



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Monday, 23rd April, 2012
at 2.00 pm

MEMBERSHIP

Councillors

G Driver (Chair)	C Campbell	W Hyde	J Elliott
P Grahame	G Kirkland	C Fox	
N Taggart			
A Lowe			
T Hanley			
G Hussain			

Co-opted Member

G Tollefson
(Chair of Standards Committee)

A G E N D A

Item No	Ward	Item Not Open	Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(*In accordance with Procedure Rule 25, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>

Item No	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF INTERESTS</p> <p>To declare any personal / prejudicial interests for the purpose of Section 81(3) if the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence from the meeting.</p>	
6			<p>MINUTES OF THE PREVIOUS MEETING</p> <p>To confirm as a correct record the minutes of the meeting held on 27th March 2012.</p>	1 - 6
7			<p>CHAIR'S REMARKS</p> <p>To receive any remarks the Chair wishes to make with regards to developments affecting the Committee.</p>	
8			<p>ASSURANCES OF THE PROCESS BY WHICH PLANNING DECISIONS ARE TAKEN BY THE COUNCIL</p> <p>To receive a report of the Chief Planning Officer responding to the request of the Committee to set out the arrangements in respect of planning decisions taken by the Council in 2011-12.</p>	7 - 26

Item No	Ward	Item Not Open		Page No
9			<p data-bbox="676 181 1283 248">ANNUAL STATEMENT ON COMMUNITY ENGAGEMENT</p> <p data-bbox="676 293 1382 506">To receive a report of the Assistant Chief Executive (Customer Access and Performance) providing assurance to the Committee on the Council's ability to support residents' involvement in decision making and the development of services.</p>	27 - 36
10			<p data-bbox="676 622 1090 656">INTERNAL AUDIT REPORT</p> <p data-bbox="676 696 1361 801">To receive a report of the Director of Resources providing a summary of internal audit activity for the period November 2011 – March 2012.</p>	37 - 54
11			<p data-bbox="676 909 1318 1014">UPDATE ON CHANGES TO ACCOUNTING PRACTICE IMPACTING ON THE 2011/12 ACCOUNTS.</p> <p data-bbox="676 1059 1358 1200">To receive a report of the Director of Resources outlining the major changes to legislation and accounting practice which will impact on the 2011/12 accounts.</p>	55 - 62
12			<p data-bbox="676 1267 1182 1301">FINANCIAL PROCEDURE RULES</p> <p data-bbox="676 1346 1358 1451">To receive a report of the Director of Resources informing the Committee of the rationale behind the current update of FPRs.</p>	63 - 66
13			<p data-bbox="676 1559 1310 1626">CORPORATE GOVERNANCE AND AUDIT COMMITTEE</p> <p data-bbox="676 1671 1358 1812">To receive a report of the Director of Resources which provides and overview of the work completed by the Committee over the 2011/12 municipal year.</p>	67 - 80

Item No	Ward	Item Not Open		Page No
14			<p>WORK PROGRAMME</p> <p>To receive a report of the Director of Resources notifying and inviting comment from the Committee on the work programme.</p>	81 - 86

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Agenda Item 6

Corporate Governance and Audit Committee

Tuesday, 27th March, 2012

PRESENT: Councillor G Driver in the Chair
Councillors P Grahame, N Taggart,
C Campbell, G Kirkland, A Lowe, J Elliott,
W Hyde, T Hanley, C Fox and G Hussain

Apologies G Tollefson (Co-optee)

86 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents.

87 Exempt Information - Possible Exclusion of the Press and Public

The Committee considered the designation of Appendix 1 to Agenda item 10 (minute 94 refers) as exempt under the Access to Information Procedure Rules 10.4 (7).

RESOLVED - That the press and public be excluded from the meeting during consideration of the following part of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business transacted, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-

Appendix 1 and 2 to Agenda item 10 because they contained information relating to actions to be taken in connection with the prevention, investigation or prosecution of crime.

88 Late Items

There were no late items submitted to the agenda for consideration.

89 Declaration of Interests

There were no declarations of interest made at this part of the meeting. However during discussion of Agenda item 10 Councillor G Hussein as a residential property landlord (Minute 96 refers)

90 Apologies for Absence

Apologies for absence were received from Mr G Tollefson.

91 Minutes of the Previous Meeting

The minutes of the Corporate Governance and Audit Committee meeting held on 27th February 2012 were approved as a correct record.

92 Matters Arising

Minute 80. Transforming Procurement Programme Position Statement

The Chair of the Committee highlighted this piece of work, requested by the Committee, as one of the positive aspects of the Committee's work this municipal year. The Chair proceeded to read out a statement received by him from the Chief Officer PPPU and Procurement Unit, which updated the Committee on the further work which is being undertaken to transform procurement following the report to the Committee on 27th February 2012.

93 Chair's Remarks

The Chair updated the Committee on the latest development on audit arrangements for Leeds and the other core cities. Four large firms have been selected to undertake the audits of the core cities, of these Leeds is to be audited by KPMG for the next five years following a tender exercise.

The Chief Officer (Audit and Risk) was asked to comment and informed the Committee that the Department for Communities and Local Government have highlighted a 40% reduction in audit fees. The Audit Commission run tendering exercise asked for submissions based on 3 year contracts and 5 year contracts. Given the extent of the savings from 5 year contracts it had been decided to opt for 5 year contracts. Although primary legislation is promised in the spring of 2012, there is less urgency about establishing Independent Audit Appointment Panels. It was noted that 4 firms are to be awarded contracts, Grant Thornton, KPMG (in the Yorkshire and Humber regions), Ernst and Young and DA Partnerships.

94 Financial Planning and Management Arrangements

The Chief Officer (Financial Management) presented a report of the Director of Resources outlining the key systems and procedures which are in place to ensure that the Council delivers sound financial planning and management whilst ensuring the maintenance of adequate reserves. The report also gave Members assurance that these systems and procedures are fit for purpose, up to date, embedded and being complied with.

The Principal Finance Manager was also in attendance to answer Members questions.

Members discussed the report in detail. Firstly Members raised concerns about the financial future of the authority and questioned officers on how budgets will be balanced in the future with a diminishing amount of money to be spent. This led Members in to discussion with officers on the difficulties of

in year monitoring of budgets and the systems in place to undertake such monitoring. Budgeting for staffing was discussed in particular and the action plan surrounding this area.

Members also discussed the structure of Financial Management at the Council and how the five directorate's finances are controlled and managed.

Following questions about recruitment of financial staff Members were informed by the Chief Officer (Financial Management) that after a period of two years of no recruitment and a reduction in staffing numbers the Council is again recruiting trainee accountants.

RESOLVED – The Committee resolved to:

- (a) note the assurances provided that appropriate systems and procedures are in place to ensure that the Council delivers sound financial management and planning;
- (b) request a further report to review the budgetary system for staffing at the Council; and
- (c) Receive a similar report on the Financial Management of the Council on an annual basis.

(Councillor Campbell entered the meeting at 2:25pm during the discussion of this item.)

95 Annual Information Security Report

The Chief Officer (Intelligence and Improvement) presented a report of the Assistant Chief Executive (Customer access and Performance). The report was the annual report detailing the steps being taken to improve Leeds City Council's information security in order to provide assurance for the Annual Governance Statement the details of which were attached at Appendix 1 to the report.

The (Executive Officer Information Governance) and the (Solutions Architect) were in attendance to answer Members questions.

The report was discussed by Members who asked a number of technical questions of officers, specifically the differences between spyware and malware, and explored with them the ability of the Council to be able identify every piece of IT equipment in the Council's possession and that if a device was not recognised it would not be provided with full service.

Members went on to confirm with officers present that training given to staff does cover data protection and ask questions about how the Council stops foreign and domestic computer hackers who have the intention of disrupting governmental organisations.

RESOLVED – The Committee resolved to note the contents of the report and the assurances provided as to the Council’s approach to information security.

(Councillor Taggart entered the Meeting at 2:52pm during the discussion of this item)

96 Risk-based verification policy

The Chief Revenues and Benefits Officer presented a report of the Director of Resources. The report outlined the proposed changes to the verification of Housing and Council Tax benefit claims by introducing a risk-based verification scheme. The report highlighted what has changed, this being the level of verification activity that is a risk-based approach.

The Chief Revenues and Benefits Officer also informed the Committee that the Director of Resources had reviewed the risk based verification policy and was ready to approve it following discussion by Members.

The Assessment Unit Manager was also in attendance to answer any questions Members had.

Members discussed the report and emphasised the importance of data sharing between Council departments and the DWP to help mitigate against the risk of benefit fraud.

Members questioned officers present about indirect equality implications specifically where English is not a first language.

RESOLVED – The Committee resolved to note the report in advance of the Council’s Section 151 Officer approving the Policy.

97 Business Continuity Programme update

The Business Continuity Manager presented a report of the Director of Resources. The report provided assurance on the adequacy of policies and practices surrounding Business Continuity arrangements.

Members considered the report and emphasised their desire that outsourced services be subject to the same business continuity arrangements as internally managed services.

RESOLVED – The Committee resolved to note the report for and receive an annual update with quantitative achievements from 2013.

98 Work Programme

The Director of Resources submitted a report notifying Members of the work programme.

The Committee reviewed its forthcoming work programme.

RESOLVED – The Committee Resolved to note the work programme.

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Report of Chief Planning Officer

Report to Corporate Governance and Audit Committee

Date: 23 April 2012

Subject: Assurances of the process by which planning decisions are taken by the Council

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. This report responds to the request of the Corporate Governance and Audit Committee to provide an annual report setting out the arrangements in respect of planning decision taken by the Council in 2011-12. It will provide assurance to the Committee as to the operation of the arrangements and processes in place, ensuring they are up to date, accountable, transparent, have integrity, and are effective and inclusive.

2. Emphasis this year has been placed on member and officer training, which ensures decisions are being taken with the most up to date knowledge and guidance available. Collaboration on training with the West Yorkshire authorities is providing members and officers with increased opportunities for training and learning on a range of subjects.

3. The service has an ongoing commitment to service improvement and a number of activities have taken place during 2011-12 to ensure the decision making process is more robust and accountable. This includes a Town and Parish Council survey which has highlighted good practices and areas where the service can improve; improved clarity on the content of Section 106 obligations on employment, training and skills and a more transparent approach to pre-application presentations at plans panel meetings which are now on the agenda, open to the public and minuted.

4. Effective decision making can be evidenced in a number of ways including performance on complaints, appeals and number of decisions taken that are contrary to the officers recommendation. Numbers of upheld complaints has reduced from the

previous year; about 70% of appeals on the grounds of refusal of planning permission have been dismissed and the number of decisions which are contrary to the officers recommendation remains steady at 6.4% of decisions made by members, demonstrating that members and officers are working effectively together.

Recommendation

Members are asked to:

- I. note the contents of this report and the robust assurance that it provides in terms of the methodology used in taking planning decisions at the Council ;
- II. receive a report on planning decisions on an annual basis

1 Purpose of this report

- 1.1 This report responds to the request of the Corporate Governance and Audit Committee to set out the arrangements in respect of planning decision taken by the Council in 2011-12 . The services places considerable emphasis on good governance and will provide assurances to the Committee as to the operation of the arrangements and processes that are in place, ensuring they are up to date, accountable, transparent, have integrity, and are effective and inclusive.
- 1.2 This report outlines the arrangements that are in place to underpin the decision making process within the remit of the Chief Planning Officer:
 - Planning decisions taken by the Plans Panel
 - Planning decisions taken by officers under delegated authority
- 1.3 Consideration is given to the risk of challenge and the measures in place to mitigate any potential risks and to the programme of continuous improvement ensuring that processes take into account best practice and lessons learnt from past errors.
- 1.4 This report provides information for 2011-12 and covers data up to the end of March 2012 unless otherwise stated.

2 Background information

- 2.1 The planning system in England and Wales is plan-led. This involves preparing plans that set out what can be built and where. All decisions on applications for planning permission should be made in accordance with the Development Plan unless material planning considerations indicate otherwise.
- 2.2 The decision on whether to grant permission is within the context of the development plan and other material considerations which includes national and local planning policy and guidance. Material considerations covers a wide variety of matters including impact on neighbours and the local area.

