

Contact Officer: Leigh Webb

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 12 May 2023

Present: Councillor Yusra Hussain (Chair)
Councillor Ammar Anwar
Councillor Adam Gregg
Councillor Harry McCarthy
Councillor Kath Pinnock
Councillor Elizabeth Reynolds
Councillor John Taylor

In attendance: Councillor Paul Davies (Ex Officio)
Councillor Elizabeth Smaje (Ex Officio)

Julie Muscroft – Service Director, Legal, Governance and
Commissioning
Samantha Lawton – Head of Governance
Eamonn Croston – Service Director, Finance
James Anderson – Head of Accountancy
Aaron Gouldman – Grant Thornton
Jane Lockwood – Head of Procurement (Virtual)

Apologies: Councillor Joshua Sheard
Chris Jones – Independent person

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor Joshua Sheard, with Councillor Adam Gregg attending as substitute.

2 Minutes of Previous Meetings

RESOLVED: That the minutes of the meeting held on 21 April 2023 be approved as a correct record.

3 Declarations of Interest

No interests were declared.

4 Admission of the Public

It was noted that all agenda items would be considered in public.

5 Deputations/Petitions

There were no deputations or petitions received.

Corporate Governance and Audit Committee - 21 April 2023

6 Public Question Time

There were no public questions.

7 Changes to the Council's Constitution (Reference to Annual Council)

The Committee received a report which set out a number of proposed changes to the constitution, along with details of amendments made since 2022, both on the authority of the Council and by the Monitoring Officer using delegated powers.

The report set out the changes from each section of the Constitution which included a proposed re-focussing of the Policy Framework to focus on the highest level strategies, policies and plans which set the context time direction for delivering our shared outcomes, other strategic plans and programmes as well as continuing to include plans that by law must be adopted by full Council. Full details of the proposed new Policy Framework were appended to the report. The report also highlighted a number of proposed amendments in relation to the Council Procedure Rules (CPR's) which were highlighted in detail within the report and appendices. These changes included a number of amendments to deadlines. In addition, the report highlighted proposed changes to value thresholds in relation to Key Decisions and asset management functions.

During consideration of this item, Councillor John Taylor moved an amendment, seconded by Councillor McCarthy, in relation to a number of proposed changes to the recommendations set out in the report. On being put, this amendment was carried.

During further discussion of this item, Councillor Kath Pinnock raised the issue of the appropriateness of Cabinet Members being appointed to planning committees, with particular reference to the Strategic Planning Committee. Councillor Pinnock moved an amendment, seconded by Councillor Anwar, to restrict Cabinet Members from being appointed to sit on the Strategic Planning Committee. On being put, the amendment was lost.

RESOLVED: That the Corporate Governance and Audit Committee:

a. Notes the changes made to the Constitution in 2022-2023 listed in Appendix 1.
b. Approves the proposed changes to the Councils constitution as set out in paragraphs 2.07, 2.13, 2.15, 2.21 – 2.42, 2.44 and 2.46 and the accompanying relevant Appendices subject to the following agreed amendments to Appendix 3 and relevant paragraphs:

- (i) CPR 10 (2) para: 2.24 - Deadline for receipt of deputation to be changed to 3 clear working days notice.
- (ii) CPR 10 (4) Suitability of a Deputation shall be determined by the Chief Executive in consultation with the Mayor and redraft the second part of the paragraph below for clarity
- (iii) CPR 10 (5) Remove (5) with consequential amendment to 10 (6) (which becomes 10(5)) and the sub paragraphs to be renumbered accordingly.
- (iv) CPR 10 (8) Remove as provision exists within the current constitutional arrangements and renumber accordingly.

Corporate Governance and Audit Committee - 21 April 2023

- (v) CPR 10 (9c) re-draft wording to tighten up, specifically highlighting deputations will not be heard where an issue is to be considered at committee/panel with a published agenda. In relation to planning, licensing and other regulatory matters this sub paragraph is to continue to cover the merit of application and so does not require there to have been a published agenda.
- (vi) CPR 11(1) para 2.28 - Deadline for receipt of public questions to be changed to 3 clear working days.
- (vii) CPR 12 Written questions – para 2.33 be amended to 3 clear working days notice.

c. Notes the changes set out at paragraphs 2.16, 2.17, 2.43, 2.48 and 2.49.

d. Notes that work will continue to keep the Council's Constitution under review.

e. Notes the proposed further work in relation to the Member Officer protocol in paragraph 2.65

f. Recommends to Council that they note and approve (as applicable) the above recommendations and delegate authority to the Service Director – Legal, Governance and Commissioning to make appropriate amendments to the constitution which may be agreed by Council as well as any consequential amendments to the constitution to reflect the changes agreed.

