

Leicester
City Council

Democratic and Civic
Support
Town Hall
Town Hall Square
Leicester
LE1 9BG

13 November 2013

Sir or Madam

I hereby summon you to a meeting of the LEICESTER CITY COUNCIL to be held at the Town Hall, on THURSDAY, 21 NOVEMBER 2013 at FIVE MINUTES PAST FIVE in the afternoon, for the business hereunder mentioned.

Monitoring Officer

AGENDA

- 1. LORD MAYOR'S ANNOUNCEMENTS**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTES OF PREVIOUS MEETING**
- 4. PETITIONS**
 - Presented by Councillors
 - Presented by Members of the Public
- 5. QUESTIONS**
 - From Members of the Public

- From Councillors

6. REPORT OF EXECUTIVE

6.1 Corporate Parenting Annual Report

7. REPORTS OF THE MONITORING OFFICER

7.1 Annual Report of the Audit and Risk Committee to Council for the Municipal Year 2012-13

7.2 Standards Committee Annual Report

7.3 Elected Member Absence from Meetings

8. EXECUTIVE AND COMMITTEES

To vary the composition and fill any vacancies of any Committee of the Council.

8.1 Appointment of Vice-Chair – Audit and Risk Committee

9. NOTICES OF MOTION

10. ANY OTHER URGENT BUSINESS

Thursday, 21 November 2013

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21 November 2013

REPORT OF THE EXECUTIVE

6.1 CORPORATE PARENTING ANNUAL REPORT 2012/13

A copy of the report is attached, which provides an overview of progress made by Leicester City's Corporate Parenting Forum over the last 12 months

The Council is recommended to receive the report.

Sir Peter Soulsby
City Mayor

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Executive Decision Report

CORPORATE PARENTING ANNUAL REPORT 2012/13

Decision to be taken by: City Mayor & Executive

Decision to be taken: November 2013

Lead Director: Elaine McHale, Strategic Director

Education and Children's Department

CYP Scrutiny Commission: 17th September 2013

Council: 21st November 2013



City Mayor

Useful information

- Ward(s) affected: all
- Report author: Cheriell O'Neill, Head of Service, Looked After Children
Andy Smith, Director, Children's Social Care & Safeguarding
- Author contact details: 0116 2565213 / 0116 2528306
- Report version number: 1

1. Summary

This annual report provides an overview of progress made by Leicester City's Corporate Parenting Forum over the last 12 months. This report informs on the achievements, developments and challenges for the Corporate Parenting Forum and how the work of the forum directly impacts on the outcomes for Looked After Children and Care Leavers. (Appendix 1)

Looked After Children (LAC) are children and young people in public care. LAC are the collective responsibility of all Council Officers, Elected Members and partners. Corporate Parenting requirements constitute the formal and local partnerships needed between all departments in the local authority, associated agencies and all responsible for working together to meet the needs of LAC.

2. Recommendations

- 2.1. The Executive notes the contents of the report and continues to support the business of the Corporate Parenting Forum.
- 2.2. The Executive agrees the reporting and communication regime as outlined in The revised terms of reference.
- 2.3. The Executive notes the revised Terms of Reference and the need for continued representation. (Appendix 2)
- 2.4. The Executive agrees that the City Mayor is invited to one Corporate Parenting Forum per year (noting that the City Mayor attended in April 2013).

3. Supporting information including options considered:

Responsibility for ensuring positive outcomes and life opportunities for LAC rests with the City Council and partner agencies. The Corporate Parenting Forum is the accountable body for ensuring positive progress is made for LAC, that the activities promoting progress encompass education, health and welfare, leisure and holidays activities and celebrating culture, ethnicity and diversity. The Corporate Parenting Forum endorses the statements in the Children's Pledge and aims to ensure the quality of services fulfil the City Councils promise to Looked After Children The Corporate Parenting Forum also ensures that praise and encouragement is given and achievements are recognised and celebrated.

Over the past year the Corporate Parenting Forum has continued to meet every 2 months. The forum is chaired by The Assistant Mayor for Children, Young People and Schools, Councillor Dempster. The Strategic Director for Children Elaine McHale is vice-chair. The forum has representation from the Children in Care Council, Elected Members, and Senior Officers from across the council divisions, Local Partnerships, Connexions, Foster Carers and Health.

Over the past 12 months significant changes have been made to strengthen the role and accountability of the forum in ensuring the quality of care to LAC. These include:

- Continued governance and ownership of the operational services through a newly formed Corporate Parenting Executive;
- Review of the Children's Pledge;
- The inclusion of LAC in service design, quality assurance and strategic planning;
- Improved opportunities for Care Leavers, through the Ypod project and Way Ahead project.

The achievements of the Corporate Parenting Forum, Work of the Corporate Parenting Executive, Children In Care Council and Pledge are detailed in appendix one. These include:

- Comprehensive review of the Pledge for Children in Care involving a good representation of all looked after children;
- Positive Ofsted inspection of the Adoption Service where the service was judged 'good';
- Improvement in the timescale for adoption;
- Implementation of the Accommodation Standards for Care Leavers and the commencement of a Quality Assurance process;
- Introduction of a Quality Assurance process for Children and Young People placed in external provision;
- 15 Care Leavers who will be supported through the training to access the Mayor's opportunity of apprenticeships;
- Implementation of a new Remand Framework.

The priorities for the forum in the coming year are:

- Reducing the number of teenage pregnancies in the looked after children population including work with LAC young men;
- Raise the profile of independent providers regarding LAC who are at risk of missing from care/or at risk of child sexual exploitation;
- Coordinated work to ensure that care proceedings for LAC are completed within 26 weeks and decisions made around permanence including adoption are made in a timely way;
- Coordinate work to maximise placement stability for LAC;
- Implementation of the Care Leavers Charter;
- Reduce placement expenditure whilst ensuring quality of provision;
- Work with the Children in Care Council on continual improvement of services including engaging with all LAC in care about how safe they feel, and are, in the care system; including children placed in externally commissioned placements;
- Reduce the numbers of care leavers not in education, employment or training and build on the successful work already undertaken in securing care leavers in apprenticeships across the City Council;

- To ensure all Council departments contribute to improving the quality of service and outcomes for LAC through direct service provision.

4. Details of Scrutiny

All services for looked after children are subject to external scrutiny and inspection by Ofsted.

5. Financial, legal and other implications

5.1 Financial implications

There are no financial implications arising from this report.
Martin Judson, Financial Services ext 39 7500

5.2 Legal implications

There are no direct legal implications arising from the report.
Pretty Patel, Principal Lawyer (Social Care & Safeguarding) ext: 37 1457

5.3 Climate Change and Carbon Reduction implications

There are no climate change implications associated with this report.
Mark Jeffcote, Environment Team ext: 37 2251

5.4 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6. Background information and other papers:

7. Summary of appendices:

Appendix 1: Corporate Parenting Annual Report 2013/1

Appendix 2: Revised Terms of Reference

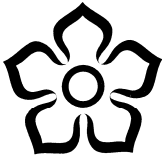
8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason



Leicester
City Council

APPENDIX 1

Corporate Parenting Annual Report 2012/13

1. Purpose of Report

1.1 This annual report provides an overview of the progress made by Leicester City's Corporate Parenting forum over the last 12 months. This report informs on the achievements, developments and challenges of the Corporate Parenting Forum and how the work of the forum directly impacts on the outcomes for Looked After Children and Care Leavers.

1.2 Looked After Children (LAC) are Children and Young People in Public Care. LAC are the collective responsibility of all Council Officers, Elected Members and partners. Corporate Parenting requirements constitute the formal and local partnerships needed between all departments in the local authority, associated agencies and all responsible for working together to meet the needs of LAC. The council requires officers to think about how their work contributes to improving outcomes for LAC. The role of corporate parent is to seek for LAC the outcomes that every good parent would want for their own children.

1.3 The Corporate Parenting Forum has been provides a focal point for the interests of LAC and Care Leavers in Leicester, the forum acts as a representative body for elected members in terms of their role as corporate parents.

2. Report

2.1. Background

Over the past 12 months there has been between 510 and 526 LAC within Leicester City Council. This has remained consistent. (This means care for more than 24 hours by the authority). They fall into 4 main groups:

- Children who are accommodated under a voluntary agreement with their parents (section 20)
- Children who are the subject of a care order (Section 31) or interim care order (Section 38)
- Children who are the subject of emergency orders for their protection (Section 44 and 46)
- Children who are compulsorily accommodated. This includes children remanded to the local authority or subject to a criminal justice supervision order with a residence requirement. (Section 21).

