

Minutes of a meeting of the Governance and Audit Committee held on Tuesday, 28 February 2017 in Committee Room 1 - City Hall, Bradford

Commenced 11.00 am
Concluded 12.00 pm

Present – Councillors

CONSERVATIVE	LABOUR
M Pollard	Johnson Thornton Watson

Apologies: Councillor Jeanette Sunderland
Observer: Councillor Ellis

Councillor Johnson in the Chair

38. DISCLOSURES OF INTEREST

No disclosures of interest were received.

39. MINUTES

That the minutes of the meeting held on 24 January 2017 be signed as a correct record.

40. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to inspect reports and background papers.

41. GOVERNANCE ARRANGEMENTS FOR THE BRADFORD DISTRICT COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE

Section 206 of the Planning Act 2008 confers the non-mandatory power on Local Authorities to introduce a new charge on different types of new development in their area, known as 'Community Infrastructure Levy' (CIL). The proceeds of this charge should be spent on infrastructure needed to support growth in the District, a proportion of which must be passed to local communities where development had taken place.



The Strategic Director, Place submitted **Document “AA”** which informed Members of the Committee of the proposed CIL governance arrangements to be put in place following the commencement of the Bradford District CIL as required by the Regulations on 1 July 2017.

It was reported that the introduction of CIL necessitated the development of governance arrangements for spending and administering the monies collected. Under CIL, the City of Bradford Metropolitan District Council would act as the designated ‘Charging Authority’ and ‘Collecting Authority’. In accordance with the CIL Regulations 2010 (as amended) the Council had an obligation to:

- Prepare and publish the CIL Charging Schedule
- Calculate CIL liability and collect CIL monies owed
- Apply the levy revenue it received to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support development of its area
- Pass a percentage of CIL receipts (the neighbourhood portion) to communities where a development had taken place, and:
- Report on the amount of CIL revenue collected, spent and retained each year.

Members were informed that CIL would operate through the exchange of formal notices and for most developments included:

- The owner/developer or another interested party assume liability for the levy by submitting an assumption of liability form.
- A Liability Notice is issued by the Council along with the planning permission Decision Notice. It stated how much CIL was payable and included details of the payment procedure.
- Before the development started, the owner/developer provided the Council with a Commencement Notice giving a date to start works.
- The Council then issued the Demand Notice (the bill). The CIL charge is recorded as a Local Land Charge. The Council issues a receipt for each payment received.

It was reported that administration of CIL would be similar to current Section 106 Agreement procedures and processes.

In response to Members questions it was reported that 15% of CIL receipts would be passed directly to those Parish and Town Councils where the development had taken place.

A Member queried the Council retaining 5% of the CIL receipts in the first three years to fund up and on going costs when the process would be similar to the collection of Section 106 Agreement monies.



In response it was reported that the money for funding the on going costs would be for the introduction of new IT systems, the software needed updating and needed to be transparent in the way CIL was reported; there was a new layer of processes which needed to be aligned close to Section 106; the 5% proposed for administration costs would be reviewed and if it was no longer required it would return back into the CIL fund.

A Member felt it was important that if a parish or town council did not spend its levy share within 5 years of receipt, or does not spend it on initiatives the support the development of the area there needed to be mechanisms in place to deal with such scenarios.

Resolved-

That that the proposed Bradford District CIL governance arrangements as set out in Document “AA” as the most appropriate basis by which the Council will manage the collection, spend and monitoring of CIL receipts were considered.

Action: Strategic Director, Place

42. OUTDOOR EDUCATION CENTRES

The Strategic Director, Children’s Services submitted **Document “AB”** which provided the Committee with an update on the progress to make the District’s three Outdoor Education Centres independent of the Local Authority and sustainable into the future.

The Deputy Director, Education, Employment and Skills gave a background to the report which included:

- Outdoor Education Centres had been supported by the Schools Forum with grants in 2011/12 and in 2014/15.
- These grants had enabled capital redevelopment works to be undertaken on the sites.
- There had been a number of previous reports to Committees which had forecasted an investment and transfer date of April 2017, and whilst the majority of work had been completed, as with all capital programmes there had been some delays.
- A high level plan had been included in the report which detailed the next planned steps.
- Currently the 3 centres remained in the management of the Council, but it should be noted that the Nell Bank site also welcomed the support of the Nell Bank Silver Jubilee Trust, who already held leases and assets for the Nell Bank site.



- The Nell Bank Silver Jubilee Trust as an organisation had made significant progress and investment in order to ensure they had an appropriate structure in place for the future at Nell Bank and were currently in the process of incorporating into the Nell Bank Charitable Trust. This was expected to be in place by April 2017, and it was the Council's intention to continue to support the development of the Charitable Trust at Nell Bank.

