

Minutes of a meeting of the Governance and Audit Committee held on Friday 30 October 2015 at City Hall, Bradford

Commenced 1105
Concluded 1225

PRESENT – Councillors

CONSERVATIVE	LABOUR	THE INDEPENDENTS
Eaton	K Hussain Thornton	Hawkesworth

Councillor Thornton in the Chair

30. DISCLOSURES OF INTEREST

- (1) In the interest of transparency Councillor Hussain disclosed an interest in Minute 38 as he was the Chair of an Area Committee.
- (2) All those who were Members or beneficiaries of the West Yorkshire Pension Fund disclosed an interest.

ACTION: *Interim City Solicitor*

31. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

32. BRADFORD DISTRICT PARTNERSHIP GOVERNANCE

The Interim Assistant Director, Policy, Programme and Change submitted **Document “U”** which set out the context and background to the evaluation of the Bradford District Partnership governance arrangements which was carried out from July – October 2015 and provided a summary of the key findings.



The report also summarised the subsequent role and governance arrangements of the Bradford District Partnership (BDP) and identified the key changes and actions to be progressed as a result of the evaluation process.

Members were informed that in response to the key findings of the review outlined in Section 3.2 and 3.3 of Document “U”, the following changes were proposed;

- Main delivery partners to align themselves to the New Deal outcomes.
- Clarification of role of Bradford District Partnership Board.
- Merger between safer and stronger partnerships.
- Decommissioning of the Health Improvement Partnership.
- Agreement to set up a fairness and inclusion task and finish board to bring together support activity for vulnerable individuals and communities.
- Clear description and alignment of consultation and engagement structures.
- Clarity of relationships between regional and local structures.

It was reported that the diagram outlined in Appendix 1 illustrated a more streamlined governance structure that was focussed on providing a clear line of accountability for the development and delivery of the New Deal outcomes and related activity.

Members were informed that further work needed to be undertaken once the review recommendations were approved to allow for implementation by April 2016.

Members commented on a number of issues which included:

- The report and the appendix were not easy to understand.
- What was the poverty inquiry and who had undertaken it?
- What was share point?
- In relation to paragraph 3.3.15 ward members were not currently notified about partnership work being carried out in local communities and asked where, when and how will ward members be notified of issues affecting their wards.
- The appendix was not clear as to who the various Boards reported to and who was on them.
- Who was on the Fairness and Inclusion Board?
- Did the voluntary sector form part of the BDP?
- What was the remit and accountability of the Producer City Board?
- How transparent was Producer City Board and what drove it?
- Each organisation had its own goals/priorities; there was no formal accountability through this; Bradford used to have a district strategy which all partners signed up to.
- The report needed to clarify the membership, accountability and terms of reference of each organisation.

In response to Members’ questions it was reported that:

- A clearer diagram showing lines of accountability would be included in a handbook to be produced to clarify the terms of reference for each board.



- The Corporate Overview and Scrutiny Committee had led on the poverty inquiry; Terms of Reference and membership of the Fairness and Inclusion Board were to be determined, and that work would aim to address the poverty inquiry recommendations which were yet to be issued.
- BDP had oversight of the various boards; it included representation from the voluntary and community sector via the Bradford District Assembly as the umbrella body for the voluntary sector; BDP board also included membership from the Chamber of Commerce, Bradford University, Police, Health, the opposition groups and Incommunities; there was no funding attached to the Board; the Board was accountable to itself and members were also accountable to their individual organisations.
- The Producer City Strategy was approved by Council; the Producer City Board reported 6 months or annually to Regeneration and Economy Overview and Scrutiny Committee; it focussed on the district rather than city.
- The Council did not currently have a community strategy. A district plan was currently being worked on as part of the governance review implementation and it would assist in addressing concerns about accountability.

Resolved -

That the comments made by the Committee and how these would be addressed be incorporated into the report that is submitted to the Executive.

ACTION: Interim Assistant Director, Policy, Programme and Change

33. ANNUAL TREASURY MANAGEMENT REPORT 2014/15

This Council was required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2014/15.

