

Corporate Governance and Audit Committee

Thursday, 12th November, 2009

PRESENT: Councillor J Bale in the Chair
Councillors D Blackburn, G Driver, G Latty,
N Taggart and T Leadley

Co-optee
Mr M Wilkinson

Apologies Councillors P Grahame, C Campbell and
A Lowe

43 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

44 Exempt Information - Possible Exclusion of the Press and Public

There were no resolutions to exclude the public.

45 Late Items

There were no late items added to the agenda.

46 Declaration of Interests

Councillor Bale declared a personal interest in Agenda item 8 (Minute 51 refers) as a member of the Area Children's Partnership, and Agenda item 10 (Minute 53 refers) as a member of the Chartered Institute of Building and a member of The Sir Ian Dixon Trust (a charity concerned with Education and Training in the Construction Industry).

Councillor Driver declared a personal interest in Agenda item 9 (Minute 52 refers) as a Board member of Aire Valley Homes ALMO.

47 Apologies For absence

Apologies for absence from the meeting were received on behalf Councillors Campbell, Graham and Lowe.

48 Minutes of The Previous Meeting

RESOLVED – The minutes of the Corporate Governance and Audit Committee meeting held on 30th September 2009 were approved as a correct record.

49 Minutes of The Standards Committee Meeting

RESOLVED – That the minutes of the Standards Committee meeting held on 25th October 2009 be noted.

50 Matters Arising

Further to Minute 39, the Chair of the Standards Committee informed Members of the responsibilities of the Standard Committee with regards to politically restricted posts. The Committee was also informed of the definition of a politically restricted post this being any officer above spinal column point 44 or any officer who advises the media or Committees on a regular basis.

Further to Minute 44, the Committee was updated on compulsory training for Standards Committee members, and the delay in bringing it into action due to a request from Member Management Committee to consider the matter prior to Standards Committee.

51 Children's Trust Arrangements: Locality Arrangements and Governance

The Deputy Director of Children's Services (Commissioning and Partnerships) presented a report proposing formal arrangements for the area and locality aspects of the Children's Trust arrangements.

Members particularly discussed:

- The extent to which changes will be required to the Constitution to implement the proposed arrangements;
- Concerns as to the current inner/outer area committee wedge model proposed to be used for the Area Children Leeds Partnerships and the preference of the Committee for alignment to current Area Committee areas;

Members requested that the Deputy Director of Children's Services (Commissioning and Partnerships) undertake further work to identify where changes to the Constitution will be required. Members also requested that the legal powers of the arrangements be emphasised more strongly and that the role of elected members be explained more fully.

RESOLVED – Members resolved to request that further work be undertaken to clarify the governance arrangements of the Children's Trust and that these be presented to the Committee early in the new calendar year.

(Councillor Taggart entered the meeting at 2:40pm during the consideration of this item.)

52 Tenant Empowerment Framework

The Housing Policy and Monitoring Manager and the ALMO Policy and Performance Officer presented a report of the Chief Housing Services Officer. The report informed Members of the background to the Tenant Empowerment Programme and potential issues arising from the implementation of Tenant Empowerment options in Leeds.

Members particularly discussed:

- Their support for the Tenant Empowerment principle;
- The need for a wider age range of tenants involved in managing their properties, specifically greater representation of younger people. Highlighting the difficulties in attracting a mixed age range owing to the time consuming work that is often required; and
- The lack of communication between tenants and ALMOs and the importance of information being disseminated to tenants at large.

RESOLVED – Members resolved to note the report.

53 Bid Rigging in the Construction Industry

The Strategic Project Manager presented a report of the Chief Procurement Officer. The report informed the Committee of the findings of the Office of Fair Trading following its investigation into 'bid rigging' in the construction sector.

Members discussed the report in detail particularly focussing on:

- The fact that illegality only occurred where contractors colluded in obtaining the prices submitted from another firm;
- The role of Internal Audit and Procurement Officers in identifying bid rigging;
- Whether approved lists are the best way of ensuring that value for money is obtained for goods and services procured by the Council;
- How initial estimates for goods and services are arrived at; and,
- What sanctions are available to the Council where collusion and wrong doing is found to have occurred.