- 2.3 All applications are publicised so the public are aware of them and some are subject to more detailed consultation (depending on their scale and sensitivity).
- 2.4 In 2011-12 a total of 4,137 decisions have been made by Leeds City Council acting as the Local Planning Authority compared to 4,196 in 2010-11. The decisions have been made by one of two methods: by the Plans Panels or by officers under the scheme of delegation.

3 Main issues

3.1 Decision making framework

- 3.1.1 This section looks at the framework within which decision making occurs- by the plans panels or by officers under the Council's delegation scheme.

3.2 Plans panels

- 3.2.1 There are three Plans Panels in Leeds - East, West and City Centre. Each panel is authorised to discharge functions within its own geographical area and comprises a number of council members from across all political parties. The Plans Panel terms of reference are included as appendix 1.
- 3.2.2 There are a number of types of applications and circumstances where a Plans Panel would consider an application and these are described as "exceptions" in the officer delegation scheme as functions the Chief Planning Officer is not allowed to discharge. Normally, it is the largest and strategically important applications, together with those applications that would constitute a significant departure from the development plan or those with significant local sensitivities that would go to panel.
- 3.2.3 Requests to the Chief Planning Officer from a ward member for an application to come to Panel can be made - the request needs to be made in writing within 21 days of the date of notification, which is the statutory advertisement and consultation deadline for representations, after which time a decision could legally be made.
- 3.2.4 During 2011-12, 171 decisions have been made by the three plans panels. This compares with 225 decisions in 2010-11, the increase in numbers in 10-11 was largely due to the number of PFI applications (for minor revisions or extensions of time) which came before the panel that year.
- 3.2.5 The Council has a *Code of Practice for the Determination of Planning Matters which Members* adhere to. This code is monitored and reviewed for any breaches and during this reporting period no complaints were made about breaches of the code.

3.3 Delegation scheme

- 3.3.1 The Chief Planning Officer is authorised to carry out functions on behalf of the council. The delegation scheme forms part of the Constitution and was last reviewed at the end of 2010 and approved by Full Council in May 2011.
- 3.3.2 All planning applications are considered to fall within the delegation scheme and will be determined by officers under the sub-delegation scheme, unless they fall into defined exceptional categories. The exceptions, are determined by Plans Panels are set out in appendix 2 of this report.
- 3.3.3 However, the Plans Panel may arrange for the discharge of any of its functions by the Chief Planning Officer.

3.4 Sub delegation scheme

- 3.4.1 The scheme sets out which functions have been sub-delegated by the Chief Planning Officer to other officers and any terms and conditions attached to the authority sub-delegated by the Chief Planning Officer. The latest sub delegation scheme was approved on 22nd June 2011.
- 3.4.2 In 2011-12 , 3,996 decisions were made by officers under the delegation scheme. The delegation rate for the year was therefore 95.9%, a small increase on 2010-11 where the delegation rate was 94.7%. This is in accordance with good practice, which suggests that over 90% of planning decisions should be delegated¹ and nationally during quarter 3 of 2011, English authorities delegated 91% of decisions to planning officers.²
- 3.4.3 The service recognises the importance of ensuring that the arrangements in place for decision making on planning applications are accountable, transparent and effective and there are a number of measures in place to provide assurance in the process.
- 3.4.4 There is a clear process for the determination of planning applications which is adhered to by all officers which ensures a consistent and accountable approach is taken. Officer reports address all the relevant policies and issues and take into account the views of consultees and representations made by the public. All information is considered and a recommendation is made.
- 3.4.5 The sub-delegation scheme ensures that decision making is undertaken at the appropriate level of seniority and experience. Each report is checked thoroughly by a more senior officer to ensure that all material considerations have been addressed and that there is a clear basis for the decision which is being made. During this process the senior officer takes time to acquaint themselves with the details of the application and can ask for additional information or question the case officer on points, in order that thorough and robust consideration is given to each application. No case officer can 'sign off' their own applications. Therefore an appropriate level of external scrutiny is brought to bear on each proposal

¹ Planning Advisory Service Making your mind up- improving planning decision making. 2008

² CLG Planning statistical release, Planning applications: April to September 2011 (England)

before it is finally determined and reports are signed off by officers at Principal Planner level or above.

3.4.6 All decisions are publicly available through the planning file and officer reports and decision notices are available online via Public Access, which aids accessibility and transparency.

3.5 **Officer conflicts of interest**

3.5.1 Officers must follow the officer code of conduct and any other rules or requirements in relation to personal conflicts of interest, which apply to them. All officers at principal planner level and above are required to complete a Register of Interests.

3.5.2 A precautionary approach is followed within the service to ensure that case officers and decision makers are not involved in matters where potentially a conflict of interest could arise. Where any such conflicts could arise they are normally identified at an early stage in the life of a project and action is taken to reallocate cases to minimize risk and reduce any possible later challenge to the decision making process.

3.5.3 Any application for planning approval for officers working in development management are dealt with at Plans Panels, to reduce the risk of challenge on grounds of bias or partiality.

3.6 **Ensuring best practice**

3.6.1 Planning services adopts best practice wherever possible and the following section describes the measures and arrangements in place to ensure that the decision making process is accountable, transparent and effective and there is confidence in the judgements being made.

3.6.2 In 2011-12, 100% of staff in planning services received their appraisal. This is important, as it is through the appraisal system that areas for training or development are highlighted in order for individuals to enhance their personal effectiveness, ensuring high quality decision making is maintained and enhanced.

3.6.3 Team leaders meet with the head of planning services on a three-weekly basis to review performance, keep up to date with legislation and good practice which ensures there is a consistent approach to decision making

3.6.4 Considerable emphasis has been placed on learning and training in 2011-12 for officers. Planning officers have accessed learning through internal and external training provision, for example tree protection seminars from colleagues in the Sustainable Development Unit, Public Inquiry training delivered by Kings Chambers and a "season ticket" for the Royal Town Planning Institute (RTPI) seminars. In circumstances where not all officers have the opportunity to receive the training, the process is to cascade the information to the team to ensure everyone is aware of the changes or new practices. Many officers are members of the RTPI and receive updates and information from their professional body.

- 3.6.5 Nationally, planning is undergoing some significant changes in the context of the government's planning reform agenda – the National Planning Policy Framework (published on March 27th), Localism Act, and Community Infrastructure Levy being some of the main changes. Therefore, it is imperative that officers keep up to date with the legislation and the implications of the changes on service provision in order to effectively deal with applications and make high quality decisions. This has been achieved through internal training and briefings to ensure all officers are informed and their knowledge is current. Feedback was recently provided by an officer who had attended the RTPI Localism conference and Planning Aid seminar on neighbourhood planning, which was useful and highlighted where some of the issues will arise going forward.
- 3.6.6 Members sitting on the plans panels need to undertake training each year. Failure to attend these sessions may mean that the member is unable to sit on a plans panel until the training has been completed. In 2011-12, all members have satisfactorily completed the required compulsory training. Group whips are advised of any concerns that arise from non-attendance at compulsory training sessions and deal with these on a case by case basis.
- 3.6.7 The new Localism Act has introduced provisions to clarify the position on pre-determination, helping ward members to engage in open debate with their communities about council business. Members still need to demonstrate that they have an open mind when determining a planning application, but just because a member has engaged previously in campaigning against a proposed planning application does not mean that the member had a closed mind. Some training and guidance has already been delivered which covers this issue, but there is still need for some caution particularly if a member expresses particularly extreme views, as, coupled with other issues associated with the decision, there is still the risk that members will be accused of not approaching the decision with an open mind.
- 3.6.8 Members have received additional training on the Localism Act and neighbourhood planning and the implications on the service and their role. A new regional training initiative has led to an increase in training opportunities for members. Recent events hosted by Bradford Council on Planning Reform and in Leeds on Flooding and Greenbelt issues have been well received. More events on planning reform, heritage and flooding are planned after the local elections.
- 3.6.9 The Localism Act will need a closer working relationship with ward members and local communities and the service has already implementing this process through its restructure, aligning area teams with Area Committee areas. There are also challenges ahead to ensure there is transparency in the neighbourhood planning process.
- 3.6.10 Best practice measures at panel include the presence of a legal officer and the head of planning services at all plans panel meetings which ensures consistency of decision making across the city. The legal officer provides advice where necessary and ensures that probity and propriety is observed through the decision making process at the panel meeting.

3.6.11 Additionally, members of the plans panels are required to be present throughout the whole debate on an application at panel meetings if they are to vote and there is robust minute taking to record who is and who is not present for an application so that clear records are available

3.7 Continuous improvement and quality of service

3.7.1 The service is committed to continuous improvement and seeks to ensure that the decision making process is transparent, high quality, fit for purpose and is robust. A number of actions have taken place over the past year resulting in service improvements, which help provide assurance in the decision making process. These are described below.

3.7.2 A survey of the Town and Parish Councils in the Leeds district was undertaken in late 2011 to ascertain satisfaction with the planning service and received a 71% response rate. The survey shows that 81% of those responding said that overall they were either very or fairly satisfied with planning services, which is encouraging. The survey did however highlight some room for improvement - only 13 of the 22 respondents (59%) indicated that they thought their comments were taken into consideration when the decision was made and only 40% of respondents said they understood the reasons for the decision. To avoid criticisms relating to inadequate consideration of the issues, inconsistency of decision-making, or claims of unclear reasoning behind a recommendation, officer reports need to be robust, accurate and cover, among other things, the substance of objections and the views of people who have been consulted and their materiality in the decision making process. Work has already been undertaken to improve clarity in officer reports but clearly further work is needed in this area to ensure there is transparency and accountability. In the event of a challenge an officer report would form a key part of the evidence in proceedings.

3.7.3 Regular in-service planning officer case workers meetings take place on a regular basis. These meetings are for all planning officers, every six weeks and is a forum for cascading information, guest speakers and sharing of good practice. It allows for the agreement of consistent approaches, discussion of performance issues and is an emerging forum for continuous improvement.

3.7.4 The service is committed to learning from past errors and one way of doing this is by analysing complaints and drawing out areas for improvement. At the case workers meeting in March a presentation was given about recent complaints and the measures we will put in place to minimise the risk of complaints on the same subject arising again to give greater confidence in the decisions being reached. A representative from the Ombudsman's office is due to attend a future meeting to highlight other areas where complaints can arise.

3.7.5 In 2011 the Major Developers Forum, a group comprising developers, agents, planning officers, parish councillors and community representatives underwent a review to make the group more effective and relevant. The group is now called Leeds Planning and Developers Forum and has increased representation from parish councils, local communities and the development industry and provides an essential forum for two way communication and for sharing ideas and best practice.

- 3.7.6 The Joint Member Officer Working Group, an all party group of members, including the three panel chairs, the Executive Member for Development and planning officers continues to meet regularly to discuss planning issues. This group is an essential forum for discussion of key issues and taking forward service improvements. It also allows for a consistent approach to be taken across all three panels.
- 3.7.7 During 2011-12, the Scrutiny Board (Sustainable Economy and Culture) has undertaken an inquiry into the use of Section 106 obligations for employment, skills and training. Through work between planning services and Employment Leeds, there is now clarity of the procedure with established lines of communication and increased transparency for applicants. A prospectus is being prepared for the development industry, which clearly describes the process, roles and responsibilities of all parties involved, which will make the system more effective and accountable.
- 3.7.8 A new approach has been adopted to aid transparency in the pre-application presentation process at the plans panel. Member engagement in pre-application discussions allows for developers to present their emerging scheme at an early stage and to receive feedback from members. It leads to more informed submissions and it allows for any community concerns to be taken into account at a formative stage of an application. Potentially, it speeds up the determination of an application and brings more certainty into the process. Pre-application presentations have been a valuable part of the planning process at the plans panel for a number of years. All presentations are now on the formal plans panel agenda, are in the public domain (unless the developer can demonstrate why the presentation should be exempt under the provisions of the Local Government Act 1972) and are minuted. This change has meant the process is more transparent, has probity, integrity and is more inclusive.
- 3.7.9 Changes are being made to planning officer responsibilities through a restructure of the service. A principal planning officer or more senior officer will have responsibility for an area 'wedge', meaning there will be a single and consistent point of contact for MPs, members and community groups. These new arrangements will help planning officers gain a clearer understanding of the local and political concerns in an area resulting in better communication and greater sensitivity brought to the decision making process.