During 2014/15 the minimum reporting requirements were that full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 09/12/2014)
- a mid-year (minimum) treasury update report (Council 09/12/2014)
- an annual review following the end of the year describing the activity compared to the strategy – Annual Treasury Management Report

The Director of Finance submitted **Document “V”** which provided details of the Annual Treasury Management and the outturn position for treasury activities for the year ending 31 March 2015 and highlighted compliance with the Council’s policies previously approved by members.



It was reported that the expectation for interest rates within the strategy for 2014/15 anticipated low but rising bank rate (starting in quarter 1 of 2015), and gradual rises in medium and longer term fixed borrowing rates during 2014/15. Variable, or short term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates. It was decided to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

Members were informed that due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

In response to Members' questions it was reported that the Council's investment policy was governed by guidance, which had been implemented in the annual investment strategy approved by Council on 12 October 2010. The policy used for choosing investment counterparties was based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default groups, bank share prices etc).

It was reported that there was a number of credit worthy banks the Council could use and the banks were more secure now than they were in 2008.

Resolved -

That the Annual Treasury Management Report 2014/15 be noted and referred to Council for adoption.

ACTION:*Director of Finance*

34. TREASURY MANAGEMENT MID YEAR REVIEW UP TO 31 AUGUST 2015

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly.

In accordance with the above the Director of Finance submitted **Document "W"** which reported on the Treasury Management Mid Year Review and ensured that this Council was implementing best practice in accordance with the above Code.

It was reported that no new borrowing was undertaken up to 31 August 2015, but debt of £53.6m matured on the 27 April 2015 and was repaid, the money coming from investments. This had reduced the Council's debt from £383.9m to £330.3m and the investment balances had reduced by £53.6m. Decisions would have to be taken whether to take new borrowing in the future at low rates or continue to reduce investments.



Resolved -

That the changes to the Treasury Policy set out in section 2.8.6 of Document “W” be noted and referred to Council for adoption.

ACTION: *Director of Finance*

35. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) JOINT ADVISORY GROUP HELD ON 23 JULY 2015

The Council’s Financial Regulations required the minutes of meetings of the WYPF Joint Advisory Group to be submitted to this committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **Document “X”** which reported on the minutes of the meeting of the WYPF Joint Advisory Group held on 23 July 2015.

It was reported that the WYPF Pension Board had met to establish its Terms of Reference.

Members were informed that the shared service partnership to provide a pension administration service for Lincolnshire Pension Fund was going well although some difficulty had been experienced initially because of the condition of record keeping which had been unknown at the commencement of the process.

Resolved –

That the minutes of the West Yorkshire Pension Fund Joint Advisory Group held on 23 July 2015 were considered.

36. EXCLUSION OF THE PUBLIC

Resolved –

That the public be excluded from the meeting during the consideration of the items relating to minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 23 July 2015 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.



37. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL MEETING HELD ON 23 JULY 2015**

The Council's Financial Regulations requires 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 "Y"** which reported on the minutes of the meeting of the WYPF Investment Advisory Panel held on 23 July 2015.

Resolved –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 23 July 2015 were considered.

38. **PROPOSED AMENDMENTS TO THE CONSTITUTION**

Previous Reference: Council Minute 33 (2015/16)

Members were reminded that Council at its meeting held on 14 July 2015 resolved that:

"Council notes that there is no mechanism for changing the Chair of an Area Committee in the event that political balance changes during the municipal year.

Council asks the Acting City Solicitor to prepare amendments to Standing Orders 35 and 37 in order to allow for such circumstances and that these were presented to full Council for consideration during this municipal year."

The Assistant City Solicitor submitted **Document "Z"** which set out proposed amendments to the Council's Constitution to deal with the issue raised.

It was highlighted that in the proposed amendments to the constitution set out in Paragraph 3, the notification in writing to the City Solicitor that the meeting of the Area Committee should commence with consideration of the appointment of a Chair and Deputy Chair, needed to be 7 working days rather than 5 working days before a scheduled meeting, in order that there was sufficient time to add the item to the agenda for the meeting.



Resolved -

That the adoption of the proposed amendments to the constitution set out in paragraph 3 of Document “Z” be recommended to Council subject to the notification in writing to the City Solicitor being amended so that it states 7 working days rather than 5.

ACTION: Interim City Solicitor

Chair

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

