

Minutes of a meeting of the Governance and Audit Committee held on Friday 25 July 2014 at City Hall, Bradford

Commenced 1005
Concluded 1130

PRESENT – Councillors

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
Eaton	M Slater	Sunderland
	L Smith	

Councillor L Smith in the Chair

12. DISCLOSURES OF INTEREST

- (1) Councillor Eaton disclosed an interest in Minute 18 as the report made reference to HSBC and her son in law was the Head of Investment at HSBC.
- (2) Councillor M Slater disclosed an interest in Minutes 15, 16, 18 and 19 as he was a member of the West Yorkshire Pension Fund Joint Advisory Group and Investment Advisory Panel.
- (3) All those who were in the West Yorkshire Pension Fund disclosed an interest in Minutes 15, 16, 18 and 19.

ACTION: *City Solicitor*

13. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents.



14. **EXCLUSION OF THE PUBLIC**

The Committee was asked to consider if the item relating to the minutes of the meeting of the West Yorkshire Pension Fund Special Panel meeting held on 11 February 2014 and the West Yorkshire Pension Fund Investment Advisory Panel held on 24 April 2014 should be considered in the absence of the public and, if so, to approve the following recommendation.

Resolved –

That the public be excluded from the meeting during the consideration of the items relating to minutes of the West Yorkshire Pension Fund Special Panel meeting held on 11 February 2014 and the West Yorkshire Pension Fund Investment Advisory Panel held on 24 April 2014 because the information to be considered is exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972. It is also considered that it is in the public interest to exclude public access to these items.

15. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) SPECIAL PANEL HELD ON 11 FEBRUARY 2014**

The Council's Financial Regulations required the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **Not for Publication Document "F"** which reported on the minutes of a Special Panel meeting of the WYPF held on 11 February 2014.

Resolved –

That the minutes of the West Yorkshire Pension Fund Special Panel held on 11 February 2014 were considered.

16. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL MEETING HELD ON 24 APRIL 2014**

The Council's Financial Regulations required the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **Not for Publication Document "G"** which reported on the minutes of the meeting of the WYPF Investment Advisory Panel held on 24 April 2014.

Resolved –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 24 April 2014 were considered.

17. PRODUCER CITY STRATEGY AND GOVERNANCE

Previous reference: Minute 53 (2013/14)

Members were reminded that this Committee at its meeting held on 10 January 2014 considered a report on the Producer City Strategy and Governance. It was resolved that a progress report be submitted to this Committee in June/July 2014.

In accordance with the above the Strategic Director, Regeneration and Culture submitted **Document "H"** which provided an update on the development of a new strategy for business and economic growth built on a unique and differentiated economic identity and purpose for Bradford -The Producer City. The report highlighted progress to refresh Prosperity and Regeneration partnership structures and governance to better deliver Producer City through the creation of a new Producer City Board and associated delivery boards.

It was reported that a clear message from partners and businesses throughout the development of the Producer City Strategy had been the need for better engagement and organisation to deliver the Producer City and to create a more effective voice for the district in the City Region and with government. Key economic partners in the district had agreed to the:

- Creation of a new Producer City Board comprising the Leader and Chief Executive of Bradford Council, Vice Chancellor of the University, President or Chief Executive of Bradford Chamber and a Local Enterprise Partnership Board Member alongside five Chief Executives of key businesses in Bradford.
- Review and revision of existing supporting partnership structures through the creation of new Place, People and Innovation and Prosperity Boards.

Members commented on a number of issues which included:

- Elected Members were not aware of what the Producer City and the various partnerships did; who made the decisions? Who they were accountable to?
- Where did small/medium enterprise (SME's) businesses fit in?
- Where was the skills agenda in all this?
- Had there been a good response from the advert for a chairmanship for the Producer City Board?
- Needed to ensure that the Board had good governance structures in place.
- How would progress made by the Board be communicated to all Councillors?
- Were the meetings of the board open to the public?
- Could Members be provided with quarterly updates on the progress being made by the various boards?
- How was the role of SME's going to be discharged?
- Who made decisions and where was the financial control?
- How would the outcomes be tracked?
- Where would the voices of people not on the Board be heard? Who was on the Board? How can Members access their website?
- Needed to look at the role of the Bradford District Partnership overall and the level of information coming out of these boards.