2.2 Remand framework

There is now a new provision in the Legal Aid and Sentencing and Punishment of Offenders Act (LASPO). The Act requires that from December 2012, all under 18's who have been remanded must be supported by local authorities as Looked After Children. This will lead to an additional responsibility for local authorities.

Locally process and practice is being developed to ensure children remanded receive looked after support from Social Care and Safeguarding and additional support if they are eligible for leaving care status.

2.3 CORPORATE PARENTING FORUM

Responsibility for ensuring positive outcomes and life opportunities for LAC rests with the City Council and partner agencies. The Corporate Parenting Forum is the accountable body for ensuring positive progress is made for LAC, that the activities promoting progress encompass education, health and welfare, leisure and holidays activities and celebrating culture, ethnicity and diversity. The Corporate Parenting Forum endorses the statements in the Children's Pledge and aims to ensure the quality of services fulfil the city councils promise to Looked After Children. The Corporate Parenting Forum also ensures that praise and encouragement is given and achievements are recognised and celebrated.

Over the past year the Corporate Parenting Forum has continued to meet every 2 months. The forum is chaired by the Assistant Mayor for Children, young people and Schools, Councillor Dempster. The Strategic Director for Children, Elaine McHale, is vice-chair. The forum has representation from the Children in Care Council, Elected Members, and Senior Officers from across the council divisions, Local Partnerships and Foster Carers.

2.3.1 Representation and Support

The Corporate Parenting Forum relies on the involvement and commitment of elected members, senior officers across the council, Foster Carers and young people. It is expected that all members of the forum will raise the profile of Looked After Children in their respective areas, political forums and settings.

It is expected that Elected Members on the Forum will have participated in the dedicated training events for members relating to Corporate Parenting, Looked After Children and Safeguarding.

Forum meetings are structured in such a way as to provide Forum members with the latest developments in legislation, research, policy and practice as they relate to LAC.

LAC and Care Leavers views are represented through the dedicated LAC Project Worker and Children in Care Council and the Looked After Young Peoples Participation Group and the Children's Pledge incorporated into the work programme for the Forum.

2.4 Corporate Parenting Executive

The priorities of the Forum are supported through the Corporate Parenting Executive.

The Corporate Parenting Executive is chaired by the Director, Children's Social Care & Safeguarding. Membership includes senior officers in Children's, Adults and Cultural services and is responsible driving forward the business of the Corporate Parenting Forum. Officers take lead responsibility for all decisions and action identified through the Forum and these are monitored and /or implemented through the executive. The work plan for the executive is set through priorities agreed at the Forum. These have been consolidated into an action plan. Updates of progress are a standing agenda item for the Corporate Parenting forum.

2.5 ACHIEVEMENTS 2012/13

There has been one Ofsted inspection over this year relating to Looked After Children.

In June the Adoption Service received the three yearly inspections. This was the first inspection since disaggregation. Previously under the joint arrangements the judgement had been Adequate. The outcome for Leicester as a single Adoption Agency was judged as Good.

Earlier this year Ofsted undertook a thematic evaluation of the effectiveness of the independent reviewing services. The report was published in June 2013.

Other achievements include:

- Comprehensive review of the Pledge for Children in Care involving a good representation of all looked after children;
- Positive Ofsted inspection of the Adoption Service where the service was judged 'good';
- Improvement in the timescale for adoption;
- Implementation of the Accommodation Standards for Care Leavers and the commencement of a Quality Assurance process;
- Introduction of a Quality Assurance process for Children and Young People placed in external provision;
- 15 Care Leavers who will be supported through the training to access the Mayor's opportunity of apprenticeships;
- Implementation of a new Remand Framework.

There have been improved partnership working between Social Care and Police leading to improved processes responses to Children who go missing. Missing from care/home reports are presented to the Children's Safeguarding Panel on a 6 monthly.

Arrangements for providing supervised contact for children in care have greatly improved. The completion of the organisational review has led to improvements in the quality contact to children and families across the city. This is evidenced through the number of commendations received from parents experiencing the service.

2.6 Children's Pledge / Children In Care Council

2.6.1 Contribution written from CICC

In 2012 the Children in Care Council (CICC) primary responsibilities were to consult wider with LAC about their views/ experiences of the services and care that they receive in order for judgements to be made about how well the Pledge for LAC was working. All of the activity for 2012 assisted the CICC and the Forum to review the Pledge in October 2012 of which an Annual Report was written and presented to the Forum.

In 2012 the Children in Care Council:

- held 3 locality meetings across areas of Leicester to meet with LAC aged 11+ years to gain their views on their care/services they receive, focussing on 'Coming into care and Getting it right at the start' / 'Staying in Care' (Permanency) / Leaving Care at any point;
- held an event for younger LAC aged under 10 years of age at the Curve Theatre as an interactive and creative way of gaining their views on how they are looked after in a child friendly way by means of a story line of Lester Bears picnic;
- produced the Film, 'You Promised – We Asked'; a comical and thought provoking film acted by the CICC incorporating the views of LAC gained at the events across the year to illustrate how well they felt the Pledge was working and areas for development . This Film has been widely shown across the Council;
- completed an Annual Review of the Pledge held at the Peepul Centre in October 2012 where CP Forum/Members /Ward Councillors attended as an interactive event hosted by the CICC as presenters, table top discussion and a re- created Question Time Panel of CICC/ Senior Officers having questions put to them by LAC. The final part of this event were the Pledge Manifestos by the Lead Member and Service Director /Head of Service for Child Care Teams as a promise as to what they would do throughout 2013 to improve services for LAC. The Annual Review of the Pledge Report details the findings of children/young people's views by the 6 outcomes of the Pledge;
- representatives attended 4 out of 5 Corporate Parent Forums, to present the views of the CICC on the themes of the Pledge and to update the Forum on the next phases of their work programme.

Additionally outside of the Forum but on behalf of LAC representatives of the CICC attended 5 of the Governments All Party Parliamentary Group discussions regarding improvements for LAC and those Leaving Care. This assists the CICC to understand the political agenda around LAC and how Government can shape policy around young people's views/experiences.

Activity for 2013:

- To hold 3 Service area events where CICC and other LAC can meet the managers/staff of services they receive to hold a dialogue about improvements to the care system;
- To hold a Younger Children's Event to ensure the voices of under 10 year old are taken into account in the review of the Pledge;
- To meet with another CICC in another LA to share Best Practice;
- To make a film about the CICC for LAC;
- To incorporate the findings /views from a recent survey of children/young people in Out of Authority placements(led by the Commissioning Service) into the Annual review of the Pledge;
- To hold discussions with LAC who are young parents to consider how services are working for them;
- To hold discussions with LAC who go missing and /or involved in sexual exploitation about their experiences and what can be learnt about how we might be able to keep children/young people safer in our care;
- To reproduce the Pledge following the Annual Review.

2.6.2 Outcomes for Looked After Children...the difference the CICC can see is being made by the Forum

Overall the CICC gave their views about how well they thought the Council was doing to improve lives of LAC in the Pledge Review Event and in the CICC Film. Generally CICC told us that there have been a lot of improvements and the outcomes from the themes of the Pledge are positive in most areas but more still needs to be done. The CICC note that Forum Members do listen to the views of LAC both in and out of the Forum, and by enabling CICC to attend the Forum, Scrutiny sessions, meet the Lead Member and DCS it enables them to be empowered to raise issues that other LAC tell them about. The CICC were pleased to have the feedback from the LILAC Assessment that their work with LAC was seen as positive for LAC

The CICC can see differences being made to the lives of young people leaving care and their involvement with the Y Pod, Accommodation Standards and the Leaving Care Grant

2.7. Elected Members Training

A programme of training has been implemented, with day and evening sessions offered. This will continue

2.8 Priorities for the coming year

- Reducing the number of teenage pregnancies in the looked after children population including work with LAC young men;
- Raise the profile of independent providers regarding LAC who are at risk of missing from care/or at risk of child sexual exploitation;
- Coordinated work to ensure that care proceedings for LAC are completed within 26 weeks and decisions made around permanence including adoption are made in a timely way;
- Coordinate work to maximise placement stability for LAC;
- Implementation of the Care Leavers Charter;
- Reduce placement expenditure whilst ensuring quality of provision;
- Work with the Children in Care Council on continual improvement of services including engaging with all LAC in care about how safe they feel, and are, in the care system; including children placed in externally commissioned placements;
- Reduce the numbers of care leavers not in education, employment or training and build on the successful work already undertaken in securing care leavers in apprenticeships across the City Council;
- To ensure all Council departments contribute to improving the quality of service and outcomes for LAC through direct service provision.

