

Minutes of a meeting of the Governance and Audit Committee held on Thursday, 19 September 2019 in Committee Room 3 - City Hall, Bradford

Commenced 10.00 am
Concluded 11.10 am

Present – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT
Johnson Thornton	Pollard	Reid

Councillor Johnson in the Chair

18. DISCLOSURES OF INTEREST

In the interest of transparency all those who were Members of the West Yorkshire Pension Fund disclosed an interest.

Action: City Solicitor

19. MINUTES

Resolved-

That the minutes of the meetings held on 28 June 2019 and 31 July 2019 be signed as a correct record.

20. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

21. 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 25 July 2019 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 this item.

22. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 25 JULY 2019

The Council's Financial Regulations requires the minutes of meetings of the WYPF Investment Advisory Panel be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **Not for Publication Document "L"** which reported on the minutes of the meeting of the WYPF Investment Advisory Panel held on 25 July 2019.

Resolved –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 25 July 2019 were considered.

23. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) LOCAL PENSION BOARD HELD ON 26 MARCH 2019

The Council's Financial Regulations requires the minutes of meetings of the WYPF Local Pension Board be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **Document "M"** which reported on the minutes of the meeting of the WYPF Local Pension Board held on 26 March 2019.

Resolved –

That the minutes of the West Yorkshire Pension Fund Local Pension Board held on 26 March 2019 were considered.

24. EXTERNAL AUDIT'S ANNUAL AUDIT LETTER FOR THE 2018/19 AUDIT OF THE CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL (INCLUDING THE WEST YORKSHIRE PENSION FUND)

The External Auditor submitted **Document “N”** which reported on the Annual Audit Letter for 2018/19, it summarised the key findings from the work that had been undertaken for the year ended 31 March 2019 (including the West Yorkshire Pension Fund).

It was reported that the Annual Audit Letter reported on the progress made since the Audit Completion Report presented to the Committee in July 2019 and although addressed to the Council, it was designed to be read by a wider audience including members of the public and other external stakeholders.

In response to a Members question it was reported that the net pension liability represented a material element of the Council's balance sheet. The valuation of the Local Government Pension Scheme relied on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which resulted in the Council's overall valuation. There were no matters arising from the audit work on the defined benefit liability valuation.

Members were informed that in terms of internal control recommendations the audit had identified three internal control deficiencies as part of the audit. These were not significant in nature and related to the Council's IT policies, user access and password parameters. Management had agreed to strengthen arrangements to address these control recommendations during 2019/20.

It was reported that in terms of the Value for Money conclusion the Council in all significant respects, had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Resolved-

That the Annual Audit Letter for 2018/19 be noted.

25. CORPORATE INVESTIGATIONS UNIT - ANNUAL PERFORMANCE INFORMATION

The Strategic Director, Corporate Resources submitted **Document “O”** which reported on the annual performance information, as required by the Committee, to provide assurance that the Council's counter fraud arrangements were effective.

It was reported that the number of investigations carried out, overall in 2018/2019, compared with 2017/18, remained fairly static, however, there had been some notable changes in the composition of investigations between 2017/18 and 2018/19 as detailed in paragraph 3.1 of the report.

Resolved-

That the performance information contained within Document “O” be noted.

26. TREASURY MANAGEMENT MID YEAR REVIEW UP TO 31 AUGUST 2019

The Director of Finance submitted **Document “P”** which reported on the Council’s Treasury Mid Year Review up to 31 August 2019.

It was reported that the Treasury Management Mid Year Review covered the following:

- An economic update for the first part of the 2019/20 financial year.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators.
- A review of the Council’s borrowing strategy for 2019/20.
- A review of any debt rescheduling undertaken during 2019/20.
- A review of compliance with Treasury and Prudential Limits for 2019/20.
- A review of the Council’s investment portfolio for 2019/20.

There was a short discussion on the use of external advisors to provide information on market trends, credit rating alerts, lending criteria advice and investment opportunities.

Resolved-

That the report be noted and referred to Council on the 15 October 2019 for adoption.

Action: Director of Finance

27. TERMS OF REFERENCE FOR A COMMUNITY GOVERNANCE REVIEW FOR A NEW LOCAL COUNCIL IN THE SHIPLEY WARD

A valid petition requesting a Community Governance Review (CGR) for a proposed new Local Council in the Shipley ward had been received. The Committee had now to make arrangements for the CGR, and as a first step needed to agree its terms of reference.

The City Solicitor submitted **Document “Q”** which summarised the relevant background issues and proposed draft Terms of Reference which was intended to initiate the CGR process.

In response to a Member's question it was reported the review would have to take into account any other community governance arrangements that had already been made such as community organisations, neighbourhood organisations and any other bodies which already existed and how a Town Council would effect them.

It was reported the consultation would include letters to all residents affected, drop in sessions, establishing a website, posters at community centres and libraries, an online survey etc. to ascertain if there was an appetite for a local council.

A short discussion was held on the responses received from residents of previous requests for a local council and the level of information presented to them in relation to precepts, and that local council precepts were not capped.

The Chair stressed that when consulting with residents detailed information should be provided to them on the roles, finances and responsibilities of local councils so that they are able to make an informed decision.

Resolved-

- (1) That the Terms of Reference highlighted in Appendix 1 to Document "Q" for a Community Governance Review for a proposed new Local Council in Shipley be approved.**
- (2) That the Committee authorise officers to conduct the Community Governance Review in accordance with the Local Government and Public Involvement in Health Act 2007 and the statutory guidance which relates to it.**
- (3) That the consultation that takes place includes detailed information on the roles, finances and responsibilities of Local Councils in line with recent consultations undertaken for proposed Parish/Town Councils.**

Action: City Solicitor

Chair

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