3.8 Monitoring and review

- 3.8.1 The service has a number of arrangements in place for internally reviewing decisions and ensuring there is sufficient rigor and consistency in the quality of decision making. The quality of decision making can be demonstrated and evidenced in a number of areas – the number of lost appeals, numbers of complaints and upheld complaints and decisions made contrary to the officer's recommendation. These areas are described below.

3.9 Appeals

- 3.9.1 All applicants have a right of appeal to the Planning Inspectorate against a refusal of planning permission or a failure of the council to determine the application within time limits set by central government. In many cases, particularly those with a highly subjective element or where issues are finely balanced, decision makers may well reach a different conclusion as to what should and should not be permitted. Therefore, the number of appeals made per se should not be used as an indicator of level of performance. However, where appeals are brought, the appellant can apply to the Planning Inspectorate for a costs award against the council in circumstances where the council has acted unreasonably and the appellant has incurred costs as a result.
- 3.9.2 There has been a steady improvement in the performance levels of dismissed appeals on the authority's decision to refuse on planning applications over the last few years. In 2011-12, there have been 259 appeal decisions, which represents about 6% of the total number of decisions made in the year. Of those appeals, about 69% were dismissed, which can be contrasted with 2007-08, when 57% of appeals were dismissed. The improvement can largely be attributed to more robust officer reports and better training for both officers and members, leading to a better decision making process.
- 3.9.3 In 2011-12, there have been seven cost claims awarded against the council, including Grimes Dyke a phase 2 green field housing site which was allowed with partial costs following the Secretary of State's decision in May 2011. The council's grounds for refusal centred on the use of green field sites, housing supply and the impact on regeneration together with the proposed abolition of the Regional Spatial Strategy (RSS) and centrally imposed targets. However, the Secretary of State in granting permission concluded that the housing supply in the city was insufficient to meet current requirements.
- 3.9.4 The strategic position on green field sites has now been clarified with members agreeing to the release of all the phase 2 and 3 housing allocations in the UDP subject to proposals coming forward being otherwise acceptable in planning terms, following a report to the Executive Board in June 2011.
- 3.9.5 Appeal outcomes are regularly reviewed by the head of planning services for common themes, so that action can be sought to reduce the risk of reoccurrence. This is cascaded to planning case workers and at appropriate developer forums
- 3.9.6 Any decisions can be challenged legally under a judicial review, but this can only be done through the courts on the basis of illegality, irrationally or unfairness or procedural impropriety. There have been no successful judicial review proceedings brought in 2011-12.

3.10 Complaints

- 3.10.1 In 2011-12 (to the end of February) the service received 131 complaints at stages 1 and 2. At first glance it appears if the services receives a high number of complaints, however, this should be seen in the context of a total of 3,699 decisions made in the same period. This is a decrease from 2010-11 (full year) when the service received 144 complaints. There has also been a decrease in the numbers

of upheld complaints: 18% (23) so far this year, compared with 25% (36) in 2010-11.

3.10.2 Complaints are an invaluable way of evaluating how the service is performing and helps to identify weak points in our system and address them. A dedicated team deals with all complaints and regularly provides analysis of the complaints information to the planning services leadership team. Learning points are identified which will help mitigate the risk of the complaint arising again. Measures put in place as a result of upheld complaints received this year have been:

- Production of guidance for planning officers to refer to when considering the need to carry out the re advertising of planning applications
- Guidance to planning officers in respect of what can be considered as a non material amendment
- All photographs which are put on Public Access and show vehicle registrations are being edited before publishing on the internet
- Up to date training on permitted development rights

3.10.3 The team also works hard to try to find satisfactory solutions to customer issues, before it turns into a formal complaint.

3.11 Ombudsman and local settlements

3.11.1 Planning services receives most cases from the Ombudsman where there has been a refusal of planning permission or where a decision has been taken that it is not expedient to take enforcement action. In assessing a complaint, the Ombudsman will not be concerned with the nature, quality or reasonableness of the decision itself.

3.11.2 In 2011-12, there have been 20 Ombudsman cases. This is a significant reduction and improvement from the previous year when there were 27 cases. Of these seven were preliminary enquiries and 13 were full cases, of which four required investigation. The Ombudsman reports that the number of cases they receive for Leeds is very small for the size of the city and that there has been a significant change in how we deal with such cases - we are now regarded as a model authority in how we deal with complaints.

	Numbers received	Local settlements
2011-12	20	1
2010-11	27	4
2009-10	21	6
2008-09	24	3
2007-08	56	16

3.11.3 At the time of writing this report, there has been one local settlement, which was for the council to provide screening between the complainant's property and a new building. This is a significant improvement on recent years.

3.11.4 As mentioned in 3.7.4 above, a presentation on recent ombudsman cases took place at a recent case worker meeting and officers are now more aware of the issues and so can take a consistent approach. This centres on officers demonstrating for new developments that the impact on the amenity of existing residents has been fully taken into account and addressed in officer reports. These areas will continue to be monitored.

3.12 Decisions not in accordance with officers recommendation

3.12.1 All reports prepared by officers contain a recommendation which represents the view of the case officers (as cleared by senior colleagues) on the balance of compliance with the development plan and taking into account all other material considerations. Members are not bound to accept the advice of officers as they may take a different view of the weighting that should be applied to different factors in coming to a recommendation. Therefore, sometimes, members make decisions, which are not in accordance with that recommendation. The consequence of this is that it may appear that members and officers are not working well together and there is a potential risk of a lack of confidence in the planning system.

3.12.2 Since the peak in 2006-07, when 24% of decisions made at plans panels were contrary to officers' recommendation, the numbers have steadily decreased. Much work has been carried out over the last few years to ensure that officer reports are robust, members understand the issues and active monitoring by the head of planning services of commonly arising issues goes on. In 2011-12, 6.4% (11 decisions) were contrary to the officers recommendation. This is a slight increase from 2010-11 where 6.2% were contrary to the officer's recommendation. However, this still represents significant continuous improvement over time.

3.12.3 Of the 11 decisions, four were approvals and seven refusals. Four appeals against refusals have been submitted as a result to date - three have been allowed (with no costs awarded) and one has been dismissed.

3.12.4 Where Members do not accept the officers recommendation, planning reasons are formally recorded in the minutes of the meeting, ensuring clarity and transparency in the process of reach the decision. Grounds for refusal must also be robust and defensible. If members resolve to approve an application recommended for refusal then full conditions and reasons are normally tabled at the following meeting for approval.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This report is presented for information and there has not been the need for wide consultation.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no specific equality considerations arising from this report, as such it has not been necessary to prepare an Equality Impact Assessment.

4.3 Council policies and City Priorities

- 4.3.1 The importance of ensuring that the council's processes for decision making on planning applications are lawful, accountable, transparent, fair and in compliance with the principles of good governance and best practice is crucial to ensuring public confidence in the system from all sectors of the community including residents and developers.
- 4.3.2 The effective and expedient determination of planning applications contributes to the overall prosperity of the City and plays a key part in the regeneration and growth agenda. The service makes a key contribution to the delivery of housing growth, a priority in the City Priority Plan 2011-15.

4.4 Resources and value for money

- 4.4.1 Complaints and appeals can be costly for the council in staff resources and financially in some cases. Therefore it is critical that the system is fair, transparent and robust to minimise the risk of challenge.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Ensuring the system is fair, transparent and lawful can minimise the risk of potential legal challenges. There are no direct resource implications arising from this report.

4.6 Risk Management

- 4.6.1 There are a number of risks associated with the decision making process which are both financial and reputational. The measures, processes and future service improvements outlined in the report seeks to minimise the risk of challenge.

5 Conclusions

- 5.1 Planning decisions made by the local planning authority can have far reaching implications, in terms of the effect on the future quality of the environment and also the amenities of local residents of the city. Decisions have the potential to effect the lives of many people. It is therefore important that the decision making process is robust. Committee can be assured that the arrangements that are in place to underpin the decision making process are accountable, transparent and effective. The service places emphasis on ensuring there is good governance and quality assurance.

- 5.2 There is a commitment to a programme of continuous improvement activity in all areas of planning decision making. Changes to the pre-application presentation process at panel and Section 106 contributions on employment and skills means there is more transparency in the process, aiding public confidence in the system.
- 5.3 Progress continues to be made on complaints, evidenced through the reduction in overall number and reduction in the number of those upheld. A recent useful session at the planning officer case workers meetings emphasised the need for consistency of approach to minimise the risk of complaints being made on similar grounds. However, the service is not complacent and the Town and Parish Council survey and other customer surveys will help us to identify the areas which need improvement in strengthening the process.
- 5.4 Looking ahead, it is envisaged that there will be some revised version of a code of practice for the determination of planning matters for members in due course, once the provisions in the Localism Act on the standards regime is in place. This code will support members carry out their role as champions of their communities, whilst being able to make decisions openly, impartially with sound judgements and for justifiable reasons.

6 Recommendations

6.1 Members are asked to:

- i) note the contents of this report and the robust assurance that it provides in terms of the methodology used in taking planning decisions at the Council ;
- ii) receive a report on planning decisions on an annual basis

7 Background documents

HMSO Planning and Compulsory Purchase Act 2004

Leeds City Council Executive Board report housing appeals – implications of the Secretary of State’s decision relating to land at Grimes Dyke, East Leeds, 22 June 2011

CLG Planning statistical release, Planning applications: April to September 2011 (England)

Leeds City Council Constitution, Part 3 Section 2B Plans Panels terms of Reference

Leeds City Council Constitution, Part 3 Section 2C Chief Planning Officers Delegation Scheme

Leeds City Council Constitution Part 5 Code of Practice for the Determination of Planning Matters

Council Committees' Terms of Reference

Appendix 1

Plans Panels

The Plans Panels are authorised¹ to discharge² the following functions³

1. all Council (non-executive)⁴ functions relating to:
 - (a) town and country planning and development control⁵;
 - (b) safety certificates for sports grounds and fire certificates⁶;
 - (c) common land or town and village greens⁷;
 - (d) street works and highways⁸;
 - (e) public rights of way⁹;
 - (f) the protection of hedgerows and the preservation of trees¹⁰; and
 - (g) high hedges¹¹

2. in respect of any approval, consent, licence, permission, or registration which they may grant:
 - (a) to impose conditions limitations or restrictions;
 - (b) to determine any terms;
 - (c) to determine whether and how to enforce any failure to comply;
 - (d) to amend, modify, vary or revoke; and/or
 - (e) to determine whether a charge should be made or the amount of such charge.

¹ Each Plans Panel is authorised to discharge functions in respect of its own geographical area as indicated on the plan attached (A larger scale more detailed copy of the plan is maintained by the Chief Planning Officer)

² With the exception of any licensing function under the Licensing Act 2003, the Panels and the Council may arrange for any of these functions to be discharged by an officer – the functions for the time being so delegated are detailed in Section 2 of Part 3 of this Constitution.

³ 'Functions' for these purposes shall be construed in a broad and inclusive fashion and shall include the doing of anything which is calculated to facilitate or is conducive or incidental to the discharge of any of the specified functions

⁴ Local Authorities (Functions and Responsibilities)(England)Regulations 2000 as amended

⁵ Items 5-31, Para. A of Schedule 1 of the 2000 Regulations

⁶ Items 26 and 27 of Para B of Schedule 1 of the 2000 Regulations

⁷ Items 37, 38 and 72 of Para B and Items 51-53 of Para I of Schedule 1 of the 2000 Regulations

⁸ Items 41,46A to 55 of Para B of Schedule 1 of the 2000 Regulations

⁹ Part I of Para I of Schedule 1 of the 2000 Regulations

¹⁰ Items 46 and 47 of Para I of Schedule 1 of the 2000 Regulations

¹¹ Item 47A of Para. I of Schedule 1 of the 2000 Regulations

3. to discharge any licensing function¹², where full Council has referred a matter to the panel.

