

**Subject:** Approval of Committee Structure, Membership and Terms of Reference  
**Agenda item:** Public 5  
**Report No:** 1  
**Meeting date:** 22/05/2012  
**Report to:** Board  
**Report of:** Jonathan Dutton, Executive Director of Finance and Corporate Services

**FOR DECISION**

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**This report will be considered in public**

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**1. SUMMARY**

- 1.1. This report seeks approval of the structure, membership and terms of reference of the proposed committees of the London Legacy Development Corporation's (LLDC) Board.

**2. RECOMMENDATIONS**

- 2.1 The Board is invited to **APPROVE** the committee structure and membership set out in section 4 and the procedures and terms of reference for the three committees set out in the appendices.
- 2.2 The Board is invited to **APPROVE** the appointment of the three chairs of the committees as set out in section 4.
- 2.3 The Board is invited to **NOTE** that a planning committee will be proposed to be established by October 2012.

**3. BACKGROUND**

- 3.1. The proposed committee structure replicates the committees of the LLDC's predecessor body, the Olympic Park Legacy Company (OPLC) and provides continuity leading up to the Games and the handover of the Olympic Park. The addition of planning powers and establishment of a planning committee in October 2012 will give an opportunity for the new Chair to review the committees, their terms of reference and their membership.

**4. PROPOSAL**

- 4.1 Following the establishment of the LLDC, it is proposed that three committees should be established. These are:
- An Investment Committee;
  - An Audit Committee; and
  - A Communities Committee.

4.2 The terms of reference of the three committees are set out in the Appendices.

4.3 The proposed membership of these committees is set out in the table below.

Investment Committee	Audit Committee	Communities Committee
David Edmonds (Chair) David Gregson Robert John Philip Lewis Jayne McGivern	Keith Edelman (Chair) Nick Bitel Robert John Elizabeth McMahon	Andrew Mawson (Chair) Sonita Alleyne Nick Bitel Nicky Dunn Elizabeth McMahon

4.4 The committee membership will be reviewed once the new Chair has taken up office and will be revisited when the planning committee is established in October 2012.

4.5 In recognition of the time demands of their role as civic leaders, the four borough representatives will not be appointed to any committees. Confirmation is awaited from Sir Edward Lister regarding committee membership. Standing Order 5.2 currently provides that the attendance of members of the board who are not committee members is at the discretion of the Chair of the committee.

## 5. TIMING

5.1. The approval of the committee structure, membership and terms of reference is PRESSING due to the significant number of decisions to be considered.

## 6. LEGAL IMPLICATIONS

6.1. The Localism Act, pursuant to section 198 and Schedule 21, allows a mayoral development corporation to establish committees, and to delegate powers to them. Mayoral approval is required for the co-option of any people who are not corporation board members onto a committee. The procedure for committees is set out in detail in the LLDC's Standing Orders.

## 7. LIST OF APPENDICES TO THIS REPORT

- Appendix 1 – The Investment Committee
- Appendix 2 – The Audit Committee
- Appendix 3 – The Communities Committee

### List of Background Papers

- LLDC Standing Orders as amended and adopted by LLDC Board April 2012

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## **Appendix 1: The Investment Committee**

- Status:** Advising the Board within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise at least four members, at least one shall have recent financial experience relevant to the strategic investment of funds and investment programmes.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer  
Chief Executive  
Executive Director of Finance and Corporate Services  
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Two members of the Committee or, if greater, one third of the number of members of the Committee in office

### **Frequency of meetings**

1. The Committee will meet at least three times a year or at such greater frequency as determined by the Committee Chair. Meetings of the Committee shall be convened by the secretary at the request of its Chair.

### **Terms of Reference**

2. The Committee shall advise on the Corporation's investment projects and programmes. These shall include, but not be limited to:
  - a. Real Estate;
  - b. Required investment in site development above delegated powers within the Scheme of delegations;
  - c. Infrastructure provision;
  - d. Capital fit-out of venues and facilities; and
  - e. Remediation and operations of the parkland venues.

### **Additional powers, duties and responsibilities**

3. The Committee may review any activity which falls within these terms of reference and to make whatever recommendations to the Board deemed appropriate in any area within its remit.

4. In particular the Committee shall:
  - a. Review and approve proposals for capital and revenue expenditure decisions, and in doing so ensure that they accord with the strategic objectives established by the Corporation, and are not contrary to the approved budget after subject to consideration of any advice from officials arising from full appraisal of proposals;
  - b. Consider and advise the Board on strategic policies for the Corporation's investment programmes as are within the Corporation's remit and have an investment dimension;
  - c. Oversee and review the planning and implementation of the Corporation's capital and revenue programmes, including performance management and reporting;

### **Procedural and reporting arrangements**

5. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.
6. The Chief Executive and Executive Director of Finance and Corporate Services shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
7. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
8. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
9. The secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
10. The Committee will report any meeting to the Board at the next meeting.
11. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

### **Amendments**

12. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed

## **Appendix 2: The Audit Committee**

- Status:** Advising the Board within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise at least four members, at least one shall have recent financial experience.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer  
Chief Executive  
Executive Director of Finance and Corporate Services  
External auditors shall be invited on a regular basis  
Internal auditors, where an internal audit function is being discussed  
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Two members of the Committee or, if greater, one third of the number of members of the Committee in office

### **Frequency of meetings**

1. The Committee will meet at least three times a year or at such greater frequency as determined by the Committee Chair. Meetings of the Committee shall be convened by the secretary at the request of request of its Chair.

### **Terms of Reference**

2. The proper financial administration of the Corporation's financial affairs including but not limited to the maintenance preparation and audit of accounts, internal controls and risk management, internal and external audit.

