

## **Corporate Governance and Audit Committee**

**Monday, 8th February, 2021**

**PRESENT:** Councillor A Scopes in the Chair  
Councillors J Bentley, P Harrand,  
J Illingworth, P Grahame, M Harrison,  
J Taylor, P Truswell and B Garner

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

There were no appeals against the refusal of inspection of documents.

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

There were no items identified where it was considered necessary to exclude the press or public from the meeting due to the confidential nature of the business to be considered.

### **70 Late Items**

There were no late items of business identified.

### **71 Declaration of Disclosable Pecuniary and Other Interests'**

There were no declarations of disclosable pecuniary interest made at the meeting.

### **72 Apologies for Absence**

There were no apologies for absence.

### **73 Minutes of the Previous Meeting**

The minutes of the previous meeting held on 14<sup>th</sup> December 2020 were submitted for comment/ approval.

With reference to Minute No.35 - Annual Assurance Report on Planning Decision Making and Enforcement Arrangements - Members sought a minor correction to the wording to read as follows "it was agreed that the Chair would make a referral to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) in respect of the cumulative impact of dispensations not to give green space.

**RESOLVED** – That, with the inclusion of the above, the minutes of the previous meeting held on 14<sup>th</sup> December 2020 were accepted as a true and correct record.

Draft minutes to be approved at the meeting  
to be held on Monday, 15th March, 2021

## **74 Matters Arising from the Minutes**

Annual Assurance Report on Planning Decision Making and Enforcement Arrangements (Minute No.35 referred) – In providing an update, it was reported that the draft protocol had recently been shared with the Corporate Leadership Team. In relation to the same item it was reported that the Chair had since written to Councillor P Truswell (Chair) Scrutiny Board (Infrastructure, Investment and Inclusive Growth) in respect of the cumulative impact of dispensations not to give green space.

Annual Business Continuity Report (Minute No.60 referred) – It was reported that an example of a Business Continuity Plan, as requested, had been circulated to all Members of the Committee on 4<sup>th</sup> January 2021.

Internal Audit Update Report September to November 2020 (Minute No.61 referred) – Flood Alleviation Scheme Stage 1 - Review into its operational readiness. Following a request from Councillor P Truswell, Chair of Scrutiny Board (Infrastructure, Investment & Inclusion Growth) for further details of the review to be made available to his Board. It was reported that the requested information had been made available to the Scrutiny Board, it had also been circulated to all Members of this Committee for information.

One Member requested clarification around the mechanism to review the technical aspects of the scheme e.g. who is responsible for ensuring enough storage capacity is built into the scheme.

The Head of Audit informed Members that the appropriate officer would provide the necessary response.

Referring to Counter Fraud and Corruption it was reported that an anti-fraud workshop for Elected Members will be scheduled later in the year.

Leeds City Council Readiness for PSN Submission (Minute No.63 referred) – Following a request from Members to receive the correspondence associated with the PSN Submission to the Cabinet Office, it was reported that the information had been circulated to Members, on 7<sup>th</sup> January 2021.

## **75 Annual Assurance Report on Arrangements In Relation To Customer Contact and Satisfaction**

The Chief Officer Customer Access and Welfare submitted a report which presented the annual update on customer contact and satisfaction levels delivered through Customer Access on behalf of the Council.

Addressing the report the Chief Officer Customer Access and Welfare reported that in March 2020 significant changes were made to enable the council to respond to the Covid pandemic. Members were informed that workplaces were closed, some services suspended, whilst others were

delivered with less face to face contact and within Covid secure working practises, 97% of the contact centre worked from home. Work took place to develop a new phone line to address customers' Covid support needs, and staff were retrained and deployed from other areas of the council to take calls, and respond to need. In the face to face service new methods of delivery were established including phone appointments, and click and collect library arrangements.

- In total, 790,591 calls were answered this year, an 8.5% increase from last year (729,302).
- The number of abandoned calls fell significantly in the last year from 208,988 to 113,186; an improvement of approx. 45%. This was due to the improvement in call wait times.
- The Covid line handled a total of 28,500 calls between 23rd March – 31<sup>st</sup> August and LWSS handled 24573 calls over the same period (12394 relating to food and 12179 relating to finance).
- Over 7,000 Befriending calls were made by Library Service.

Members sought clarification on the telephone lines for Waste Services and Highways querying if these services could be contacted via telephone.

Members were informed that non-priority phone lines had been closed which included Waste, Highways (non-emergency), large item collections, and environmental action but all were still contactable via the Contact Centre main switchboard (golden number) and the website.

Members welcomed the improvements around call wait times and suggested it would be helpful to see the distribution of calls by wait time.

