

Corporate Governance and Audit Committee

Wednesday, 19th March, 2008

PRESENT: Councillor J Bale in the Chair
Councillors D Blackburn, E Minkin,
C Campbell, G Driver and B Gettings

Co-optee

Apologies M Wilkinson

89 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

90 Exclusion of Public

There were no resolutions to exclude the public.

91 Late Items

The Chair indicated that, in accordance with his powers under the Local Government Act 1972, he had agreed to accept for inclusion on the agenda one Late Item (Minute 93). The report in question was not available at the time of agenda despatch due to the recent notification from government of new regulations. The regulations which were originally published on 3 March 2008 contained an error, and were only amended after despatch of the agenda.

The report required urgent consideration to enable the authority to comply with the timescales for approving the local area agreement and referring it to the Secretary of State.

92 Declaration of Interests

There were no declarations of personal / prejudicial interest for the purpose of section 81(3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members' Code of Conduct.

93 Responsibility for approving Local Area Agreement

Members received a report of the Assistant Chief Executive (Planning, Policy and Improvement) asking the Committee to consider whether functions

relating to the Local Area Agreement should be the responsibility of the Executive or Full Council.

Members were assured that the process for drafting the Local Area Agreement outlined in the report had included consultation with Members.

RESOLVED – Members resolved to:

- recommend to Council that they approve an amendment to Section 1 of Part 3 of the Constitution, to allocate the following functions under the Local Government and Public Involvement in Health Act 2007 which relate to local area agreements, to the Executive:
 - the duty to prepare and submit a draft local area agreement (section 106);
 - the revision and addition of targets (section 110);
 - designated targets: revision proposals (section 111); and
 - duty to publish information about the local area agreement (section 113); and
- recommend to the Leader that these functions are reserved to the Executive Board and are not delegated to officers.

94 Comprehensive Area Assessment - Use of Resources 2009

Councillor D Blackburn arrived at the meeting at the beginning of this item.

Members received a report of the Director of Resources setting out the background and approach proposed by the Audit Commission for the new key lines of enquiry.

Members particularly discussed:

- what audit and inspection requirements in relation to use of resources are placed on the Councils key partners; and
- the need to ensure that the Council focuses resources on delivering better outcomes and does not focus only on achieving a high score in the use of resources assessment.

RESOLVED – Members resolved to note the Audit Commission's proposals for the use of resources framework for 2009, and the Council's consultation response.

95 Annual External Audit Plan - Consultation

Members received a report of the Director of Resources seeking the views of the Committee on the proposed external audit plan 2008-2009.

Adrian Lithgow and Lynsey Simenton from KPMG (the Council's external auditors) were present to respond to questions from Members.

KPMG outlined the methodology for developing the audit plan and summarised the six key areas they have identified for audit.

Members discussed each of the areas proposed for review by the auditors, in particular Health Inequalities and Scrutiny both of which they felt to be particularly important.

RESOLVED – Members resolved to request:

- that the auditors consider including a review of the current children's services arrangements in the audit plan for 2008-2009; and
- that the final plan is reported to the Committee.

96 Locality Governance Arrangements

Members received a report of the Director of Children's Services providing an overview of the current position regarding the development of locality governance arrangements and giving an indication of how such arrangements are responding to the needs of integrated service delivery.

Members particularly discussed:

- the complexity of the governance arrangements outlined in the report;
- variations across the city in terms of the effectiveness of the arrangements and the involvement of elected Members; and
- the need for greater clarity regarding accountability at a local level.

RESOLVED – Members resolved to:

- note the report; and
- request a report back to a future meeting setting out:
 - how and to whom responsibility for delivering children's services has been delegated, with specific reference to the Council's functions;
 - details regarding the commissioning arrangements that have been established and what accountability arrangements are in place where services are commissioned; and
 - how the various elements of the children's services governance arrangements (e.g. clusters, area management boards, wedge partnerships) are able to influence decision-making.

97 Leeds City Council Code of Corporate Governance - Review against CIPFA / SOLACE framework

Members received a report of the Assistant Chief Executive (Corporate Governance) providing an analysis of the implications for Leeds of the new Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) document *Delivering Good Governance in Local Government: Framework*, which provides best practice guidance on the form and content of local authorities' Codes of Corporate Governance. The report also set out proposals for amendments to Leeds City Council's Code in light of the CIPFA / SOLACE framework.

RESOLVED – Members resolved to:

- approve the amended Code as set out in appendix one to the report subject to an amendment to Principle 6 'Engaging with local people and

- other stakeholders' to emphasise that the Council will *encourage* local people to be involved in local decision making; and
- request that officers further investigate the possibility of developing codes and protocols to govern the relationship between the Leader and the Chief Executive with a view to amending the Code at a later date if such Codes are developed.

98 Amendments to Constitution – Membership / Substitution Arrangements for the Corporate Governance and Audit Committee

Members received a report of the Assistant Chief Executive (Corporate Governance) setting out a proposed amendment to Article 9 of the Constitution, regarding membership of the Corporate Governance and Audit Committee; and a proposed amendment to Council Procedure Rule 26 setting out substitution arrangements for the Committee.

RESOLVED – Members resolved to recommend to Council that Article 9 of the Constitution be amended to read:

“Members of the Executive; and Political Group Leaders and Whips from the administration and the major opposition Group are precluded from being members of the Corporate Governance and Audit Committee. Any member who is appointed to Chair a Committee of Council¹ is also precluded from membership of the Corporate Governance and Audit Committee.”²

Under the provisions of Council Procedure Rule 16.5, Councillor D Blackburn required it to be recorded that he voted against this resolution.

Members also resolved to recommend to Council an amendment to Council Procedure Rule 26 as set out below:

“In relation to the Corporate Governance and Audit Committee, the Council shall appoint substitute members via nominations from party Whips. Each Whip shall nominate one substitute for each member that sits on the Committee. Whips may not nominate any members that would be excluded from full membership under the provisions of Article 9 of the Constitution.”

99 Work Programme

Members received a report of the Assistant Chief Executive (Corporate Governance) notifying the Committee of the draft work programme for 2007/2008.

RESOLVED – Members resolved to:

- request officers to consider bringing forward the item on the Leeds Community Foundation for consideration in April; and

¹ Except for the Chair of the Corporate Governance and Audit Committee.

² Subsequent to the meeting, at the request of the Chair, this recommendation to Council was deferred until the implications of the proposal have been further considered.

- agree the work programme.