Cheriel O'Neill
Head of Service, Looked After Children

Appendix 2

Corporate Parenting

Terms of Reference for the Corporate Parenting Forum and Executive Group

Aims and Principles of the Corporate Parenting Forum

Corporate Parenting is the collective responsibility of all elected members; council officers and agencies towards looked after children and care leavers. The approach taken is that the local authority should be looking after these children and young people as other parents would look after their own children.

The Corporate Parenting Forum plays a key role in ensuring that the Council is effectively discharging its duty, as corporate parents, to safeguard and promote the welfare of looked after children. To achieve this elected members need to have a clear understanding and awareness of the 'pledge' they have made to Looked After Children in Leicester City so that they can ensure that their responsibilities as corporate parents are reflected in all aspects of the work of the Council.

The main aims of the Corporate Parenting Forum are to ensure improved outcomes for looked after children and those leaving care by:

- Ensuring children are provided with a safe and stable environment where they can develop positive and caring relationships with adults and children.
- Achieving the highest possible standard of education and attainment, wherever possible in mainstream schools.
- Ensuring that they are helped to be emotionally well and physically fit and healthy as possible.
- Understanding their needs and ensure they have realistic aspirations, self-determination, confidence and resilience to achieve what they want to achieve.
- Supporting and assist their transition to adulthood and promote their economic prospects.
- Ensuring children are consulted and influence decisions and plans that affect them individually.
- Ensuring that all requirements are met for Young People in Secure Remand or Young Detention Accommodation.

To achieve this, the Forum will ensure services are in are place to:

- Match children to placements that will need their assessed needs.
- Work with children and young people to resolve any problems they may experience.
- Work with other agencies to ensure the children in our care benefit from the services they provide.
- Ensure children leave care with support and when they are ready.
- To receive regular reports on the provision of leaving care, housing and training services for Care-Leavers.
- Celebrate their achievements and successes
- Listen to their views and ensure they influence policy plans and practice
- Support families to enable them to contribute to the care of their children.
- Engage with education, employment and training opportunities.
- Respect and promote their cultural identity.
- Encourage them to become active citizens within their communities.

Corporate Parenting Forum Meetings and Membership

The Corporate Parenting Forum will meet every two months. The agenda and minutes will be circulated prior to the meeting.

The Executive Lead for Education, Children, and Families will chair the Forum and the Vice Chair will be the Strategic Director of Children's Services. The lead Officer will be Head of Service Children Looked After Children, Social Care and Safeguarding.

Membership will consist of:

- Senior representatives of all Strategic Directors of the council
- Cross-party representation of elected members
- Project Worker Looked After Children
- Representative from Learning Environment
- Virtual School Head
- Representative from Legal Services
- Representative from of Leicestershire Cares
- Representative from Youth Offending Services.
- Representative from Health Services
- Representative from Police Services .
- Representative from Foster Careers
- Representative from the Children in Care Council

Corporate Parent Forum members agree to take into account the needs of Looked After Children at every opportunity and will champion the needs of this group in their respective service settings.

Corporate Parent Forum meetings will be themed around the services and activities designed to improve outcomes for looked after children and young people and in accordance with the children's 'Pledge.'

Involvement of Elected Members

The Corporate Parenting forum relies on cross party involvement and commitment. It is expected that Members will raise the profile of Looked After Children in the course of their duties, political groups and settings.

A core group of ten elected members will be identified to sit on the Corporate Parenting Forum. It is expected that Elected Members on the Forum will have participated in the dedicated training events for members relating to Corporate Parenting, Looked After Children and Safeguarding.

Duties of Officers and Co-opted Forum attendees

All members of the Forum have a responsibility to:

- Raise the profile of Looked After Children through work and developments in their divisions.
- Act as champions for the needs and rights of Looked After Children.
- Prioritise the needs of Looked After Children – e.g. in developing apprenticeships.
- To identify resources for Corporate Parenting and use these to good effect – e.g. leisure facilities for Looked After Children and their carers.
- To ensure children in care are able to participate in plans for their care and developments for service planning and delivery.

The Executive Group

The Executive Group of the Corporate Parenting Forum is a group of partners from across the council and other agencies and is responsible for driving forward the business priorities of the forum.

The Executive Group shall meet at least six times per year, with meetings taking place between each forum meeting.

The Executive Group will be chaired by the Divisional Director, Social Care and Safeguarding. Membership of the Executive will be drawn from members of the Corporate Parenting Forum and will include senior representatives from: Social Care and Safeguarding from children's fieldwork, LAC Service and the safeguarding unit; Health; and Education (Virtual School), with the option of senior officers from other council divisions attending the Executive at appropriate points.

The Executive Group will drive the work of the Corporate Parenting Forum by:

- Drafting the Action Plan based on priorities set by the Forum and Children in Care Council designed to improve outcomes for looked after children and those leaving care.
- Implementing the Action Plan agreed by the Forum and ensuring appropriate resources across the council are responsive and can deliver against the priorities and targets in the plan.
- Ensuring that the Corporate Parenting Forum is accountable to the Children in Care Council for the delivery of the Pledge made to children in care, and the involvement of looked after children in service planning, design and delivery.
- Determining the response to new Government guidance or other developments, including modifying the Action Plan to take account of these where necessary.
- Planning the Corporate Parenting Forum meetings.
- Ensuring key themes/developments in the area of looked after children and care leavers are brought to the Forum wherever these have implications for the work of the wider agencies represented on the Forum.
- Receiving and responding to performance management reports relating to quantitative and qualitative outcome data. This includes providing regular updates to the Forum on progress against the targets and priorities contained in the Action Plan.

Roles and Responsibilities of Executive Group Members

- To attend all meetings of the Executive Group
- To be a full member of the Corporate Parenting Forum, attend all meetings and represent own service areas.
- To promote/champion looked after children within own service areas and across partnerships.
- To hold own services to account for the quality of looked after children work.
- Where identified by the Executive Group, to ensure the provision of performance management reports to the executive and/or forum.

Governance

The Executive Group is accountable to the Corporate Parenting Forum.

The Corporate Parent Forum will report annually to:

- Children's Trust
- Children's Scrutiny
- Executive
- Full council
- Children in Care Council

Corporate Parent Forum will invite the City Mayor to one meeting a year.

Views of Children and Young People

The Corporate Parenting Forum ensures that the views of children and young people are represented through membership on the forum. In addition, a Project Worker for Looked After Children is a Forum member. Evidence of how and where children and young people's views have influenced policy and practice will be incorporated in the work of the Forum.

Review

The Terms of Reference will be reviewed in September 2014

Andy Smith
Director
Children's Social Care and Safeguarding

Cheriel O'Neill
Head of Service
Looked After Children

August 2013

21 November 2013

REPORTS OF THE MONITORING OFFICER

7.1 ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE TO COUNCIL FOR THE MUNICIPAL YEAR 2012/13

The Director of Finance submits to Council the annual report of the Audit and Risk Committee, setting out what the Committee has achieved over the municipal year 2012-13.

A copy of the report is attached.

Council is asked to receive the report.

7.2 STANDARDS COMMITTEE ANNUAL REPORT

The Monitoring Officer submits a report that details the range of work that has come to the attention of the Standards Committee during the first full year of operation of the new provisions under the Localism Act 2011.

A copy of the report is attached.

Council is asked to note the report and make any recommendations to the Standards Committee regarding the Standards regime.

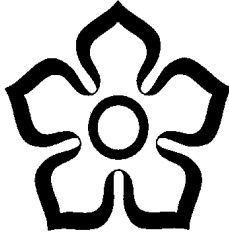
7.3 ELECTED MEMBER ABSENCE FROM MEETINGS

A copy of the report is attached.

Council is asked to consider the granting of an extension of time and if approved, whether the position should be reviewed prior to its expiry.

**Kamal Adatia
Monitoring Officer**

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Leicester
City Council

WARDS AFFECTED:
ALL

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**Audit & Risk Committee
Council**

**24th September 2013
21st November 2013**

Annual Report of the Audit & Risk Committee to Council for the municipal year 2012-13

Report of the Director of Finance

1 PURPOSE OF REPORT

- 1.1 To present to the Council the annual report of the Audit & Risk Committee setting out what the Committee has achieved over the municipal year 2012-13.
- 1.2 There is no specific requirement for such a report. However, best practice is for the Audit & Risk Committee to be able to demonstrate its effectiveness in overseeing the City Council's control environment and this is reflected in the Committee's terms of reference. This report was presented to the Committee for approval at its meeting on 24th September 2013.

2 RECOMMENDATIONS

- 2.1 The Audit & Risk Committee is recommended to approve this report for submission to the Council.
- 2.2 The Council is recommended to receive this report.

3 SUMMARY

- 3.1 The Audit & Risk Committee has considered a wide range of business in fulfilment of its central role as part of the Council's system of corporate governance and internal audit and control. It has conducted its business in an appropriate manner through a programme of meetings and has fulfilled the expectations placed upon it.
- 3.2 The report covers the municipal year 2012-13 rather than the financial year. This is because the Audit & Risk Committee meeting scheduled for 14th March

2013 was deferred until 9th April, supplemented by further consideration of two of the agenda items at an additional special meeting on 8th May.

4 REPORT

4.1 During the year under review, the Committee's terms of reference were reviewed to ensure compliance with current best practice. As the terms of reference were substantially re-written in 2010 the changes were essentially matters of detail, concerning:

- Recognition of the Committee's designation as 'the Board' under the new *Public Sector Internal Audit Standards*¹. This formalises the role of the Committee in overseeing Internal Audit's work on the Council's behalf under the new professional standards
- In the interests of protecting external audit independence, addition of the responsibility to approve any non-audit work to be undertaken by the Council's external auditors, KPMG
- Updates in terminology.

4.2 The changes were agreed by the Committee at its meetings on 9th April and 8th May 2013 and the Council on 23rd May 2013.

4.3 The Committee is well established and is making an important contribution to the effectiveness of the City Council's internal control and corporate governance frameworks. It is also a central component of the Council's system of internal audit.

Achievements of the Committee

4.4 During the municipal year 2012-13, the Committee met on eight occasions:

- 14th June 2012
- 17th July 2012
- 27th September 2012
- 18th October 2012 (supplementary meeting)
- 4th December 2012 (deferred from 18th November 2012)
- 7th February 2013
- 9th April 2013 (deferred from 14th March)
- 8th May 2013 (supplementary meeting)

The Committee's agreed schedule is for at least three meetings a year. All of the Committee's meetings have been properly constituted and quorate.

¹ Issued jointly by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (IIA) as the recognised professional and ethical standards for public sector internal audit. These standards are aligned with international professional standards and came into effect on 1st April 2013, replacing the former CIPFA *Code of Practice for Internal Audit in Local Government in the UK 2006*.

- 4.5 Attached at Appendix 1 is a summary of the Committee's work for the period under review.
- 4.6 Following the appointment of the previous Chair of the Committee to the Executive, the Committee has had a new Chair, appointed in accordance with the Council's Constitution, with effect from its meeting on 4th December 2012.
- 4.7 Key outcomes from the Committee's work:

The role of the Committee

- The Committee has continued to keep its own terms of reference under review to ensure compliance with current best practice.
- Members considered their training needs in support of their role on the Committee. In furtherance of this, Members received briefings on a number of relevant topics, including the handling of insurance claims against the Council, business continuity management and the risks to the Council from the changes to the welfare benefits system.

Internal Audit

- The Committee approved an update to the Council's Internal Audit Charter, which establishes the terms of reference of the Internal Audit service including its scope, responsibilities and position within the organisation.
- The Committee formally approved the new *Public Sector Internal Audit Standards*¹ as the recognised professional standards for the Internal Audit service. As part of this, the Committee formally adopted the role of 'the Board' on behalf of the Council in terms of the overseeing of the Council's arrangements for audit, the management of risk and the corporate governance assurance framework.
- The Committee considered the Internal Audit plan and monitored its delivery and outcomes during the year. The Committee requested the attendance of officers to discuss in more depth specific issues raised by Internal Audit reports. This has helped to maintain the profile of the Committee and its role in promoting adherence to procedures and improved internal control.
- The Committee received and approved the annual review of the effectiveness of the Council's system of internal audit, as required under regulation 6(3) of the Accounts and Audit (England) Regulations 2011. Further detail on this is given below at paragraph 4.12.

Fraud

- The Committee maintained an effective overview of the Council's measures to combat fraud and financial irregularity. Specifically, the Committee:
 - Considered and approved the annual update of Council's Anti-Fraud, Bribery and Corruption Policy and Strategy, setting out measures to manage the risk of fraud

- Considered the annual counter-fraud report, which brought together the various strands of counter-fraud work in 2011-12 with examples of the types of work carried out by the teams involved
- Reviewed and supported the Council's participation in the National Fraud Initiative and the outcomes thereof
- Considered the Council's approach to the prevention and detection of housing tenancy fraud in response to increased emphasis on this nationally
- Considered the Council's updated disclosure strategy, encompassing the various disclosures that may be made by a range of people about the conduct of City Council staff. This includes the policies and processes for whistle-blowing (public interest disclosure), complaints and grievances.

External audit

- The Committee considered the external auditor's plans and progress and the outcomes of this work.
- The Committee reviewed the new external audit arrangements for local authorities, arising from the forthcoming abolition of the Audit Commission. The Committee received updates on this from the Council's new external auditor, KPMG. The Committee approved a policy for approving non-audit work commissioned from KPMG by the Council, the purpose being to safeguard audit independence.
- The external auditor places reliance on Internal Audit work in connection with the external audit of the Council's accounts and the certification of certain grant claims and returns. The Committee has received reports on the outcomes of such work and to this extent is fulfilling its responsibility to promote an effective working relationship between the two audit functions.

Risk Management

- The Committee confirmed the Risk Management Strategy and Policy and Corporate Business Continuity Management Strategy. The Committee maintained a regular overview of the risk management arrangements including the Council's strategic and operational risk registers and 'horizon-scanning' for potential emerging risks to the Council and its business.
- The bringing together of Internal Audit and Risk Management under one head of service has enabled greater coordination between the two related disciplines, including reporting to the Committee.

Corporate Governance

- During 2012-13, the Committee has fulfilled the responsibility of 'those charged with governance' for the purposes of the City Council's compliance with the CIPFA *Code of Practice for Internal Audit in Local Government in the United Kingdom 2006*. However, as noted above, these professional standards have been replaced with effect from 1st April 2013 by the new *Public Sector Internal Audit Standards*. The new

standards were formally approved by the Committee as the recognised professional standards for the Internal Audit service, with the Committee being designated as 'the Board' for the purposes of its role in overseeing the Council's internal audit arrangements.

- The Committee maintained its oversight of the Council's corporate governance arrangements. The Council's updated assurance framework, which maps out the process for collating the various sources of assurance and from them preparing the Council's statutory² Annual Governance Statement, was reviewed and approved by the Committee.
- Alongside this was the approval by the Committee of the updated Local Code of Corporate Governance. The changes in senior management at the Council mean that further work is being done in 2013 on the practical application of the corporate governance process so as to be pragmatic as well as robust.
- The Committee approved the draft Annual Governance Statement for 2011-12.
- This annual report to Council is itself part of the governance arrangements, through giving a summary of the Committee's work and contribution to the good governance of the City Council and demonstrating the associated accountability.

Financial reporting

- The Committee received and approved the Council's statutory Statement of Accounts for 2011-12 and associated external audit reports. It approved the Council's letter of representation, by means of which the City Council gives assurance to the external auditor; there were no significant items that were not reflected in the Council's accounting statements.

Effectiveness of Committee's work

- 4.8 In considering the above, it is concluded that the Committee fulfilled in all material respects the requirements of its terms of reference.
- 4.9 One of the Committee's principal objectives is to support the Council's corporate governance responsibilities in relation to internal control. Table 1 and the accompanying graph (chart 1) below demonstrate that the proportion of internal audits where *little or no assurance* was given has increased in 2012-13, as has the percentage of *partial* and *little or no assurance* combined. However, for *little or no assurance*, the numbers and proportions remain minor.
- 4.10 As part of its responsibility 'to review and challenge management's responsiveness to internal audit findings and recommendations' the Committee reserves the right to call to account officers responsible for those areas where *little or no assurance* can be given. This has happened during the year in question and in terms of the effectiveness of the Committee the overall trend is positive.

² Regulation 4(3) of the Accounts and Audit (England) Regulations 2011

Audit & Risk Committee: Annual Report to Council for 2012-13

4.11 The work of the Committee is also reflected in the 'Annual Governance Report' of the external auditor. In this statement for the 2011-12 financial statements (considered by the Committee in 2012-13) the auditors confirmed that their audit opinion would be 'unqualified' and that the Council has 'made proper arrangements to secure economy, efficiency and effectiveness in (its) use of resources'.

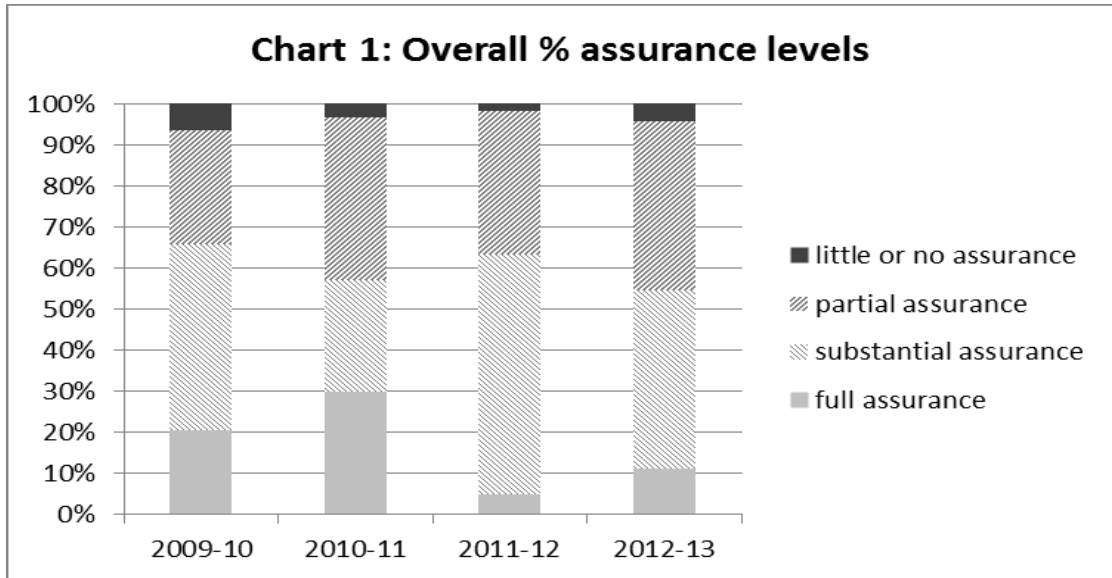
Table 1: Levels of assurance in Internal Audit final reports 2009-10 to 2012-13

	2009-10	2010-11	2011-12	2012-13
Audit reviews (excluding schools)				
<i>full assurance</i>	5	9	5	8
<i>substantial assurance</i>	38	29	40	14
<i>partial assurance</i>	42	43	26	24
<i>little or no assurance</i>	2	3	2	4
<i>not assessed</i> ³	9	11	17	17
Total	96	95	90	67
Schools (FMSiS)⁴				
<i>full assurance</i>	26	27		
<i>substantial assurance</i>	31	2		
<i>partial assurance</i>		1		
<i>little or no assurance</i>	8	0		
<i>not assessed</i>		0		
Total	65	30		
School (KYB)⁵				
<i>full assurance</i>		0	0	2
<i>substantial assurance</i>		2	22	25
<i>partial assurance</i>		4	11	13
<i>little or no assurance</i>		1	0	0
<i>not assessed</i>		0	0	1
Total		7	33	41

³ Some audit work is purely advisory or is based on the accuracy of, for example, grant claims and does not involve an assessment of the strength of controls in the activity in question. No level of assurance is given for these.

⁴ FMSiS (Financial Management Standard in Schools): a process of independent assessment against mandatory national criteria set by the Department for Education. The scheme was abandoned by the DfE late in 2010 and since then Internal Audit has been undertaking KYB school audits (see next footnote below).

⁵ KYB: traditional financial audits of schools using the *Keeping Your Balance* good practice guidance issued jointly by Ofsted and the Audit Commission as a basis.



4.12 The Committee considered at its meeting on 17th July 2013 the annual review of the effectiveness of the system of internal audit, as required by the Accounts and Audit (England) Regulations 2011. This review found that for 2012-13 the Audit & Risk Committee met all of the main indicators of being an effective audit committee as set out by CIPFA⁶. The criteria include:

- Regular meetings
- Sufficient independence of other functions
- Constructive meetings, conducted freely and openly and without political influence
- Properly updated and approved terms of reference with a sufficient spread of responsibilities for internal and external audit, governance and risk management
- Playing a sufficient part in the management of Internal Audit including approval of audit plans, review of Internal Audit performance and the outcomes of audit work plus management's responses to it
- Maintaining a proper overview of the relationship with and the work of the external auditor.

4.13 As in the previous year, the Audit & Risk Committee made further good progress in developing its role and effectiveness in improving the overall control framework of the Council. There were some changes in the membership of the Committee in May 2012.

4.14 As has been acknowledged in previous years, annual changes in membership are to be expected but can hinder the development of expertise and knowledge acquired by members. As a result, and given the complexities of the Committee's business, meetings of the Committee are normally preceded by a briefing or training session on a particular topic with relevance to that evening's agenda. Overall, during 2012-13, the Committee's membership

⁶ Chartered Institute of Public Finance & Accountancy: *Audit Committees: Practical Guidance for Local Authorities*, 2005.

was such as to ensure that the Committee had a positive effect on the Council's control environment.

- 4.15 The Head of Internal Audit & Risk Management attends all meetings of the Committee. In addition, and in the interests of providing the full range of legal, constitutional and financial advice and expertise, meetings of the Committee are routinely attended by the Director of Finance and the City Barrister & Head of Standards (who is also the Council's designated monitoring officer) or their representatives.

Conclusions

- 4.16 It is the view of the Head of Internal Audit & Risk Management and the Director of Finance that during the municipal year 2012-13 the Audit & Risk Committee made a significant contribution to the good governance of the City Council. Through its work, it has reinforced the Council's systems of internal control and internal audit and has given valuable support to the arrangements for corporate governance, legal compliance and the management of risk.
- 4.17 However, there remains a need to support members with relevant training and briefings on the Committee's responsibilities for internal and external audit, risk management and internal control and governance. These are technically complex subjects, especially in the context of the governance of a large local authority. The effectiveness of the Committee is enhanced by having members who have sufficient expertise and experience, attributes which benefit by continuity of membership. As it often takes the whole of the year for which Members are appointed to this Committee for them to feel competent, it is recommended that this particular Committee would benefit from continuing membership, extending beyond the normal annual appointment. At the very least, it is recommended that the Chair should be retained or, if being replaced, the replacement should be a Councillor who has served on the Committee previously. This will help to ensure that the Committee can be fully effective from its very first meeting of the year.

5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

An adequate and effective Audit & Risk Committee is a central component in the governance and assurance processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Its support for the processes of audit and internal control will help the Council as it faces the financially challenging times ahead.

5.2 Legal Implications

The Audit & Risk Committee also aids the fulfilment by the Council of its statutory responsibilities under the Accounts and Audit Regulations 2011 for monitoring the Council's system for internal control. It is an important part of the way the duties of the Director of Finance are met as the responsible financial officer under s151 of the Local Government Act 1972.

5.3 Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

6 Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph references within supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	4.7 – references to fraud
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities	No	
Risk Management	Yes	The whole report concerns the audit, risk management and governance process, a main purpose of which is to give assurance to Directors and this Committee that risks are being properly identified and managed appropriately by the business.

7 BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Minutes of the Audit and Risk Committee 14th June, 17th July, 27th September, 18th October, 4th December 2012, 7th February, 9th April and 8th May 2013.

8 CONSULTATIONS

City Barrister & Head of Standards.

9 REPORT AUTHOR

Steve Jones, Audit Manager, Internal Audit, Financial Services, extension 37 1622.

Summary of work of the Audit and Risk Committee – municipal year 2012-13

This table shows the activities of the Audit & Risk Committee during the municipal year 2012-13 alongside the terms of reference of the Committee. There is no area that has not been covered at least sufficiently by the Committee.

