

Report to: Meeting of the Full Council: 15 July 2025

Committee Chair: Councillor Rhona Holloway, Audit & Governance Committee

Director Lead: Sue Bearman – Assistant Director Legal & Democratic Services and Monitoring Officer

Lead Officer: Nigel Hill – Business Manager Elections and Democratic Services and Deputy Monitoring Officer, Ext. 5243

Report Summary	
<b>Report Title</b>	Changes to the Council's Constitution – Replacing the Audit & Governance Committee
<b>Purpose of Report</b>	To adopt terms of reference and membership for two new Committees – Audit & Accounts Committee and Governance, General Purposes & Local Government Reorganisation (LGR) Committee.
<b>Recommendations</b>	<p>That Council:</p> <ul style="list-style-type: none"> <li>a) approves the Terms of Reference for the two new Committees as set out in the <b>Appendix</b> to this report:</li> <li>b) approves the meeting schedule for the two new Committees as set out in paragraphs 2.5 and 2.6 of the report;</li> <li>c) notes that arrangements will now be made to convene an Independent Remuneration Panel to undertake a full review of Members' Special Responsibility Allowances as set out in this report; and</li> <li>d) confirms a cost envelope of £2,200 for the Independent Remuneration Panel.</li> </ul>
<b>Reason for Recommendation</b>	To implement the resolution of the Full Council on 20 May 2025.

## 1.0 Background

- 1.1 At its meeting of 20 May 2025, Full Council resolved for the Audit & Governance Committee to develop Terms of Reference for two new committees to undertake the current functions of Audit & Governance Committee. These two Committees were to be the Audit & Accounts Committee, and Governance, General Purposes & Local Government Reorganisation (LGR) Committee.

- 1.2 Audit & Governance Committee considered draft terms of reference for the two new Committees at its meeting held on 2 July 2025 and resolved to recommend them to this Full Council meeting for approval.

## **2.0 Proposal/Options Considered**

- 2.1 Draft Terms of Reference for the two new Committees are attached at the **Appendix** to this report.
- 2.2 The draft Terms of Reference for the Audit & Accounts Committee contain no material changes to the terms relating to those functions in the current Terms of Reference for the Audit & Governance Committee.
- 2.3 The draft Terms of Reference for the Governance, General Purposes & LGR Committee:
- Contain no material change to the terms relating to those functions in the current Terms of Reference for Governance and Standards functions, except for the addition of 'overview of the Council's arrangements for Member training and development' to reflect the fact that Audit & Governance Committee has been undertaking this function.
  - Include functions to be transferred from General Purposes Committee as approved by Full Council on 20 May 2025.
  - Include functions in relation to Local Government Reorganisation.
  - Include provision for informal working parties.
- 2.4 Members will note the proposal for membership of Governance, General Purposes & LGR Committee to include Group Leaders or their nominees and the Chair of the Policy & Performance Improvement Committee or their nominee, both being subject to political proportionality and the allocation of seats to Groups on Committees. The rationale for this is to facilitate LGR work in the most effective way. The terms of reference allow for substitute Members, which is consistent with the terms of reference for Policy & Performance Improvement Committee. It is custom and practice for the Council to appoint the same number of substitutes in respect of each political group as that group holds ordinary seats on that committee, up to a maximum of two in respect of each group.
- 2.5 The proposal is for a membership of 9 for Audit & Accounts Committee plus 1 co-opted independent member; this is consistent with CIPFA guidance that large audit committees should be avoided. A membership of 12 is proposed for the Governance, General Purposes & LGR Committee. The rationale for this Committee to have a larger membership is to ensure effective representation from all groups at both Committee meetings and working parties, which may often be arranged at short notice.
- 2.6 The schedule of meetings for the Audit & Governance Committee in 2025/26 is as follows:
- Wednesday 24 September 2025  
Wednesday 10 December 2025  
Wednesday 4 March 2026  
Wednesday 22 April 2026

It is proposed that the dates above will be retained as a schedule for the Audit & Accounts Committee.

- 2.7 The Council will need to approve a schedule of meetings for the remainder of the 2025/26 municipal year for the Governance, General Purposes & Local Government Reorganisation (LGR) Committee. The Chair of this Committee has indicated that her preferred day for meetings going forward is a Thursday. Therefore, the following schedule is proposed:

Thursday 11 September 2025

Thursday 27 November 2025

Thursday 5 February 2026

Thursday 16 April 2026

- 2.8 In respect of the Members Allowances, Full Council resolved on 20 May 2025 for a full review of Special Responsibility Allowances, given the impending changes to Committees. Arrangements will need to be made by officers to convene an appropriate panel to undertake this review.
- 2.9 Subject to availability, it is proposed to reconvene the same Panel who undertook the last review of special responsibility allowances, following changes in portfolios, given their familiarity with our governance arrangements.
- 2.10 For consistency with the last review, it is proposed to have a cost envelope of £2,200 to cover payments to the panel.

### **3.0 Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

#### **Financial Implications (FIN25-26/2029)**

- 3.1 An Independent Remuneration Panel will be convened in order to undertake a full review of Members Special Responsibility Allowances given the changes in committees subject to approval of this report.
- 3.2 The costs associated with the convening of the Independent Remuneration Panel can be accommodated within existing budgets for the 2025/26 financial year.
- 3.3 Once the IRP has considered the appropriate remuneration, a further report will be brought back to Council to consider.

#### **Legal Implications (LEG2526/5366)**

- 3.4 Adoption and alteration of the Constitution is a function reserved to Full Council; therefore, Full Council is the appropriate body to consider the content of this report.

3.5 The process for determining and setting Members' Allowances for local authorities is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003. These Regulations set out the range of allowances that can be paid to Councillors and the requirement to have an Independent Remuneration Panel to make recommendations to the Council regarding Members' Allowances.

#### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Audit & Governance Committee Report - 2 July 2025 – Item 10 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=298&MIId=1167>

The current Councillors' Allowance Scheme is published - <https://www.newark-sherwooddc.gov.uk/your-council/your-council/councillors-and-committees/councillor-allowances/>