Appendix 2

Chief Planning Officer

SECTION 1

With the exception of those matters where the Director of City Development has directed that the delegated authority should not be exercised and that the matter should be referred to him/her or the relevant committee for consideration and, subject to the exceptions listed below (in Section 3), the Chief Planning Officer¹ is authorised to discharge the following Council (non-executive) functions:

Town and Country Planning and Development Control

(a)	To issue, amend or replace safety certificates (whether general or special) for sports grounds	The Safety of Sports Grounds Act 1975
(b)	To issue, cancel, amend or replace safety certificates for regulated stands at sports grounds	Part II of the Fire Safety and Safety of Places of Sport Act 1987

SECTION 2

Subject to the exceptions listed below (in Section 3), the Chief Planning Officer² is authorised to discharge the following Council (non-executive) functions:

¹² (section 7 (5) (a) of the Licensing Act 2003) The matter must relate to:

- a licensing function of the licensing authority and
 - a function which is not a licensing function
- Unless the matter is urgent, the Panel must consider a report of the Licensing Committee in respect of the matter before discharging the function concerned (Section 7 (6))

^{1 & 2} The fact that a function has been delegated to the Chief Officer does not require the Chief Officer to give the matter his/her personal attention and the Chief Officer may arrange for such delegation to be exercised by an officer of suitable experience and seniority. However the Chief Officer remains responsible for any decision taken pursuant to such arrangements.

Town and Country Planning and Development Control

(c)	To determine application for planning permission	Sections 70(1)(a) and (b) and 72 of the Town and Country Planning Act 1990
(d)	To determine applications to develop land without compliance with conditions previously attached	Section 73 of the Town and Country Planning Act 1990
(e)	To grant planning permission for development already carried out	Section 73A of the Town and Country Planning Act 1990
(f)	To decline to determine application for planning permission	Section 70A of the Town and Country Planning Act 1990
(g)	Duties relating to the making of determinations of planning applications	Sections 69, 76 and 92 of the Town and Country Planning Act 1990 and Articles 8, 10 to 13, 15 to 22 and 25 and 26 of the Town and Country Planning (General Development Procedure) Order 1995 (SI 1995/419) and directions made thereunder
(h)	To determine application for planning permission made by a local authority, alone or jointly with another person	Section 316 of the Town and Country Planning Act 1990 and the Town and Country Planning General Regulations 1992 (SI 1992/1492)
(i)	To make determinations, give approvals and agree certain other matters relating to the exercise of permitted development rights	Parts 6, 7, 11, 17, 19, 20, 21 to 24, 26, 30 and 31 of Schedule 2 to the Town and Country Planning (General Permitted Development) Order 1995 (SI 1995/418)
(j)	To enter into agreement regulating development or use of land	Section 106 of the Town and Country Planning Act 1990
(k)	To issue a certificate of existing or proposed lawful use or development	Sections 191(4) and 192(2) of the Town and Country Planning Act 1990
(l)	To serve a completion notice	Section 94(2) of the Town and Country Planning Act 1990
(m)	To grant consent for the display of advertisements	Section 220 of the Town and Country Planning Act 1990 and the Town and Country Planning (Control of Advertisements) Regulations 1992
(n)	To authorise entry onto land	Section 196A of the Town and Country Planning Act 1990
(o)	To require the discontinuance of a use of land	Section 102 of the Town and Country Planning Act 1990
(p)	To issue a temporary stop notice	Section 171E of the Town and Country Planning Act 1990
(q)	To serve a planning contravention notice, breach of condition notice or stop notice	Sections 171C, 187A and 183(1) of the Town and Country Planning Act 1990
(r)	To issue an enforcement notice	Section 172 of the Town and Country Planning Act 1990
(s)	To apply for an injunction restraining a breach of planning control	Section 187B of the Town and Country Planning Act 1990
(t)	To determine applications for hazardous	Sections 9(1) and 10 of the Planning

	substances consent, and related powers	(Hazardous Substances) Act 1990
(u)	To determine conditions to which old mining permissions, relevant planning permissions relating to dormant sites or active Phase I or II sites, or mineral permissions relating to mining sites, as the case may be, are to be subject	Paragraph 2(6)(a) of Schedule 2 to the Planning and Compensation Act 1991, paragraph 9(6) of Schedule 13 to the Environment Act 1995 (c 25) and paragraph 6(5) of Schedule 14 to that Act
(v)	To require proper maintenance of land	Section 215(1) of the Town and Country Planning Act 1990
(w)	To determine application for listed building consent, and related powers	Sections 16(1) and (2), 17 and 33(1) of the Planning (Listed Buildings and Buildings and Conservation Areas) Act 1990
(x)	To determine applications for conservation area consent	Section 16(1) of the Planning (Listed Buildings and Conservation Areas Act 1990 , as applied by section 74(3) of that Act
(y)	Duties relating to applications for listed building consent and conservation area consent	Sections 13(1) and 14(1) and (4) of the Planning (Listed Buildings and Buildings and Conservation Areas) Act 1990 and regulations 3 to 6 and 13 of the Town and Country Planning (Listed Buildings and Buildings in Conservation Areas) Regulations 1990 and paragraphs 8, 15 and 26 of Department of the Environment , Transport and the Regions Circular 01/01
(z)	To serve a building preservation notice, and related powers	Sections 3(1) and 4(1) of the Planning (Listed Buildings and Buildings and Conservation areas) Act 1990
(aa)	To issue enforcement notice in relation to demolition of listed building in conservation area	Section 38 of the Planning (Listed Buildings and Buildings and Conservation Areas) Act 1990
(bb)	To acquire a listed building in need of repair and to serve a repairs notice	Sections 47 and 48 of the Planning (Listed Buildings and Buildings and Conservation Areas) Act 1990
(cc)	To apply for an injunction in relation to a listed building	Section 44A of the Planning (Listed Buildings and Buildings and Conservation Areas) Act 1990
(dd)	To execute urgent works	Section 54 of Planning (Listed Buildings and Buildings and Conservation Areas) Act 1990

Commons Registration

(a)	To register common land or town or village greens, except where the power is exercisable solely for the purpose of giving effect to (i) an exchange of lands affected by an order under section 19(3) of, or paragraph 6(4) of Schedule 3 to, the Acquisition of Land Act 1981 (c 67) or	Regulation 6 of the Commons Registration (New Land) Regulations 1969 (SI 1969/1843)
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	(ii) an order section 147 of the Inclosure Act 1845 (c8 & 9 Vict c 118)	
(b)	To register variation of rights of common	Regulation 29 of the Commons Registration (General) Regulations 1966 (SI 1966/1471)
(c)	Functions relating to the registration of common land and town or village greens	<u>Part 1 of the Commons Act 2006 (c.26) and the Commons Registration (England) Regulations 2008 (S.I. 2008/1961)</u>
(d)	Power to apply for an enforcement order against unlawful works on common land	<u>Section 41 of the Commons Act 2006</u>
(e)	Power to protect unclaimed registered common land and unclaimed town or village greens against unlawful interference.	<u>Section 45(2)(a) of the Commons Act 2006.</u>
(f)	Power to institute proceedings for offences in respect of unclaimed registered common land and unclaimed town or village greens	<u>Section 45(2)(b) of the Commons Act 2006</u>

Hedgerows and Trees

(a)	The protection of important hedgerows	The Hedgerows Regulations 1997
(b)	The preservation of trees	Sections 197 to 214D of the Town and Country Planning Act 1990, and the Trees Regulations 1999

High Hedges

(a)	Complaints about high hedges	Part 8 of the Anti-Social Behaviour Act 2003
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SECTION 3

Exceptions:

The Chief Planning Officer is not authorised³ to discharge the following functions:

Town and Country Planning and Development Control

(a)	<p>the determination of applications following a written request⁴ to the Chief Planning Officer by a Ward Member</p> <ul style="list-style-type: none"> concerning an application within the Ward he/she represents, or concerning an application within a neighbouring Ward where that Ward Member considers that the development would have a significant effect on the ward he/she represents
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³ Under this delegation scheme (council functions). A Plans Panel may however arrange for the discharge of **any** of its functions by the Chief Planning Officer - (Section 101(2) Local Government Act 1972).

	that an application be referred to the relevant Plans Panel;
(b)	the determination of applications for development that would constitute a significant departure from the Development Plan, including a significant departure from any Local Development Framework currently in force;
(c)	the determination of applications for development that would be materially different from any supplementary planning guidance or planning brief approved by or on behalf of the Council;
(d)	the determination of applications for major development ⁵ which the Chair ⁶ considers are sensitive, controversial or would have significant impacts on local communities;
(e)	the approval of applications, where approval would reverse a previous decision taken by Plans Panel;
(f)	the approval of applications, where approval would conflict with an objection raised by a statutory technical consultee;
(g)	where the Chair ⁷ considers that the application should be referred to the relevant Plans Panel for determination because of the significance, impact or sensitivity of the proposal;
(h)	the determination of applications submitted in a personal capacity by or on behalf of Members, Directors or any other officer who carries out development management functions.

Commons Registration

(a)	Where objections have been received.
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⁵ "Major Development" for these purposes means:

- Residential development involving the erection of ten or more dwellings or, if the number of dwellings are not known, sites of 0.5 hectares or more.
- Other development proposals (apart from minerals and waste development) where the application would result in the erection of gross floorspace of not less than 1,000 msq, or sites of 1 hectare or more.
- Minerals and waste development where the application does require an Environmental Impact Assessment

⁶ In conjunction with the Chief Planning Officer

⁷ In conjunction with the Chief Planning Officer

⁴ This request must be made to the Chief Planning Officer and should normally be made within 21 days of the date of validation. The application can be legally determined after the 21 day statutory advertisement deadline if no such request has been received by that deadline. The request must set out the reason(s) for the referral based on material planning consideration(s) and must give rise to concerns affecting more than neighbouring properties (these being those which are notified by means of a letter as part of the Council's policy regarding publicity on householder planning applications).

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Report of Assistant Chief Executive (Customer Access and Performance)

Report to Corporate Governance & Audit Committee

Date: April 23rd 2012

Subject: Annual Statement on Community Engagement

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

- 1 Significant progress has been made by putting in place a new performance framework and quality assurance for evidencing consultation's role in informing decision reports. This helps this Annual Statement provide greater assurance on the council's ability to support residents' involvement in decision making and the development of services, compared to 2010/11.
- 2 Council's services and elected members have track-records of engaging with communities to inform decision making. This Annual Statement sets out good practice examples.
- 3 There are still challenges associated with community engagement in Leeds, including reduced financial resources changing the way we deliver engagement, the need to improve the co-ordination and efficiency of activity, and robustly give evidence of the impact community engagement has on the decisions we take.
- 4 National legislation on the use of consultation is changing. The emerging impact of the Localism Act, and new legal interpretations of the term 'consultation' are important to note.
- 5 A programme of improvement work is planned for 2012/13 which will create a new community engagement operating framework that gives better guidance, support and tools for officers.
- 6 The council's governance arrangements for managing community engagement meet the current relevant elements of the Code of Corporate Governance.
- 7 The Localism Act and resource pressures make it likely that the council will need to allocate more effort and resource to empowering communities to act for themselves in the future.

Recommendations

- 1 That the Corporate Governance and Audit Committee notes the sound assurances provided by this Annual Statement.

1 Purpose of this report

- 1.1 To give assurance to the Corporate Governance and Audit Committee on the council's ability to support residents' involvement in decision making and the development of services.
- 1.2 The report considers the effectiveness of governance controls currently in place for these arrangements as well as progress in 2011/12 and key improvements planned for 2012/13.

