

Minutes of a meeting of the Corporate Overview and Scrutiny Committee held on Thursday, 25 January 2018 in City Hall, Bradford

Commenced 5.30 pm
Concluded 7.50 pm

Present – Councillors

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT AND INDEPENDENT	THE INDEPENDENTS
BM Smith Cooke Riaz	Warburton Watson Bacon Duffy Arshad Hussain	J Sunderland	Naylor

Observers: Councillor Ferriby (Environment Sport and Culture Portfolio Holder) and
Councillor Ross-Shaw (Regeneration, Planning and Transport Portfolio Holder)

Councillor Arshad Hussain in the Chair

49. DISCLOSURES OF INTEREST

In the interest of transparency the following disclosures of interests were received:

- (i) Councillors Cooke, Duffy and Sunderland declared an interest in the item relating to the Called-in decision pertaining to the Income Strategy (Minute 55), as they were Council appointed Directors of InCommunities Housing Association.
- (ii) Councillor Sunderland also declared that she was a Council appointed Director on a number of other outside bodies.
- (iii) In relation to the Item on the Former Bradford Odeon (Minute 57), Councillor Cooke stated that he was a Council appointed member on the West Yorkshire Combined Authority.

ACTION: *Interim City Solicitor*

50. MINUTES

Resolved –

That the minutes of the meeting held on 22 November and 20 December 2017 be signed as a correct record.

51. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

52. REFERRALS TO THE OVERVIEW AND SCRUTINY COMMITTEE

No referrals were made to the Overview and Scrutiny Committee.

53. PROVISION OF A CORPORATE CONTRACT FOR THE PROVISION OF TAXI SERVICES

The Council utilises taxi services for the transport of vulnerable children and adults, and other service areas that have a need to draw off taxi services as part of their operational needs.

Currently Fleet and Transport Services (FTS) manages a Dynamic Purchasing System (DPS) which has worked successfully for the last 4 years and is due to expire end of March 2018. FTS is now seeking to re-tender this contract for a further 4 years (2 + 2 years) or in accordance with procurement regulations.

To meet its obligations under Standing Orders details of all contracts in excess of £2 million should be reported to the appropriate Overview and Scrutiny Committee to afford Members opportunity to engage in the process, and the report of the Strategic Director Place (**Document “Y”**) set out the details of the new contract.

In response to a question on whether or not it had been left late to go out to tender, the Fleet and Transport Services Manager explained that September was the changeover date for the contract, and that he did not envisage the tendering process would cause any disruptions to service provision.

In relation to a number of questions relating to eligibility, it was explained that Fleet and Transport Services only provided the transport and that Children's and Adult Services administered the criteria, and therefore any questions around eligibility should be directed to the relevant service.

In response to a question regarding safeguarding and relevant training, it was explained that all licensed drivers received the necessary training regarding safeguarding.

In relation to a question regarding the sharing of vehicles, where possible, it was explained that multiple occupancy was always looked at as part of a risk assessment and where it was geographically viable, however in some complex situations this was not always possible.

Resolved –

That taxi services continue to be procured through a Dynamic Purchasing System (DPS).

ACTION: Strategic Director Place

54. RISK MANAGEMENT

The Strategic Director Corporate Services submitted a report (**Document “Z”**) which provided an outline of the purpose, objectives and developments in the Council’s approach to risk management.

The Head of Internal Audit explained that work to update the strategic and departmental risk registers was on going, however despite small levels of additional resource being allocated, progress was still slow and there had been limited opportunity to share their contents with Portfolio Holder and Scrutiny Committees.

During the discussion, a Member stated that the report was vague and ascertained if elements of the risk register were discussed with the relevant portfolio holder and were these discussions recorded in any way. In response it was explained that this was not always happening, and that additional work was required to improve reporting arrangements.

In relation to a question regarding individual service areas, the Head of Internal Audit explained that Department of Place had an up to date risk register, however a number of the other service areas were lagging behind and work was on going to try and ensure compliance.

In response to a question regarding the overall risks facing the Council, it was explained that the risks faced by the Council had been quite stable over a number of years, and that the Council was aware of them and systems were in place to deal with them.