The Committee were informed by the Head of Internal Audit that in his opinion, the controls in place for large contracts are good.

RESOLVED – Members resolved to:

- (a) Note the findings of the Office of Fair Trading investigation;
- (b) Request a briefing note be sent to all Members providing legal clarification on ethical conduct;

- (c) Note the action taken by officers to pursue compensation where appropriate and to seek explanation from the contractors involved with the Council; and,

Request that the Assistant Chief Executive (Corporate Governance) considers whether or not contractors named in the Office of Fair Trading investigation report be excluded from any further opportunities to tender with the Council.

54 Leeds City Region - Governance Arrangements

The Acting Head of Regional Policy presented a report of the Assistant Chief Executive (Planning, Policy and Improvement). The report provided an overview of existing Leeds City Region governance arrangements and updated the Committee on progress being made by the City Region Partnership in securing agreement on the forerunner proposals.

Members particularly discussed:

- The democratic accountability of the Leeds City Region and that the leadership of the Leeds City Region are currently an un-elected body, which gives little opportunity for elected Members to scrutinise decisions made;

Members requested that further reports be submitted to the Committee on a regular basis with regards to the progress of governance of the City Region.

RESOLVED – Members resolved to receive regular reports on the governance arrangements for the City Region.

55 Review of Treasury Management Practices following Various Reports on the Icelandic Banking Crisis

The Chief Officer (Financial Development) presented a report of the Director of Resources. The report updated Members on the recommendations of three reports on the Icelandic banking crisis.

Members agreed that continuing oversight of the Treasury Management Function should sit with the Committee and that training should take place to ensure that the role undertaken by the Committee is effective. Members also requested that the Committee's terms of reference be reviewed to ensure that the new role was covered adequately.

RESOLVED – Members resolved to:

- (a) Note that the Treasury Management Function is operating effectively;
- (b) Support proposals for responsibility for the oversight of the Treasury Management Function to rest with the Committee
- (c) Receive training to discharge the responsibilities of scrutinising the Treasury management function; and
- (d) Undertake a review of the terms of reference of the Committee.

56 6 Monthly Update Report on Risk Management

Draft minutes to be approved at the meeting
to be held on Tuesday, 15th December, 2009

The Principal Risk Management Officer presented a report of the Director of Resources. The report provided an update on the Council's risk management arrangements since May 2009. The report also provided information to aid discussion on whether or not the full corporate risk register (CRR) should be reported to the Committee.

Members particularly discussed:

- The importance of being as open and transparent as possible and that the corporate risk register should be reported to the Committee and be available to the public; and

RESOLVED – Members resolved to:

- (a) Note this report and the progress made on further embedding risk management across the authority; and
- (b) Seek Executive Board support to the committee's proposal for the regular publication of the Council's Corporate Risk Register in a summary form along with the Corporate Risk Map.

57 Work Programme

The Assistant Chief Executive (Corporate Governance) submitted a report notifying Members of the draft work programme for 2009/10.

In discussing possible future work programme items members raised concerns in relation to a recent Call In of a decision within Children's Services which had been referred back to the decision taker for further consideration. Members commented that, despite there being unanimous support for the referral back of the decision for further consideration, the officer who originally took the decision had recently reaffirmed the previous decision which they had taken.

The Assistant Chief Executive (Corporate Governance) informed Members that an officer reaffirming a decision in this way was in accordance with the Constitution. However having listened to Members concerns the Assistant Chief Executive (Corporate Governance) assured Members that options would be explored with Leaders as to how decisions that had been referred back from Scrutiny could be subsequently taken.

Further the Assistant Chief Executive (Corporate Governance) commented that should the relevant Scrutiny Board be concerned as to the extent to which their views had been taken into account by a decision taker then the Scrutiny Board concerned should seek a further report from the officer concerned.

RESOLVED – Members resolved to:

- (a) Agree that the draft work programme for the remainder of the municipal year be noted.

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