2 Background information

- 2.1 The council's community engagement policy understands the term 'community engagement' as an umbrella term for community-facing activities that can be divided into broad approaches:
- Inform – we tell people what we have decided is going to happen
 - Consult – we present options and ask for views, but we decide what to do
 - Involve – we invite communities to develop options with us and jointly decide what to do, but the community aren't necessarily involved in doing anything or taking responsibility or leadership on it
 - Collaborate – we work with communities in deciding what to do and everyone has a role to play delivering, we are sharing responsibility
 - Empower – we encourage and support communities to get on and do it for themselves
- 2.2 Based on records listed in the Talking Point database of consultation work, in 2011/2012 we are delivering a similar amount of consultation activity to 2010/2011.
- 2.3 Most community engagement activity is delivered by individual services. Some engagement tools are managed corporately, such as the Citizens' Panel, on behalf of the wider council and partnership.
- 2.4 Each directorate is represented on the Corporate Consultation Group. This group reports to the Strategic Planning and Policy Board, and is tasked with improving coordination of consultation activity through the online Talking Point database, developing training and guidance and consultation mechanisms such as the Citizens' Panel. The group links with the city partnership-wide Strategic Involvement Group.

Statutory and local requirements for community engagement

Existing requirements

- 2.5 There are a number of national legal requirements that drive delivery of community engagement. These are described below.
- Section 3(2) of the Local Government Act 1999 covers the "Duty to Consult".
 - The 2010 Equality Act requires us to 'encourage persons who share a relevant protected characteristic to participate in public...' and to engage with people

on 'the effect that its policies and practices have...on people who share a...protected characteristic'.

- The Planning and Compulsory Purchase Act 2004 requires us to produce a Statement of Community Involvement (SCI). This sets out how communities will be engaged in the preparation and revision of Local Development Framework and consideration of planning applications.
- The September 2011 Best Value Statutory guidance is very clear in its support for the Duty to Consult.

Requirements being repealed

2.6 Other related legislation is to be repealed, although the timescale is unclear:

- Section 138 of the Local Government and Public Involvement in Health Act 2007 (commonly known as the Duty to Involve)
- The requirement to produce (and therefore consult on) a Sustainable Community Strategy

Emerging requirements and our response

2.7 Detailed guidance on aspects of the Localism Act are still emerging at time of writing this report, but the council is addressing the challenge of putting systems in place so that residents and groups can engage in Neighbourhood Plans, asset transfer and nominating community assets, and the right to challenge to run services:

Assets of Community Value

Reports to Executive Board on 7th March 2012 covered the council's process for assessing and listing community nominations for private and public assets to become assets of community value. To assist nominations, asset management will produce a form and information pack for community groups to complete which will be available on our website or sent directly by request.

Community Right to Challenge

A working group has been set up to ensure we meet the legal requirements of the Act and have a process for when this part of the Act is commenced (expected May/June 2012).

Neighbourhood Planning

Four areas have been chosen to pilot neighbourhood planning in Leeds. It is envisaged that neighbourhood planning pilots will be used to trial different approaches to community engagement.

Common law meaning of 'consultation'

2.8 Recent High Court actions against local authority decisions have focused on the consultation process used to inform Equality Impact Assessments and therefore the decision made by the council in question. This has led to an emerging common law meaning of 'consultation' which can be summed up as:

‘Gathering the views of stakeholders with an interest in a decision, in time to impact on that decision, and while there are still genuine choices to be made on how to proceed.’

Local requirements

- 2.9 The council value ‘working with communities’ links to the improvement priority ‘we will consult with local people on changes that may affect their lives’.
 - Equality Impact Assessments require evidence of involvement of relevant communities.
- 2.10 The council is a signatory to the voluntary agreement with the third sector known as the Compact, which includes principles for the delivery of community engagement.
- 2.11 Area Committees have a delegated responsibility to engage local communities in developing area business plans.

3 Main issues

Governance and Performance Management Framework

- 3.1 Community Engagement is overseen by the council’s Corporate Consultation Group on which each directorate is represented. This reports to the Strategic Planning and Policy Board which is chaired by the Assistant Chief Executive (Customer Access and Performance). The Corporate Governance and Audit Committee considers an Annual Statement on Community Engagement which provides assurances that the statutory and local requirements set out in paragraph 2.5 are satisfied.
- 3.2 Significant progress has been made this year putting in place a performance and quality assurance framework for consultation. A new performance indicator, (VAL3) “Every year we will be able to evidence that consultation has taken place in 100 per cent of major decisions affecting the lives of communities” has been developed since Quarter 2 2011/12, with the first results available at Quarter 4. VAL3 is owned by the Assistant Chief Executive (Customer Access and Performance) but all Directors are responsible for ensuring that adequate consultation is clearly evidenced in decision-making reports.
- 3.3 It is important to note that this indicator means that every key, major and Executive Board decision is being assessed in terms of consultation evidence, for the first time.
- 3.4 Work has included developing the performance framework methodology, collaboration with Governance Services on updating the reporting template and guidance, training and briefing report-writers, and taking steps to ensure the new Indicator is not a ‘tick box’ exercise through meaningful quality assurance and feedback to report writers.
- 3.5 During the year there has been a positive direction of travel in terms of quality and completeness of evidence provided in reports, with all directorates showing an increase in compliant reporting.
- 3.6 A random 25% sample of the relevant decision reports is quality assured. This helps get a better understanding of the consultation process described by the

report, and has allowed detailed feedback to go to directorates on areas for improvement.

Good practice examples in 2011/12

- 3.7 Much community engagement work is delivered by Children's Services and Adult Social Care, and both show how engagement can become a fundamental part of developing policy and priority actions. One example of good practice is the Child Friendly City (CFC) programme, one of the council's top 25 priorities.

The first phase of the CFC programme was to find out what is like for a child or young person living in Leeds today, using what we already know, to avoid duplication of work. Over 90 professionals working with children, young people and families contributed over 40 different existing consultation reports as evidence. This enabled us to identify the most significant issues affecting the daily lives of children, young people and their families.

In summer 2011 a variety of creative approaches were used to consult over 2000 children, young people, parents and carers to identify 12 key priorities to make a positive difference to their lives, which are mapped against the 5 outcomes of the Children and Young Peoples Plan 2011-2015.

The next phase of the CFC programme will involve children, young people, parents and carers playing a more active role as CFC advisors, taking a lead on planning, delivery and review of CFC projects and the programme as a whole.

- 3.8 Another area of good progress in 2011/12 is the development of the new Citizens' Panel project, which is already producing clear benefits in terms of efficiency, coordination and partnership working. The Panel is only one tool out of a wide range available, and will not always be the appropriate way to consult people, but is already providing evidence to inform decisions at very low cost.

The first Panel consultation in winter 2011/12 for Libraries, Arts and Heritage asked for views on the cultural programme for the year ahead, and with over 70% of surveys returned, has been part of the evidence used when deciding grant awards in Spring 2012.

The Panel is also being used by partners, with NHS collaborating with the council to jointly design and deliver a new Health and Wellbeing Residents Survey in early summer 2012.

- 3.9 Managing and quality assuring consultation work across a directorate is a challenge that is being addressed in various ways, in order to make the best use of limited resources.

For example, City Development established a virtual consultation group, comprising a representative from each service, in August 2011. The purpose of this group is the dissemination of key messages into services; the group also acts as a sounding board when input is required to the council's Corporate Consultation Group.

The Directorate's management team and service level management teams are provided with quarterly information on community engagement in performance dashboards. This includes general information as well as performance data

relating to the VAL3 community engagement performance indicator and correct use of the Talking Point system.

Challenges and mitigation

3.10 The quality assurance of reports for the VAL3 indicator (see 3.1) has highlighted some areas for improvement in a minority of instances, which are being addressed through training and feedback (see below at 3.10):

- To improve the detail on the impact consultation had on the final decision
- To properly evidence what in reality was often excellent consultation
- To improve the use the Talking Point system to give feedback on outcomes

3.11 Although much progress has been made, a number of the challenges for community engagement identified in the 2011/12 Annual Statement remain relevant in 2012/13, including:

Spending reductions

As a result of reductions in funding it is likely we will increase the in-house delivery of engagement activity. This development has clear positives, the foremost being reduced spend on suppliers e.g. market research agencies. However, it does increase the likelihood that engagement is designed and delivered without expert involvement, which may risk the robustness of the work, and also risks challenges over impartiality. Much of the current and planned improvement work (see section 3.11) is designed to mitigate these risks by providing clear tools, guidance and support.

Risk of challenge to decisions

These issues are being addressed by directorates through the VAL 3 indicator quality assurance described above at 3.5, feedback to report writers and officer workshops on using consultation to inform decision reports. c125 officers with report-writing responsibilities will have attended this training by the end of March.

Improvement work for 2012/13

3.12 In April 2012 Strategic Planning and Policy Board (SPPB) will consider a Delivery Plan for a new operating framework for community engagement. This does not start from a 'blank sheet' but takes into account the best of our existing community engagement policy, guidance and toolkits, and good practice in and outside the council, to make it easier for the council to consistently deliver excellent community engagement.

3.13 This Delivery Plan sets out the improvement work needed to support and develop the council's contribution to community engagement in Leeds. It sets out the desired outcomes and context for the improvement activity, and how it will contribute to delivering the outcomes set out in the City Priority Plan 2011 to 2015 and the Vision for Leeds 2011 to 2030.

3.14 The Delivery Plan looks in detail at the specific actions, some of which are already underway, that will contribute to improvement and also identifies quick wins and priority improvement projects. Timescales, resources, risk and governance will be addressed.

3.15 Although still in development at the time of writing, the draft aim and objectives are as follows:

Overall aim:

- To improve the ability of people who live in Leeds' to engage with the council and in their own communities

Specific aims:

- officers are confident delivering high quality community engagement activity;
- communities to find, create and take part in community engagement activities easily; and
- more local people feel they have an influence on local decisions/feel empowered

Delivery objectives – to provide:

- appropriate tools, guidance and support for council officers;
- appropriate governance to ensure consistent delivery of meaningful consultation by the council;
- clarity about the council's contribution to empowering communities in Leeds;
- clarity about the role of locality teams in community engagement; and
- ways to evaluate the impact of the council's contribution to community engagement

Taken together, these create a new operating framework, replacing existing toolkits to guide and support community engagement activity in the council.

3.16 Area support teams also deliver programmes of local engagement for Area Committees, in particular to inform Area Business Plans. The Area Support Team have highlighted the following issues:

The role of Area Committees: With delegated responsibility for community engagement and the recent delegated responsibility for environmental services, Area Committees are at the centre of ensuring the public has its say in the delivery of local services. Area Leadership Teams support Area Committees to co-ordinate and deliver engagement activities.

Public involvement through Neighbourhood Improvement Programme: A city-wide programme of work aimed at integrating services in some of Leeds' most deprived neighbourhoods is in development. It aims to better target mainstream resources where they are needed most. Hyde Park, New Wortley, Beeston Hill, Holbeck, Gipton and Seacroft are just some areas where new ways of working are enabling residents to engage in decision making about services in their communities.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Community engagement underpins or is recognised as important to the development of council policies and priorities. While this paper in itself has no direct impact on policies and priorities, it describes improvement activities that will have impact. Each improvement activity will have its own, separate, reporting and progress will be tracked through quarterly performance monitoring.

4.1.2 Area Chairs, Directorate Management Teams and other relevant officers have taken part in initial consultation on the proposed new community engagement operating framework (see 3.11) throughout Winter 2011/12.

4.1.3 In 2010, the council and PCT jointly researched residents' views on what makes excellent consultation and communication, and that evidence informs the proposed new community engagement operating framework (see 3.11).

4.2 Equality and Diversity / Cohesion and Integration

4.2.4 Good engagement practices should naturally lead to good equality and diversity outcomes, as diversity must be taken into account in all engagement activities to reduce barriers for different communities. The current community engagement toolkit advises officers how to design engagement activities that are accessible to all relevant communities, stressing the importance of equality monitoring.

4.2.5 The Equality Assembly and Hubs assist the Council to meet the legal duty to pay 'due regard' to the need to eliminate discrimination and promote equality for communities with 'protected characteristics'.

4.3 Council policies and City Priorities

4.3.1 The issues described in this report impact on the council value 'working with communities' which links to the Business Plan improvement priority 'we will consult with local people on changes that may affect their lives'.

4.4 Resources and value for money

4.4.1 This report has no direct impact on resources or value for money. However, the improvement activities described here aim to increase the efficiency as well as the quality of community engagement work.

4.4.2 Greater evidence of community engagement's impact on decisions is becoming available from quality assurance of the indicator VAL3.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no direct legal implications from this report. However, some issues it describes, such as the emerging common law definition of the term 'consultation', or the impact of a possible elected mayor for Leeds, will have legal implications that should be addressed elsewhere.

4.5.2 The council will risk legal challenge if it fails to comply with national legal requirements to engage or consult on the decisions we make.

4.5.3 Improvement work outlined at 3.11 and current performance and quality assurance work (see 3.1) aims to reduce risk of legal challenge to decisions the council makes.

4.6 Risk Management

4.6.4 For risk assessments relating to community engagement arrangements in the council, please see the Corporate Risk Register for: Risk LCC 20: Community engagement, Risk Description: Leeds does not engage effectively with its diverse communities.

4.6.5 This is managed through established risk management processes and is reviewed quarterly

5 Conclusions

- 5.1 The Council has a track-record of engagement with communities to inform decision making and evidence suggests that the volume of activity is not falling despite significant financial restrictions. Shrinking resources make it increasingly important that we improve co-ordination and efficiency of delivery, and how we evidence the impact of community engagement on the decisions we take.
- 5.2 Planned improvement activity must aim to complement the core ongoing engagement role of elected members, continually representing and engaging with local people.
- 5.3 The 2011/12 Annual Statement is able to give assurance on the council's ability to support residents' involvement in decision making and the development of services than the 2010/11 statement.
- 5.4 This is mostly due to putting in place a new performance framework and quality assurance process for evidencing consultation's role in informing decision reports.
- 5.5 It is likely that future Annual Statements will be able to build on the current level of assurance on community engagement, due to the planned improvement work to create a new operating framework that gives better guidance, support and practical tools for officers designing a delivering community engagement.
- 5.6 The council's governance arrangements for managing community engagement meet the current relevant elements of the Code of Corporate Governance.
- 5.7 There are still a number of historic challenges and risks associated with community engagement in Leeds, including legal or other challenge to decisions, significantly reduced financial resources, and the emerging impact of parts of the Localism Act.
- 5.8 Changes to national legislation on the use of consultation should be noted, but may not have great impact on the way we work locally, as our own policies compensate.
- 5.9 The Localism Act and resource pressures make it likely that the council will need to allocate more effort and resource to empowering communities to act for themselves in the future.

6 Recommendations

- 6.1 That the Corporate Governance and Audit Committee notes the sound assurances provided by this Annual Statement.

1 Background Documents¹

- 1.1 Community Engagement Policy and Guide (Toolkit)
http://intranet.leeds.gov.uk/Interest_Areas/Corporate_communications/Community_Engagement.aspx

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

- 1.2 Leeds City Council Code of Corporate Governance:
[http://intranet.leeds.gov.uk/files/Intranet2008/2010/3/091217%20final%20amended%20code%20of%20cg\(2\).pdf](http://intranet.leeds.gov.uk/files/Intranet2008/2010/3/091217%20final%20amended%20code%20of%20cg(2).pdf)
- 1.3 Statement of Community Involvement
http://intranet.leeds.gov.uk/Interest_Areas/Corporate_communications/Community_Engagement/Statement_of_community_involvement.aspx

Report of the Director of Resources

Report to Corporate Governance and Audit Committee

Date: 23rd April 2012

Subject: Internal Audit Report March 2012

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
2. This report provides a summary of internal audit activity for the period November 2011 and March 2012 and highlights the incidence of any significant control failings or weaknesses.

Recommendations

3. The Corporate Governance and Audit Committee is asked to receive the Internal Audit March 2012 report and note the work undertaken by Internal Audit during the period covered by the report.

1 Purpose of this report

- 1.1 This purpose of this report is to provide a summary of internal audit activity for the period November 2011 – March 2012 and highlight the incidence of any significant control failings or weaknesses.

2 Background information

- 2.1 The Corporate Governance and Audit Committee ('the Committee') has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.

3 Main issues

- 3.1 The report details the work undertaken by the Internal Audit section. The report also contains a summary of completed reviews along with their individual audit opinions.
- 3.2 Internal Audit will continue to undertake a follow up audit on audit reports where the impact has been determined as either 'Major' or 'Moderate' to ensure the revised controls are operating well in practice.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This report did not highlight any consultation and engagement considerations.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

4.3 Council Policies and City Priorities

- 4.4 The terms of reference of the Corporate Governance and Audit Committee require the Committee to review the adequacy of the Council's corporate governance arrangements. This report forms part of the suite of assurances that provides this evidence to the Committee.

4.5 Resources and Value for Money

- 4.5.1 In relation to use of resources and value for money, the Internal Audit work plan includes a number of value for money reviews and a number of initiatives in line with the council's value of spending money wisely.

4.6 Legal Implications, Access to Information and Call In

- 4.7 None.

4.8 Risk Management

- 4.8.1 The Internal Audit plan is subject to constant review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process incorporates a review of information from a number of sources, one of these being the corporate risk register.

5 Conclusions

- 5.1 There are no issues identified by Internal Audit in the March 2012 Internal Audit Report that would necessitate direct intervention by the Corporate Governance & Audit Committee.

6 Recommendations

- 6.1 The Corporate Governance and Audit Committee is asked to receive the Internal Audit March 2012 report and note the work undertaken by Internal Audit during the period covered by the report.

7 Background documents

- 7.1 None.

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LEEDS CITY COUNCIL

INTERNAL AUDIT REPORT

March 2012

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Section 1

INTRODUCTION

1. The Reporting Process

- 1.1. On behalf of the Corporate Governance and Audit Committee and the Director of Resources, Internal Audit acts as an assurance function providing an independent and objective opinion to the organisation on the entire control environment by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 1.2. This bi-monthly report seeks to provide the Corporate Governance and Audit Committee with a summary of internal audit activity for the period and report the incidence of any significant control failings or weaknesses.

2. Background

The impact of the changing environment in which the council is operating - responding to challenges from the Government's spending review and facing significant cost pressures - is necessitating a thorough and ongoing re-evaluation of the level of coverage required to give stakeholders, including the Corporate Governance & Audit Committee, an appropriate level of assurance on the control environment of the council. Therefore, as in previous years, the internal audit operational plan is subject to constant review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk.

3. How Internal Control is Reviewed

- 3.1. There are three elements to each internal audit review. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables internal audit to give an assurance on the control environment.
- 3.2. However, controls are not always complied with which in itself will increase risk, so the second part of an audit is to ascertain the extent to which the controls are being complied with in practice. This element of the review enables internal audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.
- 3.3. Finally, where there are significant control environment weaknesses or where the controls are not being complied with and only limited assurance

can be given, internal audit undertakes further substantive testing to ascertain the impact of these control weaknesses.

3.4. To improve consistency in audit reporting, the following definitions of audit assurance are used for all systems and governance audits completed:

Control Environment Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	There are minimal control weaknesses that present very low risk to the control environment.
2	GOOD ASSURANCE	There are minor control weaknesses that present low risk to the control environment.
3	ACCEPTABLE ASSURANCE	There are some control weaknesses that present a medium risk to the control environment.
4	LIMITED ASSURANCE	There are significant control weaknesses that present a high risk to the control environment
5	NO ASSURANCE	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	The control environment has substantially operated as intended although some minor errors have been detected.
2	GOOD ASSURANCE	The control environment has largely operated as intended although some errors have been detected.
3	ACCEPTABLE ASSURANCE	The control environment has mainly operated as intended although errors have been detected.
4	LIMITED ASSURANCE	The control environment has not operated as intended. Significant errors have been detected.
5	NO ASSURANCE	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational impact will be reported as either Major, Moderate or Minor. All reports with major organisational impacts will be reported to CLT along with the appropriate directorate's agreed action plan.

Organisational Impact		
Level		Definitions
1	MAJOR	The weaknesses identified during the review have left the council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
2	MODERATE	The weaknesses identified during the review have left the council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
3	MINOR	The weaknesses identified during the review have left the council open to low risk. This could have a minor impact on the organisation as a whole.

3.5. The individual reports, and the opinions given within those reports, are detailed in the following table. Not all audit reviews will have an opinion in each of the boxes as this is dependant on the type of review undertaken. The following table includes reports issued between November 2011 and March 2012. Audit reports for 2011/12 which were issued up to October 2011 have been reported previously to the Corporate Governance and Audit Committee.

Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Bus Operators Grant Claim	N/A	N/A	N/A	Grant Review	09/01/2012
Building Hope Charity	N/A	N/A	N/A	Charity	13/12/2011
Quarterly Review of Payments over £500	N/A	Good	N/A	Adult Social Care	17/01/2012
Section 48 House Searches, Appointees and Deputies	Limited	N/A	Minor	Adult Social Care	29/02/2012
Lettings Enforcement	N/A	Acceptable	Minor	AVHL	12/01/2012
Fire safety	Limited	Limited	Major	AVHL	16/02/2012
BITMO Lettings	N/A	Limited	Minor	BITMO	13/12/2011
Fire safety	Good	Good	Minor	BITMO	16/02/2012
Maintenance Contracts	Good	N/A	N/A	BITMO	21/02/2012
Payroll	Substantial	Substantial	N/A	BITMO	12/03/2012
Budgetary Control	Substantial	Substantial	N/A	BITMO	15/03/2012
Bank Rec	Substantial	Substantial	N/A	BITMO	28/03/2012
Procurement	Good	N/A	Minor	BITMO	30/03/2012
Health & Safety	Acceptable	Acceptable	n/a	ENEH	15/11/2011
Lettings	N/A	Acceptable	Minor	ENEH	30/01/2012
Fire safety	Limited	Acceptable	N/A	ENEH	16/02/2012
VFM Efficiencies	Good	Good	Minor	ENEH	16/02/2012
Scheme of Delegation	Acceptable	Limited	Moderate	ENEH	28/03/2012
Fire safety	Acceptable	Acceptable	Minor	West North West	16/02/2012
Lettings Enforcement	N/A	Limited	Moderate	West North West	16/02/2012
Entertainment Licensing	Good	Good	Minor	Resources	24/01/2012
Wetherby St James	Good	Acceptable	Minor	Children's	21/11/2011
Quarterly Review of Payments over £500	N/A	Acceptable	N/A	Children's	17/01/2012
Delegated Decision	N/A	Limited	Moderate	Children's	01/02/2012
Schools Trading High Level Review	Limited	N/A	Moderate	Children's	09/01/2012
Whitecote Primary School SVF Audit	Good	Good	Minor	Schools	14/11/2011
Oakwood Primary School SVF Audit	Good	Good	Minor	Schools	08/12/2011
Waterloo Primary School Follow-up	Good	Acceptable	Minor	Schools	14/12/2011
Wetherby High School Follow Up Audit	Acceptable	Acceptable	Minor	Schools	07/02/2012
Holy Name Primary School SVF Audit	Good	Good	Minor	Schools	28/03/2012
Boston Spa School SVF Audit	Good	Good	Minor	Schools	28/03/2012

Internal Audit Report March 2012

Purchasing Cards	Acceptable	N/A	N/A	City Development	06/12/2011
City Museum	Good	Good	Minor	City Development	12/01/2012
Quarterly Review of Payments over £500	N/A	Good	N/A	City Development	17/01/2012
Delegate Decisions	N/A	Limited	Moderate	City Development	24/01/2012
Register of Interests	Acceptable	Acceptable	Moderate	City Development	16/02/2012
Housing Options	N/A	Limited	Moderate	Environment & Neighbourhoods	11/01/2012
Delegated Decisions	N/A	Good	Minor	Environment & Neighbourhoods	16/01/2012
Quarterly Review of Payments of £500	N/A	Good	N/A	Environment & Neighbourhoods	17/01/2012
Bus Lane Enforcement Fines	Good	Substantial	Minor	Environment & Neighbourhoods	15/02/2012
Housing Rents	Good	Good	Minor	Environment & Neighbourhoods	08/03/2012
THI Grant Funding Payments	N/A	N/A	N/A	Environment & Neighbourhoods	28/03/2012
Performance Indicators: BUS2A	Good	Good	Minor	Environment & Neighbourhoods	29/03/2012
Audit of Performance Indicators: LIVE1a	Limited	Acceptable	Minor	Environment & Neighbourhoods	29/03/2012
Audit of Performance Indicators: VAL4	Acceptable	Good	Minor	Environment & Neighbourhoods	29/03/2012
Audit of Performance Indicators: RES8	Good	Good	Minor	Environment & Neighbourhoods	29/03/2012
Customer Services - Supply and Demand	BPR	BPR	BPR	Customer Access & Performance	06/01/2012
Customer Services - Human Resources	BPR	BPR	BPR	Customer Access & Performance	10/11/2011
Dine Open Book Review	Acceptable	Acceptable	Minor	Resources	31/10/2011
Registrar's Service Readiness Report	BPR	BPR	BPR	Resources	29/11/2011
HR File Review	N/A	Good	Minor	Resources	24/11/2011
Contract - vehicle bodywork repairs	N/A	N/A	N/A	Resources	06/12/2011
Synergy System Review	acceptable	acceptable	Minor	Resources	20/12/2011
H&S Controls	Good	acceptable	Minor	Resources	03/01/2012
Procurement Unit	Limited	N/A	Moderate	Resources	10/01/2012
Delivering Procurement Savings	As Above			Resources	10/01/2012
Tender Evaluation Assessments	Good	Acceptable	Moderate	Resources	17/01/2012
Quarterly Review of Payments over £500	N/A	Good	N/A	Resources	17/01/2012
Delegated Decisions	N/A	Limited	Moderate	Resources	13/02/2012
Taxi & Private Hire Licensing Follow up	Limited	Good	Moderate	Resources	16/02/2012
Treasury Management	Substantial	Substantial	Minor	Resources	28/03/2012
Income Management System	Substantial	N/A	Minor	Resources	28/03/2012
Lord Mayor's Charity Audit	N/A	N/A	Minor	Resources	29/03/2012
Managing Attendance Police Compliance	Good	Good	Minor	Resources	30/03/2012
Treasury Management	Substantial	Substantial	Minor	Resources	30/03/2012

Internal Audit Report March 2012

- 3.6. As can be seen, there are a number of reviews that have resulted in limited assurance. However each review concluded with a number of recommendations that, if implemented, would allow appropriate levels of assurance to be given.
- 3.7. There is one major impact, but this is specific to Aire Valley Homes Limited as part of the Environments & Neighbourhoods Assurance Framework coverage.
- 3.8. Although significant to the control environment in place for the individual system areas that have been audited, these weaknesses are not material enough to have a significant impact on the overall opinion on the adequacy of the Council's control environment at the year end.

Section 2

SUMMARY OF AUDIT ACTIVITY AND KEY ISSUES

4.1 The following section highlights any key issues and outcomes arising from Internal Audit work, and gives a brief summary of the reports that carried a limited, or worse, opinion.

Section 48 House Searches, Appointees and Deputies (control environment limited)

- Insufficient recording of property/financial records removed from a house search.
- Banks are not asked for sufficient information on client accounts and are not advised to report back any concerns on the usage of client bank accounts.
- Insufficient segregation of duties and limited staff procedures in place.
- Poor security of client items and no inventory held of these items. .
- Limited management and independent checks undertaken.
- Errors/potential irregularities/omissions identified during audit sample testing.
- No accounts prepared or annual independent inspection for the Nat West bank account.

Children's Services– Delegated Decisions (compliance limited)

- No formal decision had been documented or registered with the Central Governance Team for 1/5 sample tested. (Spend had significant financial implications). This was a long standing arrangement with a public service provider and the Directorate has agreed to prepare a report and take the delegated decision for future years spend.

Children's Services Schools Trading High Level Review (control environment limited)

- No overarching policy or guidance to define the Council's strategic approach to trading with Schools and to provide a framework for delivery of individual services traded with Schools.
- No central monitoring is undertaken (aside from standard budget monitoring) to assess the recovery of costs on individual traded services and to assess value for money.

City Development– Delegated Decisions
(compliance limited)

- No formal decision had been documented or registered with the Central Governance Team for 2/5 sample tested. (Spend had significant financial implications). One example was a long standing arrangement with a public service provider and the other relates to the provision of professional services to the Council. The Directorate has agreed to prepare the reports and take the delegated decisions for future years spend.

Housing Options
(compliance limited)

- A number of application forms could not be located and issues were raised with the level and verification of identification checks performed. The Directorate has confirmed that no applicant has been inappropriately re-housed due to the ID not being initially requested and also that compliance with procedures will improve since the introduction of a new Housing Applications Procedures Manual in February 2012.

Audit of Performance Indicators Live1a – increase new homes built per year
(control environment limited)

Monitoring could be improved by formally establishing tolerance levels, clear accountability, an operational definition, and lack of a checking process to ensure the data quality of information. The recommendations have been broadly accepted by the Directorate and the control environment strengthened.

Procurement Unit
(control environment limited)

- The Council's Contract Procedure Rules provide a sound basis for the control environment however the absence of a formal monitoring framework and targeted training programme to ensure these are embedded are the primary reasons that the limited opinion was reached. Following the issue of the reports, the Directorate has taken very positive steps to improve procurement across the Council and internal audit is scheduled to review progress against the action plan in summer 2012 where the improvements should have been embedded and compliance confirmed.

Resources – Delegated Decisions
(compliance limited)

- No formal decision had been documented or registered with the Central Governance Team for 2/5 sample tested. (Spend had significant financial

implications). These both related to ICT contracts, and the Directorate has advised that one has since been relet and the other, relating to the supply of temporary staff, will be subject to a new procurement.

Taxi and Private Hire Licensing Follow Up Audit
(control environment limited)

- CRB disclosures are not being renewed every 3 years in line with the CRB Code of Practice requirements. (IA had previously recommended this in 2010/11 but all recommendations contained within that audit report were not implemented at the time of the follow-up review). Reassurances were received that these would be implemented in the first quarter of 2012/13.

BITMO Date of Registration Quota Lettings
(compliance limited)

- Weaknesses were identified in the evidence retained that support decisions when applicants have been bypassed. BITMO agreed to immediately reinforce the requirement to maintain records and update the physical and/or electronic records.

Fire Safety East North East Homes
(control environment limited)

- The limited opinion was given as there are a number of areas where weaknesses exist. These included the production, collation, reporting and security (password control) of fire safety information. Recommendations were also made concerning the monitoring and validation of fire safety progress. ENEHL have agreed the recommendations in the report and the resulting improvements will be monitored as part of the Strategic Landlord Assurance Framework but also advised that much of the responsibility will be transferred to the Almo Business Centre Leeds (ABCL).

Fire Safety Aire Valley Homes
(impact major, environment and compliance limited)

- Similar issues as above were found in this audit but the impact was judged as major as there were more examples of non compliance. The reports have only recently been produced and internal audit is liaising with the strategic landlord to ensure that the recommendations are fully considered and responsibilities assigned as the ABCL comes into 'being'.

**West North West Homes Leeds – Date of Registration Quota Lettings
(compliance limited)**

- Date of registration could not be supported to the application form in a high number of instances. However, this needs more context. Many of the sample related to historic data where it has already been acknowledged weaknesses in compliance existed in 2010. Although there remain current examples of non compliance, since improvements were introduced in 2010 the instances of this have reduced and this key control continues to be monitored by the Strategic Landlord Assurance Framework.

**East North East Homes Leeds - Scheme of Delegation
(compliance limited)**

- Inconsistencies in the levels of authorisation detailed within the Scheme of Delegation and those used in practice in some areas. In addition, the Scheme of Delegation has not yet been communicated to relevant staff. ENEH has agreed recommendations in the report.

Nursery Education Grants

At the last Corporate Governance & Audit Committee meeting, additional information was requested about Nursery Education Grants. Since that time a follow up audit has been completed and confirmed that the overpayments that the Council had made to nursery education settings, identified by internal audit, have either been recovered or are in the process of being recovered. However, the issue of overcharging of parents by the settings has yet to be taken forward by the Directorate.

Data Analytics Project

The proactive review of Council Tax Single Person Discounts (SPD) continues with approximately 900 being cancelled to date (of which approximately 200 have applied for other discounts, the majority of which are of the same value). The net effect is an estimated increased billing of approximately £150k based on a full year's cancellation. If the remainder of the SPD claims still to be reviewed yield the same results the full year's value will increase to £650k. The review of tenancy fraud has commenced, with initial high risk cases passed out to ALMOs for review. Work on the Creditors, Voluntary Organisations and NNDR elements of the project are programmed in 2012/2013 financial year.

4.2 Counter Fraud and Corruption

4.2.1 Referrals

35 new referrals have been received by the Internal Audit Fraud and Corruption team from 12th November 2011 to 31st March 2012. 27 of these were received under the Council's Whistle-blowing and Raising Concerns Policies, 5 were received from directorates and 3 from external sources.

45 cases have been investigated and closed in the same period.

There are 26 ongoing investigations.

- 17 cases are currently being investigated by the Fraud team;
- 8 have been referred to a Directorate or HR for investigation and the Fraud team is awaiting their responses;
- 1 has been referred to the Economic Crime Unit and Trading Standards for advice.

4.2.2 Issues

Potential to recover losses from fraudulently cashed cheques

A press article indicated that cheque cashing bureaus may be responsible for losses for fraudulently cashed cheques that they have accepted. An incident of this type was reported to Internal Audit recently – Revenues are now seeking legal advice on recovery for this and future cases. Previously the Council stood the loss where the fraudster could not be identified and prosecuted.

4.2.3 Proactive Work

Further work has been undertaken to:

- embed a zero tolerance culture to fraud and corruption;
- ensure appropriate action is taken promptly and professionally whenever it is identified,
- educate staff and key stakeholders on what fraud is, how to identify and report it, what we are doing to prevent it as an organisation and the role of Internal Audit in this; and
- demonstrate that Leeds is at the forefront of the latest developments on countering fraud and corruption.

This has included fraud and corruption awareness training for the Sheltered Housing Team at Aire Valley Homes, a whistleblowing presentation to HR

services and a session on 'Protecting the Public Purse 2012' and the Bribery Act 2010 to the CIPFA Yorkshire regional group.

Promotion of creditor payment fraud prevention measures

The BSC Central Payments Service issued a special bulletin to staff on 'Reducing the risk of fraud' in January 2012 in response to the growing threat of such frauds as highlighted in 'Protecting the Public Purse 2012'.

4.2.4 Reports Issued

A list of investigation reports issued to directorates and services from 21st November 2011 to 31st March 2012 is shown in the table below:

Report Title	Date Issued
Grievance Procedure	13/01/12
Irregular Invoices	01/02/12
Section 48	06/02/12
Independent Living Fund	05/03/12
Homecare Charges	05/03/12
Fraudulent Request to Amend Bank Details	05/03/12
Fraudulently cashed cheque	19/03/12

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Report of the Director of Resources

Report to Corporate Governance and Audit Committee

Date: 23 April 2012

Subject: Update on Changes to Accounting Practice impacting on the 2011/12 Accounts.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

For 2011/12 there are only two major changes to accounting practice and legislation which impact on the Council's accounts. These are the amendments to the Housing Revenue Account (HRA) subsidy scheme and a new requirement to account for heritage assets. These changes primarily impact on the balance sheet resulting in a reduction in Housing debt of £112m and the recognition of approximately £43m of heritage assets.

Recommendations

Members of the Corporate Governance and Audit committee are asked to note the impact of the new accounting and legislative requirements on the Council's 2011/12 accounts.

1 To Purpose of this report

1.1 This report outlines the major changes to legislation and accounting practice which will impact on the 2011/12 accounts.

2 Background information

2.1 The Accounts and Audit (England) Regulations 2011 require Local Government accounts to be compiled based on the Statement of Recommended Practice for Local Government (The Code). The Code incorporates applicable changes made to both International Financial Reporting Standards and legislation.

3.0 Main issues

3.1 For 2011/12 there have been two significant changes which will impact on the Council's accounts:

- Amendments to legislation in respect of the Housing Subsidy Scheme;
- Accounting for heritage assets.

Neither of these requirements will impact on the Council's bottom line.

