

## Corporate Governance and Audit Committee

Thursday, 29th July, 2010

**PRESENT:** Councillor G Driver in the Chair  
Councillors P Grahame, G Kirkland,  
Tollefson, S Smith, J Elliott, P Harrand,  
W Hyde, J Lewis, T Hanley and M Hamilton  
(as substitute for C Campbell)

**Co-optee** G Tollefson

Apologies Councillors C Campbell and A Lowe

### **27 Appeals Against Refusal of Inspection of Documents**

There were no appeals against refusal of inspection of documents.

### **28 Exempt Information - Possible Exclusion of the Press and Public**

There were no resolutions to exclude the public.

### **29 Late Items**

There were no late items.

### **30 Declaration of Interests**

Councillor Driver declared a personal interest in Agenda item 8 (Minute 34) and item 12 (Minute 38) as a Member of the Aire Valley Homes ALMO.

Mr Tollefson declared a personal interest in Agenda item 11 (Minute 37) as a Magistrate.

### **31 Apologies for Absence**

Apologies for absence were received from Councillor Campbell and Councillor Lowe.

### **32 Minutes of the Previous Meeting - 30 June 2010**

**RESOLVED** - that the minutes of the Corporate Governance and Audit Committee meeting held on 30<sup>th</sup> June 2010 be approved as a correct record.

### **33 Local Government Ombudsman Annual Letter - 2009/10 Report**

The Chief Customer Services Officer presented his report. The report introduced the Local Government Ombudsman's Annual Letter for the year ending 31 March 2010 about complaints made against the Council, and considered what further service or performance improvements may be required.

The Assistant Ombudsman (Neil Hobbs) attended to answer questions from the Committee.

Members commented that the report was very positive and specifically noted the excellent performance demonstrated by the Education Leeds and Governance Services, in relation to the turn around times for school appeals.

Members had a detailed discussion with both the Local Government Ombudsman representative and the Chief Customer Services Officer. The Chief Customer Services Officer provided an overview about the types of issues the public were complaining about and analysis done on complaints received by the Ombudsman. Linked to this Members asked for further information about the financial costs of complaints and the arrangements for ensuring that lessons are learned for the future.

**RESOLVED** – The Committee resolved to:

- receive a further report detailing how the complaints process is moving forward and information about complaints made to the Council, including the costs of dealing with complaints and arrangements for lessons learned; and
- note the contents of the report and acknowledge the ongoing improvements in performance and good feedback from the Local Government Ombudsman.

### **34 Annual Internal Audit Report 2009/10**

The Head of Internal Audit presented a report of the Deputy Chief Executive and the Director of Resources, bringing to the Committee's attention the issues raised by Internal Audit in 2009/10. The report also presented the proposed Internal Audit Plan which had previously been challenged and agreed by the Deputy Chief Executive and the Director of Resources.

The Committee discussed the need for improvement in the control environment for the ALMOs, specifically in terms of the thorough checking of invoices submitted by contractors and payments made to them. However, it was noted that new procedures had been put in place through the Assurance Framework to improve the situation.

The Committee also raised concerns that spending is undertaken by many officers across the authority and not just a few senior officers. It therefore

noted the need for everyone involved to take decisions on spending using the same criteria and with the same care that is given to budget setting.

Members considered the cost of Internal Audit and how its work load needed to be divided between different priority areas.

In general terms the Committee recognised the role Internal Audit had played in identifying problematic service areas before External Audit. The Chair thanked the Head of Internal Audit for bringing a valuable report to the Committee.

**RESOLVED** – The Committee resolved to:

- receive the Annual Internal Audit Report 2009/10 and note the assurances given;
- approve the Internal Audit Operational Plan for 2010/11; and
- request details on the cost of Internal Audit to the Council and further information on the value added to the Council by the section through its value for money work.

**35 Update on the process for ensuring improvement in Children's Services in Leeds**

The Deputy Director of Children's Services presented a report of the Interim Director of Children's Services which responded to the request made by the Committee at its meeting on 17<sup>th</sup> March 2010. The report provided Members with an update on the work that has been done during 2010 to monitor and support service improvement in Children's Services in Leeds.

