



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL

20th OCTOBER 2021

GOVERNANCE & AUDIT COMMITTEE – APPOINTMENT OF LAY MEMBERS
REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES & COMMUNICATION

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to advise Council of the arrangements taken forward in respect of the appointment of Lay Members to the Governance & Audit Committee, in accordance with the relevant Local Government & Elections (Wales) Act 2021 provisions which come into force in May 2022.

2. RECOMMENDATIONS

It is recommended that Council:

- 2.1 Notes the arrangements as set out in the report, relating to the appointment of new Lay Members to the Governance & Audit Committee for a term of office commencing from the beginning of the 2022-2023 Municipal Year until the next ordinary Local Government Elections;
- 2.2 Agrees, that following the recruitment process detailed in the report, a further report be presented to Council in order to receive recommendations from the Appointments Committee in respect of the appointment of Lay Members to the Governance & Audit Committee; and
- 2.3 For the reasons set out in the report agrees an extension to the term of office of the current Lay Member appointed to the Governance & Audit Committee, Mr. Christopher Jones, until the ordinary Local Government Elections following May 2022 (currently scheduled for May 2027).

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure compliance with the legislative requirement set out in the Local Government & Elections Wales Act 2021 that at least one third of the Governance & Audit Committee consist of Lay Members.
- 3.2 Rhondda Cynon Taf County Borough Council must ensure that the necessary arrangements are in place to appoint for the position of Lay Member.

4. BACKGROUND

- 4.1 In 2012, Rhondda Cynon Taf County Borough Council successfully appointed a Lay Member to its Audit Committee in accordance with the requirements of the Local Government (Wales) Measure 2011.
- 4.2 With the introduction of the Local Government & Elections (Wales) Act 2021 further amendments now need to be taken forward in respect of the membership and role of the Committee, as outlined below.
- 4.3 In respect of appointments to the Committee, the selection process has previously been undertaken through the Council's Appointments Committee who then made a recommendation to Council in respect of a recommended appointment. This process was considered to be successful and it is therefore suggested that a similar process is adopted this time.

5. LOCAL GOVERNMENT & ELECTIONS (WALES) ACT 2021

- 5.1 In line with the requirements of the Act, the Council's Audit Committee was re-named as the 'Governance and Audit Committee', with these changes reported and adopted by Council in May 2021.
- 5.2 The Act amends Section 82 ('Membership') of the Local Government (Wales) Measure 2011 (the 'Measure') in order to increase the number of Lay Members on a Governance & Audit Committee.
- 5.3 Presently the situation under section 82 of the Measure is that at least two thirds of the members of a Governance & Audit Committee must be Members of the Authority and at least one member of the Committee must be a Lay Member.
- 5.4 From 5th May 2022, two thirds of the members of a Governance & Audit Committee must be Elected Members of the Authority and one third must be Lay Members (or lay persons as defined in the Act).
- 5.5 In addition from 5th May 2022 the Governance & Audit Committee Chair, who is appointed by the Committee, must be a lay person and the deputy chair must not be a member of the local authority's executive or an assistant to its executive.
- 5.6 The Council already take forward a positive approach with regards to chairing the Governance & Audit Committee, with the lay Member being appointed as chair of the Committee, a practice that has continued over a number of years.

6 APPOINTMENT PROCESS

- 6.1 The Council's Service Director for Democratic Services & Communications has recently taken forward the advertising of the position for Lay Members

of the Governance & Audit Committee on behalf of the Council with the aim of having appointments in place for the first meeting of the 2022-2023 Municipal Year. It is important these arrangements are in place as the Governance & Audit Committee have a number of important responsibilities with regards to the Council's Accounts and Governance that need to be considered early in the new Municipal Year following the Annual General Meeting. Delaying the appointment of lay persons would therefore risk the Authority not being able to meet those responsibilities.

- 6.2 As all Authorities will be undertaking a similar process, the WLGA produced a draft advert and application form (which officers within the Council commented upon) to assist with the process and to ensure a consistent approach across all Authorities.
- 6.3 In order to comply with legislation, national adverts have been placed in conjunction with the WLGA, as well as on the Council's website, to advertise the positions. In addition, to promote greater awareness and encourage wider applications, details of the position will be sent to as many stakeholder organisations and networks as possible.
- 6.4 In line with other Local Authorities the advert was promoted on the Council website on the 11th October 2021 with a close of applications by the 1st November 2021.
- 6.5 The Lay Person appointed should:
- Be independent of politics;
 - Recognise and understand the value of the audit function;
 - Have no business connections with the Council;
 - Have an understanding of Local Government; and
 - Have the ability to meet the time commitment involved
- 6.6 Once the applications for the post have been received, it is proposed a meeting of the Appointments Committee then be scheduled. The Appointments Committee consists of a cross-party membership of five County Borough Councillors.
- 6.7 Following an interview and selection process, the Appointments Committee would then make its recommendation(s) back to Council in respect of the recommended candidate(s) for ratification.
- 6.8 It is proposed the Lay Members be appointed for a term of office until the next ordinary Local Government Elections (currently scheduled for May 2027).