Terms of Reference	Date considered	Item	Outcome
1. AUDIT FRAMEWORK			
1.1 Internal Audit			
On behalf of the Council, to approve the Head of Internal Audit's annual report and opinion, considering the level of assurance given over the Council's corporate governance arrangements and decide on appropriate actions.	17.7.12	Summary of Internal Audit Conclusions 2011-12	Approved
To consider, challenge and approve (but not direct) Internal Audit's strategy and plan and monitor performance on an annual basis.	14.6.12	Internal Audit Operational Plan 2012-13	Approved
	14.6.12	Review of Internal Audit Charter	Approved
	7.2.13	Draft Internal Audit Operational Plan 2013-14 - consultation	Comments made
	9.4.13	Final Internal Audit Operational Plan 2013-14 - approval	Approved
	9.4.13	Review of Internal Audit Charter and the Public Sector Internal Audit Standards	Approved
To receive summaries of Internal Audit reports and the main issues arising.	4.12.12	Internal Audit Update - April 2012 to September 2012	Approved
	7.2.13	Internal Audit Update - October to December 2012	Approved
	9.4.13	Internal Audit Update - January 2013	Approved
To review and challenge management's responsiveness to the internal audit findings and recommendations, seeking assurance that appropriate action has been taken where necessary and agreed recommendations have been implemented within a reasonable timescale.	As last item	As last item	
	4.12.12	Internal Audit follow-up of De Montfort Hall Management Improvement Plan	Approved
	7.2.13	Former Post Office - Bishop Street	Approved. Further information requested (next item).
	9.4.13	Vacant Properties	Approved
To monitor and assess the role and effectiveness of the Internal Audit function.	17.7.12	Review of the Effectiveness of the System of Internal Audit 2011-12	Approved
In fulfilling these functions, the Audit & Risk Committee fulfils the role of 'board' for the purposes of the <i>Public Sector Internal Audit Standards</i> .	14.6.12	Audit & Risk Committee training review and skills self-assessment	Approved

Summary of work of the Audit and Risk Committee – municipal year 2012-13

Terms of Reference	Date considered	Item	Outcome
1.2 External Audit			
On behalf of the Council, to review with the external auditor and inspection agencies the findings of their work including any major issues which are unresolved; key accounting and audit judgments; and the levels of errors identified during the audit. The Committee should obtain explanations from management and from external auditors, where necessary, as to why errors might remain unadjusted.	27.9.12	Statutory Statement of Accounts, Annual Governance Report 2011-12 and Letter of Representation	Approved
	27.9.12	Building Schools for the Future - Audit Commission report	Approved
	4.12.12	External Auditor's Annual Audit & Inspection Letter 2011-12	Approved
	9.4.13	Certification of Grant, Claims and Returns 2011-12 Annual Report (external auditor)	Approved
To consider the scope and depth of external audit work and to assess whether it gives value for money.	14.6.12	Audit Commission Plan for audit of 2011-12 accounts	Approved
	9.4.13	Annual External Audit Plan for 2012-13	Approved
To liaise with the Audit Commission (or such other body that assumes this responsibility) over the appointment of the Council's external auditor and conduct such other related functions as required by the local public audit regime.	14.6.12	Update on changes in external audit provision	Noted
	17.7.12	Audit Commission - update for A&R Committee on progress with LCC audit plus externalisation of their Audit Practice (i.e. KPMG)	Noted and queried
To facilitate effective relationships between external and internal audit, inspection agencies and other relevant bodies and ensure the value of these audit relationships is actively promoted.	Various	Reference to joint working or coordination is made in various internal and external reports.	Noted
To approve any instances of non-audit work by the external auditors in accordance with the <i>Policy for Engagement of External Auditors for Non-Audit Work</i> and report any such instances to the Council.	9.4.13 8.5.13	Policy for Non-Audit Work by External Auditor (finally approved 8.5.13)	Challenged and eventually approved
2. RISK MANAGEMENT FRAMEWORK			
On behalf of the Council, to consider and challenge the effectiveness of the Council's Risk Management Strategy and Framework, including the Risk Management and Insurance Services function.	14.6.12	Risk Management & Insurance Services update	Approved
	17.7.12	Risk Management & Insurance Services update	Approved
	18.10.12	Risk Management & Insurance Services update	Approved
	4.12.12	Risk Management & Insurance Services update	Approved
	7.2.13	Risk Management & Insurance Services update	Approved
	9.4.13	Risk Management & Insurance Services update	Approved

Summary of work of the Audit and Risk Committee – municipal year 2012-13

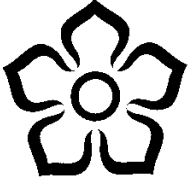
Terms of Reference	Date considered	Item	Outcome
To consider and approve, on behalf of the Council, the Council's Risk Management Strategy and its key risk management policies including the Council's statement of overall risk appetite.	7.2.13	Risk Management & Insurance Services update including Risk Management Strategy 2013, Risk Management Policy Statement 2013 and Business Continuity Management (BCM) Strategy 2013 (including training in BCM)	Approved
To approve, on an annual basis, the Risk Management and Insurance Services function's terms of reference and its annual plan.	7.2.13	As last item.	Approved
To review (and take any actions as a consequence of) reports from the Head of Internal Audit & Risk Management in respect of the status of key current and emerging risks and internal controls relating to those risks (the Operational and Strategic Risk Registers).	14.6.12	Risk Management & Insurance Services update	Approved
	17.7.12	Risk Management & Insurance Services update	Approved
	18.10.12	Risk Management & Insurance Services update	Approved
	4.12.12	Risk Management & Insurance Services update	Approved
	7.2.13	Risk Management & Insurance Services update	Approved
	9.4.13	Risk Management & Insurance Services update	Approved
3. INTERNAL CONTROL AND GOVERNANCE FRAMEWORK			
To review the adequacy of the Council's internal control framework through review of its system of internal control and system of internal audit and overseeing the production and approval of the Council's Annual Governance Statement prepared in accordance with the Local Code of Conduct Governance.	9.4.13 8.5.13	Corporate Governance, Assurance Framework and annual review of the Committee's terms of reference	Approved
	17.7.12	Review of the Effectiveness of the System of Internal Audit 2011-12	Approved
	17.7.12	Draft Annual Governance Statement 2011-12	Approved
To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts. (The Committee is to do this before approving the Council's published financial statements. The Committee should take note of any adjustments set out in the external auditor's report and agree any such adjustments where management has declined to do so or set out the reasons for not doing so.)	27.9.12	Statutory Statement of Accounts, Annual Governance Report 2011-12 and Letter of Representation	Approved
To maintain an overview of the Council's Constitution in respect of contract procedure rules, finance procedure rules and codes of conduct and behaviour.	Various	Reference is made to constitutional requirements and rules of procedure where relevant in internal and external audit reports.	Noted
	18.10.12	Disclosure Strategy (included code of conduct)	Approved

Summary of work of the Audit and Risk Committee – municipal year 2012-13

Terms of Reference	Date considered	Item	Outcome
To review and approve, on an annual basis, the Council's anti-fraud, bribery and corruption and its disclosure (whistle-blowing) policies and procedures.	7.2.13	Anti-Fraud, Bribery and Corruption Policy and Strategy - annual review and update	Approved
	7.2.13	National Fraud Initiative - progress report	Approved
	7.2.13	Counter-Fraud update report - first nine months 2012-13	Approved
<p>Annually, to assess all significant risk issues considering:</p> <ul style="list-style-type: none"> o Changes since the last annual assessment and the Council's response; o The scope and quality of management's ongoing monitoring of risks and the system of internal control; o The incidence of significant control failings in relation to all significant risks and their impact. 	14.6.12 17.7.12 18.10.12 4.12.12 7.2.13 9.4.13	Risk Management & Insurance Services updates	Approved
<p>To review regular reports from Internal Audit and Risk Management on risk and internal controls, considering:</p> <ul style="list-style-type: none"> o The effectiveness of systems of internal control across the Council 	17.7.12	Summary of Internal Audit Conclusions 2011-12	Approved
	4.12.12	Internal Audit Update reports	Approved
	7.2.13		
	9.4.13		
<ul style="list-style-type: none"> o Reports on major control issues and their impact on the Council's risk profile. 	Various	Risk Management & Insurance Services update	Approved
<p>To consider and decide on appropriate actions relating to the Council's compliance with its own and other published or regulatory policies, standards and controls, including:</p> <ul style="list-style-type: none"> o Information assurance including compliance with the Data Protection Act; o Freedom of Information Act; o Health & Safety at Work; o The Disclosure Policy o Complaints; o Raising Concerns at Work; and o Others as appropriate. 	4.12.12	Internal Audit Update reports (which include reference to the various legal and policy requirements as relevant to the specific subject matter)	Approved
	7.2.13		
	9.4.13		
	18.10.12		
4. FINANCIAL REPORTING FRAMEWORK			
To review and approve the Council's published financial statements, the external auditor's annual opinion and other reports to Members and to monitor management action in response to issues raised.	17.7.12	Draft Statement of Accounts 2011-12	Approved

Summary of work of the Audit and Risk Committee – municipal year 2012-13

Terms of Reference	Date considered	Item	Outcome
To review and approve the annual statement of accounts and the annual Letter of Representation on behalf of the Council, giving particular attention to critical accounting policies and practices, decisions requiring a significant element of judgement, how any unusual transactions should be disclosed and the clarity of the disclosures.	27.9.12	Statutory Statement of Accounts, Annual Governance Report 2011-12 and Letter of Representation	Approved
To bring to the attention of the Council any concerns arising from the financial statements or from the audit.		None.	
5. OTHER MATTERS			
To consider, approve or make recommendations in respect of any other matters referred to it by the City Mayor, Chief Operating Officer (as the Head of Paid Service) or a Director or any Council body.	9.4.13	Training - Risks to LCC from Changes to Benefits System	
To consider any relevant matters reserved for Member-level decision as detailed in Rules of Procedure.		None	
To present an annual report to the Council on the Committee's conduct, business and effectiveness.	4.12.12 (Council 24.1.13)	Draft A&R Committee annual report to Council 2011-12	Approved. Presented to Council 24.1.13



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

STANDARDS COMMITTEE

7th November 2013

COUNCIL

21st November 2013

ANNUAL REPORT OF STANDARDS COMMITTEE 2012/2013

Report of the Monitoring Officer

1. PURPOSE OF REPORT

- 1.1. This is the first report of the Standards Committee following the change of legislation which took effect on 1st July 2012. Council have separately:
- Endorsed constitutional provisions which deal with the structure of the new regime for dealing with member misconduct complaints (i.e. creation, size and term of reference of the Standards Committee and Standards Advisory Board)
 - Approved two key documents (the “Code” and the “Arrangements”) which, respectively, set out the expected standards of behaviour of elected members and the procedural framework under which misconduct allegations are processed.
- 1.2. This report focuses specifically upon the range of work that has come to the attention of the Standards Committee during the first full year of operation of the new provisions under the Localism Act 2011. Its purpose is to, therefore, review the nature of the cases and complaints that have been made, review the effectiveness of the arrangements for dealing with those complaints to invite commentary upon any further work needed, either to ensure a minimisation for the potential for members to engage in conduct which could form the likely substance of a complaint, or to review the effectiveness of the regime itself, or both.

2. RECOMMENDATIONS

- 2.1. To note the report and make any recommendations to the Standards Committee regarding the Standards regime

- 2.2. To endorse the recommendation of the Standards Committee (who considered the report at their meeting on 7th November) that in future a ‘Monitoring Form’ be sent to complainants designed to collect, on a voluntary basis, detail about the complainant’s age; ethnicity; gender and disability or other data in line with other monitoring data sought by the Council

3. REPORT

Principles

3.1.1. The new regime was established on 1st July 2012 with the following principles:

- a. **There should be simplicity to the scheme so that it is easily understood and transparent**
- b. **There should be flexibility at every stage of the process for informal resolution and / or robust decisions to be taken about “no further action”**
- c. **There should be Member involvement at key stages in the process**
- d. **There should be the involvement of Independent Members (IM) and the Independent Person (IP) at key stages of the process**
- e. **The Monitoring Officer should have greater powers to deal with complaints relating to the Code of Conduct**
- f. **Rights for complainants to seek a “review” of a decisions at various stages should be limited, consistent with the reduced scope and severity of allowable outcomes that can be imposed under the new regime**
- g. **At any stage in the process where it is clear that a matter should be referred to the police this should be done and the local investigation should be suspended**

3.2. Volume

No. of cases lodged 1st July 2012 to 30th June 2013	12
Total No. of cases processed 1st July 2012 to 30th June 2013	16

3.3. During the relevant period 1st July 2012 to 30th June 2013 there were 16 complaints dealt with. The first four of these were complaints that were initially lodged under the previous standards regime (pre-July 2012) but were not fully concluded by July 30th 2012 and were, therefore, finalised under the new regime. It follows that 12 of the 16 complaints were made after July 1st 2012, giving an average of one complaint per calendar month referred to the Monitoring Officer. The 16 complaints entailed complaints about 20 Councillors, because four of the complaints were leveled at two sets of Councillors simultaneously (i.e. alleging

the same misconduct against two Councillors arising from the same incident). However the total number of different Councillors complained-about was 12, meaning that some Councillors attracted two or more complaints about them during the period. Conversely, this demonstrates that 42 out of 54 Councillors did not attract an allegation of misconduct.

3.4. Source

Complaints from members of the public	11
Complaints from other Councillors	3
Complaints from staff	1
Other	1

3.5. 11 of the 16 complaints came from a member of the public. Three of the remaining five complaints were Councillor-on-Councillor complaints. One complaint was by a member of staff and one complaint was by a senior professional who works closely with the Council but is not an employee (or, strictly, a member of the public).

3.6. Nature

Behaviour	7
Unhelpfulness	5
Declarations	1
Planning Bias	1
Unavailability	1
Abuse of position	1

3.7. The single most common theme for complaints was alleged Councillor 'behaviour'. It must be noted that four of the seven complaints related to this theme sprang from the same Ward, and involved the same two Councillors.

3.8. The theme of 'unhelpfulness' predominantly involved allegations from constituents that their issues were not being pursued by the elected member from whom they had requested action/support

3.9. Route

Dealt with by M.O. and I.P	8
Dealt with after 'Review' by M.O. and second I.P	4
Proceeded to Independent Investigation	4
Proceeded to Standards Hearing	0

- 3.10. Twelve of the sixteen complaints (75%) were dealt with by the Monitoring Officer in conjunction with one of the two Independent Persons appointed shortly after 1st July 2012. These complaints do not come to the attention of the Standards Committee or the Standards Advisory Board (a sub-committee of the Standards Committee which looks at specific complaints) save by way of anonymised and very brief update at each Standards Committee meeting which is convened throughout the year. The vast bulk of the complaint work is therefore now dealt with by the Monitoring Officer with the Independent Person and only in the minority of cases where an independent investigation is commissioned, and subsequently reports, does the Standards Advisory Board sit to consider that report.
- 3.11. Of these twelve cases, four involved the complainant seeking a “review” of the first-stage decision. The Council’s “Arrangements” allow for this right to be exercised in respect of all outcomes short of referral for independent investigation. A review is achieved by the Monitoring Officer sending the complaint to the second Independent person, essentially for a second opinion as to outcome. In each of the four cases taken to review level over the past year, whilst in some of them an additional angle has been considered / explored / explained, the ultimate conclusion in each of those four cases was not different to that reached by the first Independent Person in conjunction with the Monitoring Officer. The view of the Monitoring Officer on this is that this demonstrates positives both with regard to a broad level of consistency between the Monitoring Officer and the two Independent Persons as to the appropriate threshold and proper use of the Standards regime in individual cases, but also acts as a useful mechanism to test out initial decisions and indeed to explore other avenues which may not have received particular attention when the complaint was first looked at.
- 3.12. Four of the sixteen complaints proceeded to independent investigation meaning that the Monitoring Officer has, on behalf of the Standards Committee, commissioned from an external source a fully independent investigation into the alleged misconduct. This is reserved for more serious complaints, though that is not to say that the independent investigations conclude that misconduct has occurred
- 3.13. The independent investigator’s conclusions are not binding upon the Standards Advisory Board and they must assess whether they agree with the findings of the investigator, or wish to proceed to convene a hearing at which further evidence is given and they hear directly from the complaint, the subject member and any witnesses. In all of the cases considered by the Standards Advisory Board during the relevant period of this report (three

of the four cases – one is due for consideration later in the year), the Board have, after detailed scrutiny of the report, concurred with the independent investigator’s findings of no breach. Even in these cases the Board has taken a broad view of its function and, wherever possible, have recommended practice changes or other feedback to be given either to elected members, officers or any other relevant persons such as to reflect any useful learning from those investigations, or indeed to comment upon the alleged misconduct where it is clear that standards of behaviour which may not have met the threshold for formal findings were still worthy of comment / critique

3.14. Outcome

Dismissed (trivial, or not covered by Code)	3
Dismissed (considered and no “breach” identified)	6
Dismissed after Independent Investigation	3
Informal resolution (potential breach, remedied informally)	4

3.15. Three complaints were dismissed as either being trivial (complaints lodged alleging the Councillor had failed to act, but lodged within just a few short days of seeking help) or as alleging misconduct when the Councillor was not in fact acting as a Councillor.