### **Additional powers, duties and responsibilities**

3. The Committee may review any activity which falls within these terms of reference and to make whatever recommendations to the Board deemed appropriate in any area within its remit.
4. The Committee is authorised by the Board to obtain, at the Corporation's expense, external legal and other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5. In relation to the administration of the Corporation's financial affairs, the Committee shall:
  - a. monitor the integrity of, and assist the Board in ensuring that, the Corporation's published financial statements and any formal announcement relating to its financial performance, comply with the statutes and accounting standards and shall review any significant financial reporting issues and judgements which they contain;
  - b. review and challenge where necessary:
    - i. the consistency of, and any changes to, accounting policies or practices;
    - ii. the methods use to account for significant or unusual transactions;
    - iii. major judgemental areas, significant adjustments resulting from the audit and the going concern assumptions;
    - iv. the Corporation's compliance with appropriate accounting standards, taking into account the views of the external auditors;
    - v. the clarity of disclosure in the Corporation's financial reports and the context in which statements are made; and
    - vi. all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (so far as it relates to the audit and risk management); and
  - c. discharge the functions of the Corporation under the Accounts and Audit (England) Regulations 2011.
6. In relation to Internal Controls and Risk Management, the Committee shall:
  - a. review the effectiveness of the Corporation's internal financial controls and risk management systems and investigate and advise on these or related matters which are referred to it or that it considers necessary; and
  - b. review the Corporation's statement on internal control and risk management systems to be included in the annual accounts prior to endorsement by the Board.
7. In relation to Internal Audit, the Committee shall:
  - a. monitor and review the internal audit programme, including the appointment of any head of internal audit, ensure co-ordination between the internal and external auditors/co-ordination of more than one audit and ensure that the internal audit function is adequately resourced and has appropriate standing in the Corporation and is free from management or other restrictions;
  - b. review and assess the annual internal audit plan and consider the findings of internal financial/audit investigations; and
  - c. review and monitor the management's responsiveness to the findings and recommendations of the internal audit.
8. In relation to External Audit, the Committee shall:
  - a. oversee the relationship with the external auditors appointed by the Audit Commission;
  - b. keep under review the scope and results of the annual audit and its cost effectiveness;
  - c. meet regularly with the external auditors to discuss any problems or reservations arising from the interim and final audits or otherwise and any matters the external auditors may wish to discuss without executive directors present; and

- d. review the external auditors' management letter and management's response to the external auditors' findings and recommendations.
9. The Committee shall review the Corporation's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial administration or other matters. The Committee shall ensure that those arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
10. The Committee shall prepare an annual report to members of the Corporation on its activities. The members of the Committee shall be identified in the report, as well as the frequency of, and individual attendance of members at, Committee meetings.
11. The Committee shall consider any other topics, as determined by the Board, including a regular review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

### **Procedural and reporting arrangements**

12. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.
13. The Chief Executive and Executive Director of Finance and Corporate Services shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
14. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
15. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
16. The secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
17. The Committee will report any meeting to the Board at the next meeting.
18. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

### **Amendments**

19. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed

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### **Appendix 3: The Communities Committee**

- Status:** Advising the Board within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise at least four members, at least one shall have recent recent and in-depth experience relevant to the strategic engagement of and with local communities.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair and/or appointed deputy at a meeting of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer  
Chief Executive  
Executive Director of Regeneration and Community Partnerships  
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Two members of the Committee or, if greater, one third of the number of members of the Committee in office

#### **Frequency of meetings**

1. The Committee will meet at least three times a year or at such greater frequency as determined by the Committee Chair. Meetings of the Committee shall be convened by the secretary at the request of its Chair.

#### **Terms of Reference**

2. To advise on oversee the delivery of the Corporation's priority theme projects and programmes including community and business engagement, regeneration and sustainability;
3. To work at a local level in relation to the regeneration work it undertakes in the Corporation's boundary in promoting the Corporation's engagement and partnership with local communities and the wider east London community; and
4. To contribute to the Strategic Regeneration Framework and the Host Boroughs' convergence agenda, through this contributing to the creation of sustainable communities.

#### **Additional powers, duties and responsibilities**

5. The Committee may review any activity which falls within these terms of reference and to make whatever recommendations to the Board deemed appropriate in any area within its remit.

6. The Corporation places a high value on community involvement in its work, believing that it benefits both the Corporation and the people who live or work in the Corporation's boundary. The capacity of those people (and local and neighbourhood organisations acting on their behalf) to organise and energise local communities in the Corporation's boundary is regarded as vital to its regeneration or development. The Corporation is committed to establishing and maintaining constructive relationships with the community and community organisations in the Corporation's boundary.
7. In particular the Committee shall:
  - a. Advise on and review the planning and implementation of the Corporation's community and local stakeholder engagement programme;
  - b. Oversee the Corporation's work in developing opportunities for social enterprise and for engaging with local businesses of a small and medium-size to provide opportunities for growth and inward investment through the Company's work;
  - c. Advise the Board on development or improvement of community participation policies and decision-making processes, in order to promote and formalise community input into the regeneration or development of the Corporation's boundary;
  - d. Advise on improving and maintaining the Corporation's visibility among local communities, focusing in particular on engagement with youth groups;
  - e. Advise the Corporation's on community issues and needs in relation to the regeneration or development of the Corporation's boundary; and
  - f. Provide a forum for proposals and debate, and resolution of issues, concerning the Corporation's community projects and evaluate the Corporation's work in this area to ensure it evolves with the needs of the local communities.

### **Procedural and reporting arrangements**

8. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.
9. The Chief Executive and Executive Director of Finance and Corporate Services shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
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11. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
12. The secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.

13. The Committee will report any meeting to the Board at the next meeting.
14. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

#### **Amendments**

15. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed