

**BRIGHTON & HOVE CITY COUNCIL****AUDIT COMMITTEE****4.00PM 15 DECEMBER 2009****COMMITTEE ROOM 3, HOVE TOWN HALL****DRAFT MINUTES**

**Present:** Councillors Hamilton (Chairman), Watkins (Deputy Chairman), Kitcat, Oxley, Phillips, Simpson, Smith and C Theobald

**PART ONE****47. AUDIT COMMISSION: GOOD GOVERNANCE REPORT**

47.1 The Committee considered a report from the Director of Strategy & Governance regarding the Good Governance Review and report from the Audit Commission (for a copy see minute book).

47.2 Ms Thompson briefly introduced the Audit Commission's report on Good Governance and noted that the fieldwork for evidence for this report had been conducted at the end of 2008 and beginning of 2009. The draft report had been produced early in 2009, but for various reasons had taken time to finalise. She added however that there were very few differences between the draft report and the final report.

The main findings of the report were that the Constitutional and governance arrangements at Brighton & Hove City Council were robust and strong. There was recognition that there had been a major change in the way the Council conducted its governance arrangements resulting from the introduction of the new constitution and that this had a noticeable effect on the culture and operation of the authority. The District Auditor, Ms Thompson, believed the report reflected this inevitable settling in period, but highlighted that the organisation could not be complacent with regard to its own arrangements and suggested areas where improvements might be made in the form of an action plan (appended to the Audit Commission's report). She added that the Audit Commission was not criticising the Council, but felt that it was important to regularly review and monitor arrangements to ensure they were strong and transparent.

47.3 The Head of Law introduced the officer's review of the Good Governance report and felt that the work of the Audit Commission was useful and overall complimentary of the Council's arrangements. A number of strengths in the Council's current arrangements were identified in the report including the constitutional arrangements, partnership working, community engagement, Member development and Member conduct. The report identifies areas for improvement, but the Head of Law reiterated that these have to be seen in the proper context. The fieldwork had been conducted between October

2008 and March 2009 shortly after a new Constitution had been introduced with a relatively new administration. This was therefore a period of adjustment and it is not surprising that Members and Officers felt unsure about aspects of the new arrangements. The action plan records improvements that have already taken place and others to be implemented in the coming months. The Head of Law thanked the Audit Commission for the work they had done in identifying these areas.

- 47.4 The Chairman asked if there were any questions and Councillor Kitcat asked whether the Council had contracted this report from the Audit Commission or whether it was part of the regular programme of work the Audit Commission performed.

Ms Thompson replied that examination of governance arrangements was part of the Code of Practice for authorities, but it was also something the Audit Commission had identified as necessary for Brighton & Hove City Council as a result of issues that had emerged from the 2007 Comprehensive Performance Assessment, which had highlighted governance as an area that needed reviewing. This work was delayed until the new arrangements were introduced, and could act as a compliment to the work of the Council on the six month review of the new Constitution.

- 47.5 Councillor Kitcat was concerned there had been significant changes between the draft report and the final report and asked who had been responsible for negotiating these changes with the Audit Commission. Ms Thompson stated that the draft report had been written in the Audit Commission's "house style", which formulated a judgement, gave reasons for the judgement and assessed why this judgement was important. She recognised that this could often come across as austere and direct. There was a need to factor in the special circumstances of the Council at the time the evidence was gathered, and to make the report more encompassing of the situation the authority faced than was expressed in the original. This process had taken some time to achieve, but Ms Thompson recognised that the length of time between the draft report and the final report was unacceptable and assured Councillors that this would not happen in the future.
- 47.6 The Head of Law stated that the essence of the final report was the same as the original draft and the recommendations from the Commission were essentially the same. There had been no Member involvement in between the draft and final stage, and the first Members to see the report had been the Chairman and Deputy Chairman of Audit Committee. He added that all of the changes made to the report had either been factual or contextual and were necessary for a complete report.
- 47.7 Councillor Kitcat believed that the way in which the Council ran Cabinet Member Meetings was unusual when compared with other Councils and asked why this was not referred to in the report.

The Head of Law stated that this area of work was identified in the report, as originally there had been the perception that many of the reports going to Cabinet Member Meetings were simply for 'noting' and this was not an efficient use of time for the authority. However, following the six month review of the Constitution, the reporting processes and delegations had changed to reflect a more streamlined approach. This is also an area that has been considered as part of the 12 month Constitution review of the constitution and there will be proposals to change some of the CMMs.

The Head of Law understood that most other authorities did not hold Cabinet Member Meetings in public and decisions in these authorities were taken in private. However, when the new system had originally been designed at Brighton & Hove City Council, there was a commitment by members and officers to ensure the new system was as transparent and open as possible. He added that officers remained up-to-date with what other authorities were doing in this area, but he believed Brighton & Hove had formulated the most open and inclusive system as possible.

- 47.8 The Chairman agreed that Brighton & Hove City Council had worked very hard to achieve the best system possible and thanked Councillor Oxley, who had led on the project, for his commitment to developing such a transparent system. Councillor Watkins agreed with this statement.
- 47.9 Councillor Oxley felt that the current situation in Brighton & Hove was quite different from when the fieldwork was undertaken for the report, and this was not reflected in the final version. He stated that the 12 month Constitution review would be much more in-depth and contain many more suggestions that further developed the recommendations in the Good Governance report. The Overview & Scrutiny function had been looked at, and further work would be undertaken on Cabinet Member Meetings, although when the system had originally been introduced, there was concern across the Council that it would be a very closed system, and a conscious effort was made to give open access to both Council Members and members of the public and press. He felt the report was valuable and important, but it was important to recognise how far the Council had developed from the point when the evidence base had been gathered.
- 47.10 Councillor Mrs Theobald asked about the recommendations regarding raising the profile of the Standards Committee and the Head of Law stated that the Independent Chairman had already visited with Group Leaders and Groups, there was ongoing discussion and consultation around standards issues at the Council, and the Annual Report of the Standards Committee would be coming to Full Council in the new year, and would reflect the work that had been done, and was being done, to develop standards further. Councillor Oxley added that the Chairman of Standards Committee had been invited to the Governance Committee to discuss the recommendations from this report.
- 47.11 Councillor Mrs Theobald expressed concern that the report stated that the Cabinet structure did not support efficient and effective decision making, but Councillor Oxley felt this was no longer a concern as effective measures had been put in place after the six month Constitution review to help streamline the Cabinet portfolios and make meetings more effective. Ms Thompson added that at the time of assessment between December 2008 and February 2009 the Cabinet structure had not been working effectively. The Commission had not conducted follow-up work to assess the current situation however, but felt this could be assessed as part of the Commission's Use of Resources work for 2009/10.
- 47.12 Councillor Mrs Theobald expressed concern that the report highlighted problems with the Council developing a more user-friendly approach to performance reporting information and Councillor Oxley stated that this had been recognised and work was in progress in this area. Ms Thompson added that she had met with the current Chief Executive and this was a clear area he was focussing on for improvement. The

Assistant Director, Improvement & Organisational Development agreed that this was an area under review and was aware there was a high density of information produced by the authority that was complex for both members and members of the public.

**47.13 RESOLVED –**

1. That the report of the Audit Commission is noted; and
2. That the proposed action in response to the recommendations of the Commission as set out in the action plan, listed at appendix 1 to the Commission's report, is noted.

The meeting concluded at 6.30pm

Signed

Chair

Dated this

day of