In response to the costs associated with using the Covalent system to record risk, it was explained that these costs were minimal, however the advantage would be that one point of recording would give a full picture of the risk environment.

In response to a number of concerns raised by Members in relation to timescales and the process for ensuring departmental risk registers were brought up to date, it was stressed that risk management activities were taking place across all Council departments, what was not in place was a systematic reporting arrangement or methodology for recording risk and this piece of work had to be undertaken.

A Member pressed officers to identify the crux of the issue and what was really causing delays in compiling the risk register; was it Audit's ability to work with departments or delays with departments understanding and recognising the importance of completing the risk register. In response it was stressed that all the necessary preparatory training had been undertaken with departmental service managers, the issue was one of compliance.

Members were in agreement that progress in this area had to be fast tracked as a matter of urgency and it was therefore:

Resolved –

- (1) That the recommendations of the Corporate Overview and Scrutiny Committee of the 11th January 2017 be implemented by the 30th June 2018.**
- (2) That the Overview and Scrutiny Committee considers an improvement plan which incorporates the following features:**
 - (i) That the Risk Coordinator Network is refreshed with all Directors required to nominate key managers within their service as the Risk Coordinator for their Department.**
 - (ii) That monthly reports are tabled at CMT, identifying progress made on the identification and recording of departmental risks. This should include applying any developments to the Council's risk management process.**
 - (iii) Covalent is to be used for the recording of all risks across the Council including the Council Plan Delivery Programme risks.**
 - (iv) Quarterly Risk Management reports to be produced for CMT, Executive and the Corporate Overview and Scrutiny Committee.**
- (3) That this Committee requests that the Executive ensures that Portfolio Holders review and develop Departmental Risk Registers in their respective areas of responsibility.**
- (4) That a further progress report be presented in 6 months time and request that all Strategic Directors attend.**

ACTION: *City Solicitor (Resolution 1 referral to Executive)*
 All Strategic Directors (Resolution 2)

55. CALLED-IN DECISION - A STRATEGY FOR GROWTH IN INCOME FROM COUNCIL TAX, BUSINESS RATES AND INVESTMENT

At its meeting on 9 January 2018 the Executive received a report of the Strategic Director Corporate Services (**Document “AP”**) which proposed a strategy for growing the Council’s sources of income from Council Tax, Business Rates and investment in assets, recommending an Investment Advisory Group is established to oversee activity and manage risks.

Executive resolved as follows:

- (1) *That the basic premise underpinning Document “AP” be accepted, that targeted activity should be undertaken to grow income from:*
 - (a) *Council Tax*
 - (b) *Business Rates*
 - (c) *Income-generating investment*
- (2) *That the next steps outlined at Section 8 of Document “AP” be pursued.*

The decision of the Executive had been called in by Councillor Cooke.

The reasons for Councillor Cooke requesting the call-in are:

1. *Many Members have had no opportunity to consider the governance and accountability issues around the Council’s property investment activities.*
2. *To allow members to consider the risks of such a strategy.*
3. *To allow members to consider whether the Government’s recently announced review of the purpose for the Public Works Loan Board affects the Council’s strategy.*

The Strategic Director Corporate Services explained how the Investment Strategy might work in practice, and that Bradford, unlike some of its contemporaries had been very cautious in pursuing investment opportunities and that the Advisory Group would pursue a Investment Strategy based on expert advice and guidance. He acknowledged that the Government had issued a consultation on changes to the Capital Financing Regulations and that CIPFA will also be issuing an updated Prudential Code in 2018, and therefore the outcomes of these will further inform the work of the group once it is established.

A Member asked a number of questions in relation to how the proposed Advisory Group allied itself with the Councils’ existing governance structure and how it would be constituted. In addition how will the group take external advice on investments; how will decisions be made; what reporting arrangements were envisaged; what were the risks associated with such a model and had consideration been given to having a legal advisor on the group.

In response the Strategic Director stressed that any investment decision would be

open to due diligence and that appropriate advice would be taken from experts, and that their work could be modelled on the work of the West Yorkshire Pension Fund investment Board. He added that the constitutional and governance arrangements still had to be finalised and therefore the report lacked detail in this respect.