She also reported on the next steps for the Centres which included:

- Outdoor education was a very important element to the development of children and the Council was committed to ensuring that Bradford's children continue to have access to the progressive pathways and high quality outdoor learning that the centres deliver.
- The work on the future of the Centres was on going and required sound future governance arrangements, the journeys to independence would require work to develop new business sustainability plans that: extended the use and offer of the Centres, that kept charges to users under review; that enabled the management of resources more effectively which put them in a strong position to attract other funding and grants to support their sustainability.
- It was clear that the commitment to outdoor learning remained high within the district and whilst it was acknowledged there had been delays, there appeared to be a renewed vigour to support the Councils desire for the centres to become independent of the local authority.

In response to a Members question it was reported that the money allocated by the Schools Forum was one off money and the Centres would not continue to receive further funding; the capital works at the centres had been completed; the centres were now in a much more sustainable position; by the end of this year the three centres would break even; Officers were confident that the centres would be viable in the future.

It was reported that the main cause of the delay in the target date of April 2017 had been due to capital works not being completed on time.

In response to Members questions it was reported that there had been an increase in bed nights for shorter stays at the centres which would continue to be developed.

Members acknowledged that building projects could fall behind but wished to know what work had been undertaken alongside the building work on the governance arrangements of the centres.

In response it was reported that Nell Bank were looking at a charitable trust status; Ingleborough Hall and Buckden House needed to develop there governance structures further.



It was reported that more work was being undertaken on the governance structures which would have progressed further by the time the report was submitted to the Executive in June 2017.

Resolved-

- (1) That the Strategic Director of Children's Services continue the work to make the three Outdoor Education Centres sustainable and independent of the Local Authority whilst ensuring a high quality outdoor education offer for children and young people.**
- (2) That the Committee notes the progress that has been made towards making the Centres independent and the timetable to complete the work by December 2018.**
- (3) That the Committee notes the decision will be made by the Executive in June 2017 on the option to make the Outdoor Education Centres independent.**
- (4) That the Committee notes that following the Executive decision progression towards implementation of governance arrangements will be overseen by the "Great Start, Good Schools" Priority Outcome Board.**

Action: Strategic Director, Children's Services

43. WEST YORKSHIRE COMBINED AUTHORITY (WYCA) AND LEEDS CITY REGION ENTERPRISE PARTNERSHIP (LEP): UPDATE REPORT

The Strategic Director, Place submitted **Document "AC"** which provided an update report on the West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership with a focus on governance, accountability, reporting and involvement of Bradford Council, its elected members and staff.

It was reported that changes to the Combined Authority and LEP were under discussion as a result of negotiations between political leadership in the sub and city region and Government Ministers. These were at an advanced stage, seeking to secure substantial powers and resources for sub-national regeneration, economic development and public sector reform.

The Chair pointed out that once the devolution decision had been made the Committee would need to look at alternative version of governance arrangements.



It was reported that the current governance arrangements for the WYCA were being looked at in order to make them more streamlined.

A Member queried the categories, Apprenticeship Grants for Employers and Skills Capital Funding which required improvement (detailed in paragraph 5.8 of Document “AC”).

It was reported that the latest position on the two areas highlighted as requiring improvement in the WYCA Internal Audit Plan for 2017/18 would be circulated to Members.

Resolved-

That the report (Document “AC”) be noted and an update report be presented to the Committee in 2017/18.

Action: Strategic Director, Place

44. CERTIFICATION OF GRANT CLAIMS 2015/16

The External Auditor submitted **Document “AD”** which reported on the external auditor’s certification work on grant claims within the Public Sector Audit Appointment’s grant regime for 2015/16.

It was reported that External Audit had issued a qualification letter to the Department for Work and Pensions on 29 November 2016 in line with the Public Sector Audit Appointments certification instructions, primarily relating to errors in the calculation of earned income. The adjustments made to the Housing Benefit Subsidy was £9.00 due to errors identified.

Members were informed that as a result of errors identified in 2014/15 due to earned income being input correctly, extended testing on an additional 40 cases had been completed. This testing identified 1 error which resulted in benefit being overpaid by £3.90.

It was also noted that in the qualification letter that the error rate had reduced from last year and management continued with targeted checking of earnings calculations to reduce the likelihood of errors.

The External Auditor reported that there were no significant matters to bring to the Committee’s attention.



Resolved-

That the Governance and Audit Committee considered the letter on the certification work on grant claims (attached to Document “AD”).

Action: External Audit

45. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) PENSION BOARD HELD ON 9 NOVEMBER 2016

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

In accordance with the above the Director of West Yorkshire Pension Fund submitted **Document “AE”** which reported on the minutes of the meeting of the WYPF Pension Board held on 9 November 2016.

Resolved-

That the minutes of the WYPF Pension Board held on 9 November 2016 were considered.

46. 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 meeting held on 3 November 2016 because the information to be considered was exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972. It is also considered that it was in the public interest to exclude public access to this item.

47. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 3 NOVEMBER 2016

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 “AF”** which reported on the minutes of the meeting of the WYPF Investment Advisory Panel held on 3 November 2016.



Resolved –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 3 November 2016 were considered.

Chair

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

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