The Committee discussed the importance of working with Children's Services to reduce the potential for unforeseen problems, and commended the approach taken by Internal Audit which has taken into consideration the enormous pressure Children's Services is under.

The Committee agreed that further reports will be required from Children's Services to address compliance with the control framework in place.

**RESOLVED** – The Committee resolved to:

- note the process in place to support, challenge and monitor the improvement required in Children's Services;
- ask the interim Director of Children's Services to circulate the letter from the Government to the Chair of the Improvement Board relating to progress, and the report which is due to go to the Executive Board on August 25<sup>th</sup> 2010 to all Members of the Committee; and
- to receive further reports as required during the current municipal year addressing compliance with the control environment now established for Children's Services.

### **36 Principles Governing the Management of S106 Planning Agreements & S278 Highways Agreements**

The Team Leader (Strategy and Policy, City Development) presented a report of the Chief Planning Officer. The report provided the Committee with an overview of the current system for managing S106 Agreements and S278 Agreements in Leeds.

The Committee discussed the amount of money which is being held on account of S106 agreements and the reasons for delays arising between the announcement of a scheme and the physical delivery of the benefits agreed, and how this might be addressed. Members requested that Ward Members be kept fully informed about the expected time-scales for work to be carried out. Further discussion took place on the possibility of the Ward Members being more involved in the early negotiation of s.106 Agreements in order to secure both locally based and Council-wide priorities.

**RESOLVED** – The Committee resolved to note the arrangements that are in place to manage the S106 and S278 programmes and that they are subject to systematic review and monitoring.

### **37 RIPA Policy**

The Principal Legal Officer (Information and Technology Law) presented a report of the Director of Environment and Neighbourhoods. The report outlined the Council's proposed policy on covert surveillance, and explained why and how covert surveillance is used and by whom.

The Committee discussed the importance of having a policy in place to guide the Council about the circumstances in which covert surveillance may be used. Also discussed was the assurance that covert surveillance will be used only when overt methods are not available or have proved ineffective. Members noted the role of the Assistant Chief Executive (Corporate Governance) under the draft policy.

**RESOLVED** - The Committee resolved to note the draft policy and the contents of the report.

### **38 Fraudulent Tenancies**

The Strategic Landlord presented his report. The report provided the Committee with an outline of different forms of tenancy fraud and the action taken to address these.

The Committee discussed the succession of tenancies from the person who holds the tenancy to family Members who have lived in the same council house over a long period of time and the laws which relate to this. The Committee considered that the law appeared to be unfair and lacking compassion to family members of council tenants who had spent their whole lives in the same property.

The Committee also considered that perceptions about fraudulent tenancies still existed and that the perception needs to be continued to be addressed.

**RESOLVED** – The Committee resolved to:

- receive written confirmation from the Strategic Landlord on the rules surrounding succession to the tenancy of council houses, and the circumstances in which a family member could be required to move to a smaller property; and
- note the contents of the report.

### **39 Governance of Significant Partnerships**

The Corporate Governance Officer (Corporate Governance) presented a report of the Assistant Chief Executive (Corporate Governance). The report informed the Committee of the outcome of the annual review of the Register of Significant Partnerships and the annual review of the Council's involvement in its significant partnerships.

The Committee discussed how significant partnerships are defined and the process for partnerships being included on the register of significant partnerships.

**RESOLVED** – The Committee resolved to note the arrangements in place for significant partnerships.

### **40 Work Programme**

The Assistant Chief Executive (Corporate Governance) submitted a report notifying Members of the draft work programme for 2010/11.

The Committee was informed that work is ongoing to develop an effective work programme for the year ahead. As part of this, suggestions for items to be considered were requested.

The future of the Standards Committee was also discussed and it was agreed that a report should come to the Committee following the proposed Government Bill in October.

**RESOLVED** – Members resolved to:

- note the contents of the draft work programme for the remainder of the year; and
- request a report updating the Committee on the proposed Local Government Standards Regime legislation.