



## **Framework Review Panel – Terms of Reference**

### **A. Purpose**

The Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) has convened the owners of the governance and accountability framework to provide advice and recommendations to MHCLG on the suitability of the framework.

### **B. Aims and Objectives**

The overall aim of the Panel is to assess the governance and accountability framework to determine whether it is fit for purpose.

Panel members will be expected to represent their organisations by providing feedback on thematic elements of the governance and accountability framework and our assurance model, and the evidence required to underpin it, which MHCLG will consider when providing its assurance advice to the Permanent Secretary.

The Panel will provide recommendations which must be focused on practical changes to improve the framework. These must be feasible to implement in the short to medium term. The success of the Panel will be determined by the extent to which it achieves these objectives.

The Panel will work to an agreed workplan that will be reviewed on a regular basis.

The Panel's discussions and recommendations will operate in a transparent manner, with the minutes of meetings published.

### **C. Context**

As part of the department's new approach to enhance its oversight of local government it is establishing a Panel comprised of the owners of elements of the framework to consider how the governance and accountability framework for local authorities operates.

The Accountability Framework for Local Government describes the financial controls, governance and system of scrutiny locally, that provides assurance that resources are spent properly, and in the event of failure, the availability of sector-led support and central government intervention as a last resort; as well as the mechanism by which

the MHCLG Accounting Officer receives assurance that the system is functioning properly. Underpinning the system for local government is the principle that councils, and not central government, are responsible for managing their resources and performance.

The Framework is described in the [Accounting Officer System Statement](#) (MHCLG, 2018), Annex A: Local Government Accountability System. Section four of the statement describes how MHCLG collects and analyses information to provide assurance that the accountability framework is working and to assess risk. This includes financial data, information on outcomes and specific services, and soft intelligence. The Accounting Officer currently receives six monthly assurance advice on the functioning of the accountability framework.

The Panel will consider other work that is relevant to its remit. This includes, and is not limited to, the following:

- The National Audit Office published its report on local authority governance in January 2019.
- The Committee on Standards in Public Life published its Review on Local Government Ethical Standards in January 2019.
- The Public Accounts Committee published its report, Local Government Governance and Accountability, in May 2019.
- Sir Tony Redmond is undertaking a Review of the Local Authority External Audit Framework. The report is expected to be finalised by spring 2020.

#### **D. Membership**

The Panel currently includes the following members:

- Chair: Catherine Frances, Director General for Local Government and Public Services
- Mike Newbury, Audit Policy, National Audit Office
- Michael King, Local Government and Social Care Ombudsman
- Mark Lloyd, Chief Executive, Local Government Association
- Graeme McDonald, Managing Director, SOLACE
- Jacqui McKinlay, Chief Executive, Centre for Public Scrutiny
- Abdool Kara, Executive Leader for Local Services, National Audit Office
- Martin Swales, President, SOLACE
- Rob Whiteman, Chief Executive, Chartered Institute of Public Finance and Accountancy.
- Duncan Whitfield, President, Association of Local Authorities' Treasurer Societies (Strategic Director of Finance and Governance, Southwark Council)
- Quentin Baker, President, Lawyers in Local Government (Chief Legal Officer, Hertfordshire County Council)

The Panel will co-opt additional members or invite representatives from other government departments or the sector to attend as they see appropriate.

Panel members may excuse themselves on a particular item, if they feel they have a conflict of interest.

### **E. Ways of working**

MHCLG will be the conveners of the Panel. MHCLG will consider the Panel's advice and recommendations, which will inform the assurance advice that MHCLG provides to the Permanent Secretary on a six-monthly basis.

Collective agreement from the Panel is not required as the Panel's advice will be considered by MHCLG. Differences of opinion will be recorded in the meeting minutes.

Panel members will not be required to consider every single theme. In addition, considerations of certain themes may require discussion over the course of several meetings. MHCLG may, therefore, work with Panel members in between Panel meetings to prepare considerations. These considerations will then be formally discussed at Panel meetings.

### **F. Accountability**

The Panel's advice will be reported to MHCLG's Permanent Secretary, the Secretary of State and the Minister for Local Government. The Panel's minutes will be published.

### **G. Schedule of meetings**

The Panel will meet four times a year.

### **H. Secretariat**

MHCLG's Local Government Stewardship team will provide secretariat support to the Panel. They will share information, resources and will provide briefing to the chair and members ahead of meetings.