest CIPFA guidance

Part 3 – Responsibility for Functions Leicestershire County Council’s Constitution

Section B - The Corporate Governance Committee

1. The Corporate Governance Committee shall have power to appoint subcommittees to deal with any appointments for which it has responsibilities.
2. The extent to which the non-executive powers within the Committee’s remit have been delegated to chief officers, either by the full County Council or by the Committee (or by any of the bodies previously charged with the functions now within its remit), will be found:
 - (a) in the general scheme of delegation to heads of departments which appears in Section D of this Part; and
 - (b) in the record of specific delegations maintained by the Chief Executive for public inspection at County Hall and which constitutes Part 9 of this Constitution.
3. Subject to the delegations described in paragraph 2, the functions delegated to the Committee shall be:

Corporate Governance Matters

- (a) The promotion and maintenance of high standards within the Authority in relation to the operation of the Council’s Local Code of Governance and in particular to ensure:
 - (i) that an adequate risk management framework and associated control environment is in place;
 - (ii) that the Authority’s financial and non financial performance is properly monitored;
 - (iii) proper oversight of the financial reporting processes;
 - (iv) that the Council’s Treasury Management arrangements are appropriate and regularly monitored.
- (b) To review the Council’s Local Code of Governance as necessary and make recommendations to the County Council to ensure that it remains relevant to the Council’s work and practices.
- (c) To satisfy themselves that the County Council’s Statement of Accounts and those relating to the Leicestershire Pension Fund including the County Council’s Annual Governance Statement have been prepared in accordance with best practice.

- (d) To make recommendations to the County Council either directly or via the Constitution Committee on any amendments required to the Financial Procedure Rules and Contract Procedure Rules set out in Parts 4F and 4G of this Constitution and to make such changes as are considered necessary to the Standard Financial Instructions.
- (e) To monitor the adequacy and effectiveness of the external audit of the Council's services and functions and to:-
 - (i) consider, comment upon and note the arrangements chosen by the Council to select and appoint its statutory external auditor
 - (ii) review the External Auditor's disclosure of independence and objectivity and satisfy itself that no issues with compliance with ethical standards or problems with audit quality have been raised
 - (iii) consider the nature and scope of the external audit of the Council's services and functions;
 - (iv) consider external audit reports including the Auditor's Annual Report;
 - (v) monitor the County Council's response to the external auditors findings and the implementation of external audit recommendations.
- (f) To monitor the adequacy and effectiveness of the Internal Audit Service and to: -
 - (i) fulfil the role of 'the Board' for the purposes of the Public Sector Internal Audit Standards (the PSIAS)
 - (ii) Approve the internal audit charter
 - (iii) Approve risk based Internal Audit plans;
 - (iv) monitor progress against plans through the receipt of periodic progress reports and an annual Internal Audit report containing the annual opinion on the overall adequacy and effectiveness of the control environment and conformance to PSIAS;
 - (v) consider major Internal Audit findings and recommendations;
 - (vi) monitor the response to major Internal Audit findings and the implementation of its recommendations
 - (vii) contribute to and support an external quality assessment of the internal audit function.
- (g) Monitor the effectiveness of officer arrangements for ensuring an adequate internal control environment and combating fraud and corruption.
- (h) Monitor the arrangements for the identification monitoring and management of strategic and operational risk within the Council.
- (j) To liaise with the Executive and other bodies as appropriate on matters of corporate governance and financial accountability.

- (k) Advising on training for members of the Council on matters relating to the Corporate Governance of the Authority.

Standards of Conduct Matters

- (l) The promotion and maintenance of high standards of conduct by members and co-opted members within the County Council, including:-
- (i) Advising the County Council on the adoption or revision of its Code of Conduct;
 - (ii) Monitoring and advising the County Council about the operation of its Code of Conduct in the light of best practice and changes in the law.
- (m) To approve the Council's procedure for handling Member Conduct Complaints. (*See also the delegation to the Director of Law and Governance*).
- (n) Ensuring that all members and co-opted members of the County Council have access to training in all aspects of the Code of members, that this training is actively promoted, and that members are aware of the standards expected from local councillors under the Code.
- (o) Making arrangements for the appointment of independent persons whose views must be sought about allegations of a breach of the Members' Code of Conduct in accordance with the provisions of the Localism Act 2011.
- (p) To have oversight as part of the annual complaints report of the findings of the Local Government Ombudsman where there is a finding of maladministration against the Council.
- (q) To make voluntary payments or provide other benefits in cases of maladministration under section 92 of the Local Government Act 2000. (*See also the delegation to the Director of Law and Governance.*)
- (r) Making arrangements for members to receive dispensations to speak on or participate in matters in which they have interests. (*see also the delegation to the Director of Law and Governance.*)
- (s) Exempting members from vacation of office by failure to attend meetings.
- (t) Considering and determining representation seeking the removal of any LEA appointed school governor.
- (u) Subject to the powers of the Employment Committee in relation to Local Conditions of Service, advising as necessary on matters relating to the conduct of employees and procedures relating to the handling of complaints, including "whistle blowing".

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