3.16. The outcome of informal resolution was applied in four of the sixteen cases. Informal resolution always involves the Monitoring Officer making direct contact with the elected member and meeting with them in order, not necessarily to take their version of the events of the complaint (where it is necessary the Arrangements allow for this to be done under the earlier fact finding phase of an investigation), but rather to ask the elected member to reflect upon the alleged behaviour (without necessarily admitting it) and trying to get the elected member to see the complaint from the complainant’s perspective. The application of this outcome has, in the majority of those cases, resulted in the elected member offering an apology to the complainant for any perceived injustice or frustration felt, and taking away some advice by the Monitoring Officer to avoid repetition of such types of complaints in the future. In some cases that advice has been behavioural (such as asking the elected member to stand in the shoes of the complainant and viewing the alleged conduct from that angle, to whether they might have acted differently as a result) and in other cases it has been procedural (pragmatic advice about a step which a Councillor should have taken but failed to do so such as declaring a gift)

3.17. It is notable that the majority of the complaints which came from members of the public related in one way or another to the constituent’s frustration at not being given adequate information by the elected member. These were cases where a member of the public had made contact with an elected member with a view to seeking the elected member’s assistance in resolving a matter over which the Council had some operational responsibility. None of these cases resulted in a finding of misconduct of the elected member. However, in some of the other nine cases the Monitoring Officer and Independent Person (and indeed independent investigator through reports) have remarked that simple acts of “customer

care” such as acknowledging with the constituent /member of the public what action the Councillor has taken, when they expect to receive a reply/response from officers, and when they hope to get back to the member of public would have gone a long way to avoiding the need for that complaint to be lodged in the first place

Other learning:

3.18. Other examples of learning from complaints that has extended beyond the immediate complaint:

- One case revealed the need for Leicester City Council to devise some guidance about the use of social media for Councillors specifically. This is on the work programme for the Standards Committee and a draft has been prepared.
- One case resulted in practical changes to the way in which the Council allows elected members to include links to additional websites through their Council profile. It became clear during that investigation that where a member of the public accesses views and opinions of a Councillor, not through their City Council home page, but through a link that appears on the City Council’s home page then they may attribute those views and opinions as being those shared but the local authority. This is, of course, not the case and therefore the change of practice following that investigation was for there to be a disclaimer on the Council’s pages when a hyperlink to Councillor’s own website/link is accessed therefrom.
- One case involved a significant set of rewrites to the previous Planning Code of Practice. Again, whilst no findings of misconduct were supported during that investigation, there were sufficient lessons to be learned about the phraseology of the previous Planning Code and the specificity of some of the procedural guidance given to Councillors who sit on Planning Committee, which have since been revised, refreshed and now leave no room for doubt on those areas

Other issues:

Cost

3.19. The previous regime for dealing with Member misconduct complaints required each complaint to be assessed by an Assessment subcommittee made up of Elected Members and chaired by an Independent lay member. Reviews were also determined through a Review subcommittee. The new system sees all complaints and reviews filtered through the Monitoring Officer and the Independent Person(s), and only a minority of complaints having active Committee input (25% on current figures). There is therefore a saving of costs in respect of equivalent officer-support time for these Assessment and Review subcommittees, as well as the saving of time of the elected members themselves. Neither is there any cost associated with room bookings, printing etc.

Speed

3.20. The previous regime set the following timeframes:

Complaint received ► Assessment subcommittee (within 4 weeks) ► Review subcommittee (within 6 weeks) ► Investigation (within 3 months) ► Hearing (within 3 months)

3.21. The new process sets the following timeframes:

Complaint received ► Decision by M.O. and I.P (within 4 weeks) ► Review (within 3 weeks) ► Investigation (within 3 months) ► Hearing (within 3 months)

3.22. Not only do the timescales allow for speedier resolution of complaints, but the substantive process itself confers more power upon the Monitoring Officer and Independent Person to undertake basic enquiries, and to seek informal resolution in low-level cases of breach. The figures for 2012/13 (see 3.10) reveal that 75% of cases are dealt with within the four week or seven week windows.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

None

4.2. Legal Implications

None

4.3. Climate Change Implications

None

5. OTHER IMPLICATIONS

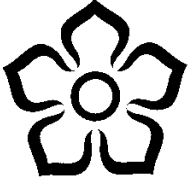
OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within the Report
Equal Opportunities		
Policy		
Sustainable and Environmental		

Crime and Disorder		
Human Rights Act		
Elderly/People on Low Income		
Corporate Parenting		
Health Inequalities Impact		

6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

7. REPORT AUTHOR

7.1. Kamal Adatia, City Barrister and Head of Standards.



Leicester
City Council

**WARDS AFFECTED
BRAUNSTONE PARK AND ROWLEY FIELDS**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

FULL COUNCIL

21st November 2013

ELECTED MEMBER ABSENCE FROM MEETINGS

Report of the Monitoring Officer

1. PURPOSE OF REPORT

Prior to the expiry of a period of six months since the last attendance by Councillor Glover at Council, a Committee, Sub-Committee or as a representative of the authority, to enable the Monitoring Officer to consult with the Council to determine whether or not an approval is to be granted for the continued absence of Councillor Glover. If not granted, the Council must forthwith declare Councillor Glover's seat vacant immediately the six months period has been reached (15th October 2013).

- 1.1 A report was duly approved at the meeting of Full Council on 19th September approving, on the grounds of ill health, Councillor Glover's absence for a further two months after the expiry of the six month period since she last attended a meeting of the Authority. The six month period would have lapsed on 15th October, and an extension was approved to 15th December 2013. This second report seeks approval for a further extension to 28th February 2014.

2. SUMMARY

- 2.1 The Local Government Act 1972 (Section 85) provides that, if a member of a local authority, through a period of six consecutive months from the date of his/her last attendance, does not attend any meeting of the authority, he/she ceases to be a member of the authority.
- 2.2 If, however, the member's non-attendance is due to some reason approved by the authority before the expiry of the period, then such cessation does not take place. It is not necessary for there to be any application (although the provision seems to presuppose one) and the Council may act of its own volition.
- 2.3 Attendance at Council, Committees, Sub-Committees or as representative of the authority is counted as attendance at a meeting of the authority. (Note: care must be taken in interpreting "representative". The word has a meaning different from appointee

and the constitution of any such body needs to be consulted to ensure that a Council acts as a representative as distinct from merely being appointed to a body).

- 2.4 If a member does not attend a meeting through the consecutive six months period and the Council does not grant an approval before the expiry of the period, the Council must forthwith declare the office vacant (Local Government Act 1972, Section 86) and for the purpose of filling the casual vacancy, the vacancy is deemed to occur on the date they do so.
- 2.5 The Executive functions within the Council's constitution delegate the granting of any such approval under Section 85 of the Local Government Act 1972 to the Monitoring Officer on consultation with the Council.
- 2.6 Councillor Glover's last attendance was at the Braunstone Park & Rowley Fields Community meeting on 16th April 2013. Having regard to the above regulations, and bearing in mind the approval already granted on 19th September 2013, Councillor Glover will fall into difficulty unless she is able to attend a meeting of the Authority before 15th December 2013.
- 2.7 Councillor Glover's absence has been caused by long term illness and hospitalisation. In May and June 2013 she was hospitalized for a period of six weeks owing to serious post-surgical difficulties. There were no meetings of Full Council, nor any scheduled Ward Community Meetings during July. She has been attending to Ward business from home as best she can, and her co-councillors in the Ward have worked cooperatively to ensure that no Ward surgeries have been missed. It has taken her longer than anticipated to recover from surgery, and she still hopes to be well for the November meeting of Full Council. Nevertheless she is still recovering from illness, and her attendance cannot therefore be guaranteed on that occasion. Should Councillor Glover be able to attend Council on 21st November, this report will be withdrawn.
- 2.8 When such circumstances have arisen in recent years for Councillors, Council approved an extension of non-attendance past the six months period stipulated in the Local Government Act 1972 (Section 85) with the position being reviewed prior to the expiry of the extension.
- 2.9 It should be noted that the proposed further extension will expire on 28th February 2014. Further Council and Ward meetings are scheduled before the expiry of that period

3. RECOMMENDATIONS (OR OPTIONS)

- 3.1 Having regard to the extenuating circumstances arising from Councillor Glover's illness, members are asked to express a view regarding the granting of extension of time for Councillor Glover upon which the Monitoring Officer can act.
- 3.2 If minded to approve such extension, the Council is also asked to express a view whether the position be reviewed prior to the expiry of the extended period (to tie in with Council meetings) or some different duration.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

Councillor Glover is in receipt of the standard members' basic and travel and subsistence allowances.

4.2 Legal Implications

The legal implications are as contained within the report

4.3 Climate Change

None

5. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph References Within the Report
Equal Opportunities	N	
Policy	N	
Sustainable and Environmental	N	
Crime and Disorder	N	
Human Rights Act	N	
Elderly/People on Low Income	N	
Corporate Parenting	N	
Health Inequalities Impact	N	

6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

7. CONSULTATIONS

None.

8. REPORT AUTHOR

Kamal Adatia, Monitoring Officer.

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