7 MEMBERSHIP

- 7.1 With the current committee membership size of 14, the Council would need to look at the appointment of at least 5 lay persons to the Committee to achieve the one third lay person membership requirement. The Committee

already have one lay member appointed in September 2020 in accordance with the current requirements of the Measure.

- 7.2 Following on from the good practice taken forward through the Planning and Development Committee, where numbers were reduced in the last Council term, to reflect the specialist nature of the Committee's responsibilities and provide the maximum opportunity to provide focussed development and advice to Committee members it is proposed to reduce the membership of the Governance & Audit Committee in response to the new membership requirements.
- 7.3 It is therefore proposed that the membership size of the Governance & Committee is reviewed and reduced to total membership size of 9 for the Municipal Year 2022-2023. This would mean a committee constituted of 6 Elected Members and 3 lay persons. This is similar to practices being proposed in other Local Authorities in response to the new legislative requirements. This would mean the appointment of 2 additional lay persons to the Committee (subject to paragraph 8 below). The appointment of the Committee and allocation of seats to the Committee would, of course, be determined at the Annual General Meeting on the 25th May 2022 in accordance with the political composition of the Council at that time.
- 7.4 It is hoped this focused approach will ensure the recruitment of appropriate candidates to undertake this important role, who have appropriate experience and skills to perform the role. Good practice of a smaller membership number is planned to be taken forward by other Councils, allowing a more dedicated approach by Committee Members to the role of the Committee and ensuring appropriate support and development opportunities are provided to enhance the dedicated and specialist skill set necessary for membership of this key committee within the Council's wider governance arrangements.
- 7.5 In respect of the Committee quorum there is no requirement for a minimum number of lay persons to be in attendance at a meeting to allow a meeting to be quorate. Therefore the general quorum principle will apply.

8. TERM OF OFFICE OF EXISTING LAY MEMBER

- 8.1 The term of office of the existing Lay Member on the Governance & Audit Committee, Mr. Christopher Jones, finishes at the end of the current Municipal Year.
- 8.2 This report provides Members with a timely opportunity to consider whether the Council would wish to extend that term of office for a further period, namely until the next ordinary Local Government elections following May 2022. Such an extension would be in accordance with the provisions of the Measure and associated Statutory Guidance.

- 8.3 Such an extension would also ensure some continuity in the Committee membership and lay persons who sit on the committee. The individual currently chairs the committee and has built up knowledge and experience during their time in the role which it is felt would be advantageous to carry over into the Committee's work post May 2022.

9. CONSULTATION / INVOLVEMENT

- 9.1 This report is for information purposes and therefore, no consultation is required.

10. EQUALITY AND DIVERSITY IMPLICATIONS INCLUDING SOCIO ECONOMIC DUTY

- 10.1 There are no equality and diversity implications aligned to this report. The recruitment process advised upon provides an equitable chance of recruitment to all.

11. WELSH LANGUAGE IMPLICATIONS.

- 11.1 The Council positively supports the promotion and utilisation of the Welsh language within the Democratic process and welcomes applications from bilingual candidates. Translation provision is available at Committee meetings and Committee papers are provided bilingually in accordance with the Welsh Language Standards.

12. FINANCIAL IMPLICATIONS

- 12.1 The Annual Report of the Independent Remuneration Panel states that a Member on an Audit Committee is entitled to remuneration and as such, the Rhondda Cynon Taf Member's Schedule of Remuneration can be accessed [here](#).
- 12.2 This entitlement comprises the daily fee of £238 (£119 for a half day). Should the Lay Member be appointed Chairman of the Committee, the respective fees payable would increase to £286 and £134.
- 12.3 For the purposes of claiming, a half day meeting is defined as up to four hours, with a full day meeting defined as over four hours. The payment will be capped at a maximum of the equivalent of 10 full days a year for each Committee to which an individual may be co-opted or is eligible to attend.

13. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 13.1 Local Government (Wales) Measure 2011 in relation to the membership of the Governance & Audit Committee (and associated Statutory Guidance), as amended by the Local Government & Election (Wales) Act 2021

14. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 14.1 The work of the Governance & Audit Committee supports the delivery of the priorities contained within the Council's Corporate Plan – *The Way Ahead*, in particular 'Living Within Our Means' through ensuring that appropriate internal controls are in place to effectively manage resources.

15. CONCLUSION

- 15.1 Following the requirements of the Local Government & Elections (Wales) Act 2021 there is a need to put in place arrangements to appoint additional Lay Members to the Governance & Audit Committee. This report sets out a proposed way forward to meet those requirements.

Other Information:-

Relevant Scrutiny Committee – Finance & Performance Scrutiny Committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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BACKGROUND PAPERS

Freestanding Report