It was suggested that such information would be difficult and complicated to provide as the level of demand changes throughout the week. Officers confirmed that further enquiries would be made.

Members noted and welcomed the increase in web usage. Referring to the completion of on-line forms (C360) Members queried if the progress of these forms could be tracked.

Members were informed that an in-house tracking system was currently being developed, once complete customers would be able to track their own requests.

Commenting on call waiting times for Council Tax and Housing Benefits, it was noted that waiting times were often in excess of 10 minutes, Members suggested lengthy waiting times may be difficult for customers who may be calling from work during their break time.

The Chief Officer Customer Access and Welfare acknowledged there was significant demand for some services (Housing Services issues could only be dealt with via telephone for example) but overall there had been a fall in call waiting times. In the next 12 months it is intended to introduce a text message service which will be available 9.00am to 5.00pm and could further reduce call waiting times.

With reference to complaints, in particular complaints to the Ombudsman, Members queried, as a percentage, how often was a complaint upheld.

Members were informed that on average approximately 20% of complaints would be upheld by the Ombudsman. It was agreed that further information on this will be provided to Members.

#### **RESOLVED –**

- (i) That the contents of the report be noted
- (ii) To support the work outlined to develop the approach further
- (iii) To recognise the developments outlined which will further enhance customers' experiences
- (iv) To receive an assessment of the council wide changes, as they relate to customer satisfaction with customer services, in next year's report

## **76 Governance Arrangements for Devolution**

The City Solicitor submitted a report which sought this Committee's view on the governance arrangements for devolution, in particular proposals surrounding mayoral accountability, and whether the Mayor, once elected, should be invited to Full Council once a year to answer elected Members questions, and to prepare an annual report for the Council's consideration.

Appended to the report was a copy of the new functions to be conferred on the Mayoral Combined Authority.

In offering comment on the new functions; Members noted there were no provision for spacial planning powers, further clarification was required as to how local transport planning would overlap with local transport plans, and there was no reference to bus franchising.

In responding the legal officer presenting the report suggested further information should be provided on local transport planning matters, bus franchising was likely to remain but further clarity was necessary.

In the debate that followed Members were supportive of the proposal for the Mayor to attend and present an annual report to full Council with the ability for Members to ask questions, having first had sight of the report. Members

discussed various options, including a special “state of the city” style meeting, or agenda items at 2 consecutive full Council meetings, one to consider the annual report, and one for a presentation by the Mayor. It was acknowledged however, that further discussions would be needed with the other constituent authorities and with the Mayor once elected, to try and align these arrangements where possible.

#### **RESOLVED –**

- (i) It was the view of this Committee that a formal mechanism ideally through, full Council, for the Mayor to present an Annual Report and answer questions should be further pursued with the Mayor following their election;
- (ii) To note that any amendments to Council Procedure Rules necessary to facilitate the Mayor’s attendance at full Council, acknowledging that further discussions around the precise arrangements (discussed above), would require consideration by General Purposes Committee and approval by full Council.

#### **77 International Transfers Following the UK's Exit From the European Union**

The Data Protection Officer submitted a report which provided an update with regard to International transfers of personal data following the UK’s exit from the EU.

The report also sought to provide assurances as to the sensitivity and impact of the relevant data and the arrangements being put in place to mitigate the risks and responses in relation to data adequacy in respect of Brexit.

Referring to paragraph 4.6 of the submitted report Members queried if there was a time limit for measures to be put in place before such transfers became illegal.

In responding the Data Protection officer confirmed that in every case one of the 3 mitigating actions as articulated at point 4.3 of the submitted report were already in place.

#### **RESOLVED –**

- (i) That the assurance provided by the Data Protection Officer as detailed in the submitted report, be accepted
- (ii) To note the outstanding risk in relation to the provision of an adequacy agreement by the EU for the international transfer of personal data.

#### **78 Assurance Report on Digital Information Systems Controls**

The Chief Digital and Information Officer submitted a report which sought to provide assurance on the management and control mechanisms which support the ongoing delivery of Digital and Information service provision.

Addressing the report the Chief Digital and Information Officer spoke about the control mechanisms currently in place to manage:

- Operational performance including service performance indicators and risk management
- Project and Portfolio management including demand and resource management controls
- Information Governance and security compliance
- Digital Inclusion
- Value for Money

In offering comment one Member suggested that some software products were slow to download, planning applications and GIS was provided as two examples.

In responding the Chief Digital and Information Officer said there was currently work ongoing looking at new ways to procure software, it was important that services were provided with the necessary software.