8 **Proposed Amendments to Overview and Scrutiny (Reference to Annual Council)**

The Committee received a report from the Head of Governance setting out proposed amendments to the Overview and Scrutiny structure along with an update on the implementation of the recommendations of the Kirklees Democracy Commission in relation to the review of governance models.

The proposals set out in the report included the creation of a new standing Panel to consider issues falling within the Growth and Regeneration Department and the disestablishment of the Corporate Panel, with the remit being transferred largely into the Overview and Scrutiny Management Committee. In terms of the rationale for the proposed changes it was highlighted that the proposed new structure did more closely align with the current departmental structure and Cabinet portfolio areas.

With regard to the implementation of the recommendations of the Democracy Commission's work, the report highlighted the development of a protocol to assist in the development of more pre-decision scrutiny and outlined plans for the delivery of annual scrutiny training.

RESOLVED:

1. That Corporate Governance and Audit committee recommends to Annual Council the changes as set out in paragraph 3 of the report
2. That the Committee recommend to Council that the Service Director Legal, Governance and Commissioning be delegated with authority to make appropriate changes to the Constitution to reflect the agreed changes to the scrutiny arrangements.

3. That a report reviewing the workings of the new scrutiny arrangements be submitted to this Committee in March 2024.

9 Proposed Revisions to the Financial Procedure Rules (Reference to Annual Council)

This Committee received a report setting out information on proposed changes to Financial Procedure Rules for the year 2023/24. The proposed changes related to the revenue and capital budgeting and budgetary control arrangements and minor proposed changes regarding income, and grants. It was reported that the sections affected are most of FPR2, a part of FPR3 and the first clause of FPR 11, and later clauses of section 22. All the text changes were highlighted within Appendix 1 by a table showing them as now and as proposed against each paragraph. The changes proposed in the report were intended to enable the implementation of revenue budget changes in line with the longer-term medium term financial plan, rather than addressing these annually only, starting from the approval of the next year's budget (FPR section 2). Additionally, they will enable greater flexibility in capital planning (FPR section 3) and in changing fees and charges or setting new charges (FPR section 11). It was highlighted that additional reference was also included in order to recognise the requirements of the new Subsidy Control Act 2022.

During discussion of this item the Committee suggested minor changes to wording in the introductory part of section 2 to recognise capital investment.

RESOLVED:

1. That the proposed changes to Financial Procedure Rules, as set out in the report, be recommended to Annual Council, subject to the inclusion of the minor amendments set out above relating to the introductory part of Section 2.
2. That authority be delegated to Monitoring Officer to make any consequential changes to Financial Polices and/or constitutional rules.

10 Proposed Revisions to Contract Procedure Rules (Reference to Annual Council)

The Committee received a report setting out information on proposed changes to Contract Procedure Rules for the year 2023/24. The Contract Procedure Rules ensured that the Council was acting in line with current legislation and other developments in public law when conducting procurements. The proposed changes within the report related to bonds and guarantees and some additions in relation to Rule 10 executing contracts. It was reported that a more fundamental review of the Contract Procedure Rules would be undertaken at the appropriate time in line with any legislative changes relating to the Procurement Bill.

RESOLVED: That proposed changes to Contract Procedure Rules, as set out in the report, be recommended to Annual Council for approval.

11 Informing the Audit Risk Assessment

The Committee received a report, requested by the External Auditors, Grant Thornton asking that council officers complete 'Informing the Audit Risk Assessment for Kirklees Council 2022/23' which was attached to the report at Appendix A.

Corporate Governance and Audit Committee - 21 April 2023

Grant Thornton had also requested that officers complete the 'Accounting Estimate Management Summary Letter' (Appendix B) which covered the use of accounting estimates across key accounting areas.

The Head of Accountancy provided a verbal update in respect of statutory deadlines for producing draft accounts. It was reported that Department for Levelling Up Communities (DLUC) had moved the deadline to 31st May. Following discussion with Grant Thornton it has been agreed that Kirklees would work to the original deadline of 30th June for producing the draft accounts.

RESOLVED – That the Committee is satisfied the assertions to be true (or had no reason to believe they were untrue) and agree to submit the risk assessment document to the external auditors.

12 External Audit Progress Report

The Committee received the Audit Progress report up to the period May 2023 from the External Auditors, Grant Thornton. The report included a summary of emerging national issues and developments that may be relevant to the council and included several 'challenge questions' in respect of these emerging issues.

RESOLVED – That the External Progress Report April 2022 be noted.