In response to Members questions it was reported that:

- The T&A article was inaccurate; there had been a good response to the advert for a chairmanship of the Producer City Board; decisions on who was appointed would be made by the Producer City Board; the role of chairmanship was non executive.
- The Producer City Board had a high level of private sector membership on it which also included companies from manufacturing; SME's had a place on the Prosperity Board; the new structures would include education and skills.
- Regular reports would be going to Regeneration and Economy Overview and Scrutiny Committee.
- The Producer City Board would meet three times a year.
- Information on the work of the boards would be available unless it was commercially sensitive.
- The boards were not dominated by large companies but represented by small businesses and manufacturing companies.
- The Producer City Board was not a finance managing board; if the Council had to put money in then the Council's procedures and delegated powers would be used.
- Meetings of the boards were not open to the public.

Members reiterated that the meetings of the boards should be open to the public.

Resolved -

- (1) **That the progress to establish a Producer City Board and the three supporting partnership boards be noted.**
- (2) **That a further report be presented to this Committee at its meeting on 21 November 2014 which includes information on composition of the boards; identification, delivery and measurement of the objectives; financial management and governance arrangements; interface with Overview and Scrutiny; accountability; how well the boards are doing in relation to their objectives and growth aspirations.**
- (3) **That the observation/comments made by the Committee on the content of the report be referred to the Producer City Board and constituent Boards for their consideration.**

ACTION: Interim Strategic Director, Regeneration and Culture

18. INTERNAL AUDIT ANNUAL REPORT 2013/14

The Director of Finance submitted **Document "I"** which reviewed the service Internal Audit had provided to the Council during the financial year 2013/14.

In particular Members were advised of the following:-

- Internal Audit could demonstrate compliance with the Public Sector Internal Audit Standards for Internal Audit (PSIAS) and had delivered 98% of the Audit Plan for the year.

- Internal Audit's Client satisfaction identified that 95% of the respondents said that the "recommendations were useful and realistic" and believed that the audit was "of benefit to management."
- Over 99% of all high priority recommendations made from the work undertaken were accepted by management.

It was reported that in relation to paragraph 1.5 of the report the Head of Internal Audit would be shared with Wakefield from 1 September 2014.

In response to Members' questions it was reported that advisory work was carried out at Laisterdyke Business and Enterprise College in support of the Local Authority intervention at the school under which the Governing Body was replaced by an Interim Executive Board.

Members were informed that in relation to Asset Disposals new procedures had been put in place to deal with write off of rental arrears. It was important that any write off was in accordance with the Council's Financial Regulations.

In response to Members' questions it was reported that the valuation on the Council's art collection had been updated.

Resolved -

That the work carried out by Internal Audit during 2013/14 be recognised and supported.

19. EXTERNAL AUDIT PROGRESS REPORT FOR THE 2013/14 AUDITS OF CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL AND WEST YORKSHIRE PENSION FUND

The External Auditor submitted **Document "J"** which updated the Governance and Audit Committee on progress with the 2013/14 audits of City of Bradford Metropolitan District Council and West Yorkshire Pension Fund and highlighted key emerging national issues which may be of interest to the Committee.

It was reported that there were no issues of significance to be reported to the Committee in relation to the Audits.

Members were informed that the claims and returns that External Audit were expected to certify under the Audit Commission's regime for 2013/14 were on Housing Benefit subsidy. Certification of returns relating to national non-domestic rates and teachers' pension contributions were no longer required under the Audit Commission's regime.

Resolved -

That the external audit progress report and the arrangements for certification of grants and returns for 2013/14 were considered.

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Committee.