#### **RESOLVED –**

- (i) That the contents of the report be noted
- (ii) To note the remit and accountabilities of DIS and the potential further changes to governance to reflect these
- (iii) That the Chief Digital and Information Officer be requested to undertake a review of the arrangements for cyber security

#### **79 PSN Certification - Update Report**

The Data Protection Officer submitted a report which provided an update on Leeds City Council's readiness for Public Services Network (PSN) compliance submission.

Addressing the report the Data Protection Officer confirmed that appropriate mechanisms were in place to ensure a compliant PSN submission could be submitted to the Cabinet Office by the end of July 2021.

In offering comment Members welcomed the oversight by the Senior Leadership Team.

The Chair requested that he be notified if there was any indication that targets were not been met.

#### **RESOLVED –**

- (i) To receive the PSN Certification Update Report covering the period from December 2020 to February 2021 noting the updates with regards to the PSN remediation work currently undertaken by the Digital and Information Service
- (ii) That the assurances provided by the Chief Digital and Information Officer in conjunction with the Data Protection Officer on the management and control Mechanism's which support the ongoing delivery of Digital and Information service provision, be accepted

## **80 Approval of the Audited Statement of Accounts and Grant Thornton Audit Report**

The Chief Officer Financial Services submitted a report which sought the Committee's approval of the Council's final audited Statement of Accounts and to consider any material amendments identified by the Council or recommended by the auditors.

Members were informed that Grant Thornton anticipate being able to issue an unqualified opinion on the 2019/20 Statement of Accounts, with an Emphasis of Matter paragraph relating to the material uncertainty surrounding property asset valuations at 31<sup>st</sup> March 2020 arising from the impact of the Covid-19 pandemic on property markets, and also to material uncertainty in respect of the valuation of private equity and pooled property fund assets held by the West Yorkshire Pension Fund at 31<sup>st</sup> March 2020. Members were informed;

- There were expected to be no material unadjusted audit differences affecting the financial statements;
- The final audited accounts would include adjustments to the 2018/19 reported position to reflect a change in the accounting treatment of the £27.3 m received during 2018/19 from the council's investment in Merrion House LLP;
- The review of the Annual Governance Statement had concluded that it was not misleading or inconsistent with information they are aware of from their audit of the financial statements, and that it complies with CIPFA/SOLACE guidance;
- Grant Thornton anticipate issuing an 'except for' opinion in relation to the use of resources - that the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources except for a weakness in the level of its General Fund Reserves to deal with significant unforeseen circumstances.
- An updated copy of the statement of accounts was included with this report. The accounts would be certified by the Chief Finance Officer as

a true and fair view of the Council's financial position as at 31<sup>st</sup> March 2020 prior to the Committee being asked to approve them.

- As the conclusion of the audit was delayed beyond the statutory date of 30<sup>th</sup> November, a notice had been published on the Council's website to explain that publication of the final audited accounts is delayed.
- During the 2019/20 public inspection period, no objections were received from local electors.

Commenting on the feedback following the FCR review of local authority audit quality for 2018/19, Mr Gareth Mills (Grant Thornton) confirmed that the review had included 6 Grant Thornton audit files. Whilst the review had found good quality in the value for money (VFM) element of audits, concerns had been raised over financial statement audit work, in particular in relation to the valuation of property, plant and equipment. Mr Mills confirmed that a significant level of training had been undertaken and further training had already been arranged to take into account the increased workload following the 2019/20 audit.

Mr Mills confirmed that all the necessary resources and training were in place for the forthcoming 2020/21 audit.

Referring to the FRC Review of audit quality for 2019/20 the Chair asked that once concluded, could the findings of the review be notified to this Committee.

Mr Gareth Mills confirmed that once received, the findings of the FRC Review would be shared with this Committee.

The Chair thanked officers and representatives of Grant Thornton for their attendance and contributions

#### **RESOLVED -**

- (i) To receive the final report of the Council's external auditors on the 2019/20 accounts and to note that there are expected to be no unadjusted audit differences to the accounts
- (ii) To approve the final audited 2019/20 Statement of Accounts, the Chair acknowledging approval on behalf of the Committee by signing the appropriate section within the Statement of Responsibilities on page 1 of the submitted accounts.
- (iii) On the basis of the assurances received, the Chair to sign the management representation letter on behalf of the Corporate Governance and Audit Committee.
- (iv) To note Grant Thornton's anticipated conclusion on the use of resources, and their associated recommendations in relation to the



Council's ability to deliver a balanced outturn position for 2020/21 and a realistic budget for 2021/22.

**81 Work Programme**

The Chief Officer Financial Services submitted a report which set out the ongoing Work Programme for 2021/22.

**RESOLVED** – That the draft Work Programme be approved.

**82 Date and Time of Next Meeting**

To note that the next meeting will take place on Monday, 15<sup>th</sup> March 2021 at 10.00am (Remote Meeting – Zoom)