During the discussion Members also stressed that there had to be a clear rationale about what social purpose would be as part of the Investment Strategy and that Standing Orders would need to be clear about the role and responsibilities of the Advisory Group, and it was therefore:

Resolved –

- (1) That the decision be released for implementation.**
- (2) That this Committee requests that the Executive ensures that Standing Orders terms of conditions need to be clearly set out in relation to the establishment of the Investment Advisory Group.**
- (3) That this Committee requests that there has to be a clear rationale about what social purpose is as part of the Investment Strategy, including how this supports the role of the elected member.**

ACTION: *City Solicitor (Resolution 1 and resolution 2 referral to Executive)*
 Strategic Director Corporate Services (Resolution 3)

56. EXCLUSION OF THE PUBLIC

Resolved –

That the public be excluded from the meeting during the discussion of the Not for Publication Appendices to Executive Documents "AM" "AR" on the grounds that it is likely, in view of the nature of the proceedings, that if they were present, exempt information within paragraphs 3 and 5 (financial or business affairs and legal privilege) of Schedule 12A of the Local Government Act 1972 (as amended) would be disclosed and it is considered that, in all the circumstances, the public interest in allowing the public to remain is outweighed by the public interest in excluding public access to the relevant part of the proceedings for the following reasons:

It is in the public interest in maintaining these exemptions because it is in the overriding interest of proper administration that Members are made fully aware of the financial and legal implications of any decision.

57. FORMER ODEON BUILDING

At its meeting on 5 December 2017 the Executive received a report of the Strategic Director Corporate Services (**Executive Document “AM” which contained Not For Publication Appendix 1**) which considered the options available to the Council in securing funding for the proposed refurbishment of the Bradford Odeon.

Executive resolved as follows:

- (1) *To endorse the risk assessment in the Not for Publication Appendix to Document ‘AM’.*
- (2) *To endorse further detailed consideration, with partners, of the optimal legal and financial structure to develop the Bradford Odeon with their preferred delivery option being Option 2 as set out in the Not For Publication appendix to Document ‘AM’.*
- (3) *To support the principle that the Council provides loan or other forms of capital to enable the development to proceed.*
- (4) *To support bids to other bodies who are willing to co-fund development.*
- (5) *To receive a further report at the earliest opportunity or at its scheduled meeting on 9 January 2018 on the preferred option and any other relevant matters.*

At its meeting on 9 January 2018 the Executive received a report of the Strategic Director Corporate Services (**Executive Document “AR” which contained Not For Publication Appendix 1**) which provided an update on Bradford’s city centre regeneration projects including further details in respect of the Former Bradford Odeon, following on from Executive on 5th December 2017.

Executive resolved as follows:

- (1) *That the contents of Document “AR” be noted and the recommendations in the confidential appendix be approved as amended.*
- (2) *That the Chair of the Corporate Services Overview and Scrutiny Committee be requested to add the report to the work programme for the 25 January 2018 meeting and it be noted that the report is on the work programme of the Regeneration and Economy Overview and Scrutiny Committee for the 23 January meeting.*

ACTION: Strategic Director Corporate Services

The Strategic Director Corporate Services submitted a report (**Document “AA” “containing Not for Publication Appendices 2 & 4**) which set out the respective reports considered by the Executive at its meetings held on 5 December 2017 and 9 January 2018.

Resolved –

That officers be thanked for providing detailed responses to Members’ question and that Members’ comments be taken on board.

ACTION: Strategic Director Corporate Services

58. CORPORATE OVERVIEW AND SCRUTINY COMMITTEE - WORK PROGRAMME 2017/18

The Chair of the Corporate Overview and Scrutiny Committee submitted a report (**Document “AB”**) which set out the Corporate Overview and Scrutiny Committee work programme for 2017/18.

The Overview and Scrutiny Lead stated that the work programme had been slightly amended and that a revised version will be circulated to Members in due course.

Resolved –

That the work programme 2017-18 continues to be reviewed regularly during the remainder of this Municipal Year.

ACTION: Overview and Scrutiny Lead

Chair

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