3.2 Amendments to the Housing Subsidy Scheme

3.2.1 As part of the Localism Act 2011 the government is ending the current housing subsidy regime and replacing it with a system where Housing Revenue Accounts (HRAs) must meet their costs (other than for existing PFI schemes) from their own income. To ensure that HRAs can be a viable going concern, the government has determined a sustainable level of debt for each housing authority based on its expected future income and spending needs. This has resulted in a situation where some authorities are deemed to have too much of the overall national housing debt, and others not enough. The government has therefore determined a settlement which is neutral to itself, by which some authorities will have some of their external debt repaid by the government, and others will be required to make capital payments to the government. Under this settlement, Leeds will have £112m of its loans repaid by the government. Any costs which arise on early redemption of these loans will also be met by the government. The government has also determined that the HRA self financing settlement transactions would take place on 28th March.

3.2.2 As the borrowing to be repaid is in respect of Government loans, no actual cash has changed hands. However the Council's accounts are required to recognise the following transactions:

- A £142m capital grant will be recognised as income within the HRA Income and Expenditure account along with a £30m of costs (premiums) arising on the repaid loans. Overall the HRA will therefore show a decrease in net expenditure of £112m, representing the total grant income less the premiums expenditure.
- The impact of this additional net £112m in the revenue account is reversed under statute via the Statement of Movement on the HRA Reserve and used to write down the Council's debt. There will therefore be no bottom line impact on the HRA's reserves.
- The HRA is consolidated into the Council's Comprehensive Income and Expenditure Account (I&E A/c). Consequently the Council's overall I&E A/c will also recognise the £112m decrease in net expenditure and the subsequent reversal under statute.
- Long term borrowing will be reduced by £112m with a corresponding entry in the Capital Adjustment Account.

3.2.3 In future years the Council will no longer be able to claim subsidy and be required to fund all its expenditure, including managing any remaining debt, from its own income.

3.3 Accounting for Heritage Assets

- 3.3.1 The Code defines heritage assets as those assets with historical, artistic, cultural, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, and are intended to be preserved for future generations. Examples would include historic buildings, art exhibits and Sites of Special Scientific Interest. Previously such assets were recognised on the balance sheet at depreciated historic cost or at nil value. The new Code requires heritage assets to be valued and recognised on a separate line in the council's balance sheet.
- 3.3.2 In order to identify the Council's heritage assets all directorates were contacted and identified the following groups of assets:
- Historic buildings with no operational use
 - Art works and museum exhibits
 - Civic regalia
 - Scheduled ancient monuments, archaeological sites and a battlefield site
 - War memorials
 - Public statues
 - The Leodis photographic archive
 - Sites of Special Scientific Interest
- 3.3.3 Once identified the assets, where practical, should be held at current value (i.e. market value). However as expert valuations for some of these types of assets can be very expensive to obtain, the rules on valuation methods are less strict than for other types of fixed assets. Consequently, if a full valuation is not available then an insurance valuation can be used. If no valuation can be obtainable at a reasonable cost, heritage assets can be held at historic cost. If neither current valuation nor historic cost is available then heritage assets do not have to be recognised on the balance sheet.
- 3.3.4 It is proposed that only those heritage assets with a significant value will be recognised on the balance sheet. Initial indications are that this will be just five buildings and the most valuable art works. For the remaining art works and museum exhibits and for the civic regalia we have current insurance valuations for the collections as a whole but not for individual items. These global insurance valuations will be given in the disclosure notes but the assets will not be recognised in the balance sheet. The remaining heritage assets are considered either to have minimal financial value or to be impractical to value.
- 3.3.5 The five buildings which will now be classed as heritage assets have been judged by the council's surveyors to be too unique in nature for a current valuation to be practicable, and they will all therefore be held at historic cost. The five buildings are: Lotherton Hall, Armley Mills, Thwaite Mills, Kirkstall Abbey and Temple Newsam House. An initial assessment of the historic cost required to be recognised on these assets is only around £1m.
- 3.3.6 The council will also be recognising £40m of art exhibits. These are the items within the council's collection which are valuable enough to have individual insurance valuations. Art exhibits were previously classed as community assets,

which are held at historic cost. As all of these items were acquired many years ago, in some cases by donation, the historic cost recorded for them was nil. In addition, one further high value item (a silver wine cooler) was purchased during 2011/12 for £2m and will also be recognised on the Council's Balance Sheet.

- 3.3.7 In addition to the above heritage assets, the council owns a number of operational heritage assets including listed buildings, bridges and the rights to the 'U1' vehicle registration. Operational heritage assets are those assets which have heritage characteristics but which are also used for operational purposes. For example the Civic Hall is not classed as a heritage asset even though it is an historically important building, because it is used for operational purposes as the council's headquarters building. **Appendix 1** provides details of major operational heritage buildings. These assets will continue to be recognised as operational assets on the Balance Sheet.
- 3.3.8 We are also required to include new disclosure notes in the accounts about our heritage assets, whether or not these have been valued and included on the balance sheet. The new disclosures include non-financial information such as an explanation of the nature and scale of our collections, and our policies on acquisitions, preservation and allowing public access. A draft version of the non-financial information in the heritage assets disclosure note is attached as **Appendix 2**.
- 3.4 All significant amendments to accounting practice and / or legislation impact on the Council's Accounts are discussed and agreed with KPMG prior to implementation. KPMG provide assurance to members of this Committee that the accounts comply with proper practice as part of their audit opinion.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This report has no direct issues requiring consultation or engagement.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This report has no direct equality and diversity / cohesion issues.

4.3 Council policies and City Priorities

- 4.3.1 The terms of reference of the Corporate Governance & Audit Committee require the Committee to consider the adequacy of the Council's policies and practices to ensure compliance with statutory and other guidance.

4.4 Resources and value for money

- 4.4.1 There are no direct resource or value for money issues raised by this report.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Accounts and Audit (England) Regulations 2011 require Local Government accounts to be compiled based on the Statement of Recommended Practice for Local Government (The Code). The Code incorporates applicable changes made to both International Financial Reporting Standards and legislation. The report does not require a key or major decision and is therefore not subject to call-in.

4.6 Risk Management

- 4.6.1 The Council's external auditors provide a risk assessment on the Council's financial resilience and the accounts process as part of their interim audit. As part of the interim report, officers are able to outline the processes put in place to mitigate any risks identified.

5 Conclusions

- 5.1 In respect of the amendments to the HRA subsidy scheme the main change for 2011/12 is the requirement to recognise the transactions used to write down the debt and the resulting reduction of HRA debt of £112m. There is no overall impact of these transactions on the Council's bottom line. The future self financing arrangements for the HRA will have a significant impact on the HRA's funding arrangements and financial plan and have been the subject of a separate report to the Executive Board (HRA Self Financing and Business Plan 10th February 2012).
- 5.2 Whilst the Council owns a large number of heritage assets only those deemed to have a significant value will be disclosed on the balance sheet. The Council also has a number of heritage assets which it uses in the provision of services. These assets will continue to be disclosed as operational assets. The requirement to account for heritage assets will increase the value of the Council's balance sheet by some £43m but these assets are not subject to depreciation and as such will have no impact on the Council's bottom line.
- 5.3 External Audit provide independent assurance that, in their opinion, the accounts reflect proper accounting practice. This opinion is due to be reported to this Committee in September but members will also receive their initial views as to our compliance with these new accounting requirements as part of their interim report in May.

6 Recommendations

- 6.1 Members of the Corporate Governance and Audit committee are asked:
- To note the impact of the new accounting and legislative requirements on the Council's 2011/12 accounts.

7 Background documents¹

- 7.1 The Code of Practice on Local Authority Accounting in the UK 2011.
- 7.2 The Localism Act 2011.
- 7.3 HRA Self Financing and Business Plan report - Executive Board 10th Feb 2012.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

Listed operational heritage assets

Grade 1

- § Leeds Town Hall
- § Kirkgate Market
- § The Corn Exchange
- § Otley Bridge (scheduled as an ancient monument)
- § Wetherby Bridge (schedules as an ancient monument)

Grade 2*

- § Civic Hall
- § Temple Newsam Stables
- § Leeds Grand Theatre
- § Pudsey Cemetery

DRAFT – Extract from heritage assets disclosure note

Historic Buildings

The council owns four historic buildings which are classified as heritage assets. These are Kirkstall Abbey, Temple Newsam House, Lotherton Hall, and Armley Mills. The council also leases Thwaite Mills from the British Waterways Board, which is recognised as the council's heritage asset.

All of these five buildings are open to the public. Details of opening times and admission charges are available from the council's website.

Civic Regalia

The Council owns a number of items of civic regalia, including items such as the mayoral chains, civic plate and gifts presented to the council. The council has an overall insurance valuation of £1.1m for its collection of civic regalia, but no valuations for individual items. The council has determined that the cost of valuing individual items would not be justifiable, and thus does not recognise these items as assets on its balance sheet. There is no regular public access to view items of civic regalia, but access for groups can be arranged on request.

Museum Exhibits and Works of Art

The Council owns approximately 1.3 million separate works of art and exhibits. It is not practicable to individually value each item. The Council individually values any asset which is considered to be of significantly high value. This includes any asset where the value is likely to have a value in excess of £1m. Currently the total value of individually valued assets is £42.5m. These valuations are undertaken by comparison with UK auction sales and individual insurance valuations undertaken where the exhibit/work of art has been lent out to other institutions.

These individual valuations are included within a general insurance valuation of £100.8m. The remaining £58.3m represents the collective value of the rest of the council's collection. The vast majority of this has not been individually valued and hence cannot be disclosed on the balance sheet, although £5.1m of recent acquisitions where cost information is available are included on the balance sheet.

The Council also manages, and owns a substantial portion of, the Leodis photographic archive of Leeds, which is a collection of approximately 58,000 images of Leeds.

The council has an acquisition and disposal policy which is approved annually. This policy is accessible from the Museums and Galleries homepage. Information is also available at this location on the preservation and management of existing exhibits and works of art.

Monuments and Archaeological Sites

There are a number of monuments and archaeological sites within the authority. There is no feasible way to value these assets and therefore they are not included on the balance sheet. Public access to these sites varies depending on their location.

War memorials

The Council owns a number of war memorials, it is anticipated that these will be held in perpetuity and for this reason they have little or no realisable value and hence are not included on the balance sheet.

Further information of the location of these war memorials is available on the Leeds City Council website.

http://www.leeds.gov.uk/Leisure_and_culture/Local_history_and_heritage/Memorial_maintenance.aspx

Public statues

The council owns two public statues which are of sufficient importance to be grade II* listed. These are the statue of the Black Prince in City Square and the memorial to Queen Victoria on Woodhouse Moor.

Battlefields

Adwalton Moor lies partially within the boundaries of Leeds City Council on land owned by the council. In 1643 this was the site of an important battle in the English Civil War. This battlefield is included in English Heritage's list of prominent battlefields. General public access is not possible as the site is used as farmland.

Births Marriages and Deaths

The Council provides access to a comprehensive collection of legal records. These are accessible from the Leeds City Council website. Given the nature of these records there is little scope for valuation and so these are not included on the balance sheet.

Further details of the records available can be found at

<http://www.leeds.gov.uk/page.aspx?pageidentifier=4CF7733EA3B3F6EC80256E150052D0C1>

Sites of Special Scientific Interest

There are a number of sites of special scientific interest within the Council boundary. Information relating to their location and public access arrangements is available from the parks and wildlife section of the Leeds City Council website.

<http://www.leeds.gov.uk/Page.aspx?pageIdentifier=3507A53B666278C280256E0D004C146E>

Report of Chief Officer (Audit & Risk)

Report to Corporate Governance & Audit Committee

Date: 23 April 2012

Subject: Financial Procedure Rules / Financial Regulations

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. A root and branch review of the council's Financial Procedure Rules (FPRs) is being carried out to modernise the rules and make them fit for purpose. This will be achieved by providing concise and clearer guidance to colleagues, concentrating on the key rules, thus enabling them to comply with their responsibilities for managing the Council's financial affairs and enhance the control of the Council's financial arrangements .
2. The document will set out a core set of rules for managing the council's financial affairs and will be supported by specific procedures and guidelines relevant to each rule.
3. Each rule will be owned by a nominated Chief Officer, who will be responsible for keeping the FPR and underpinning procedures and guidelines up to date.
4. Nominated contacts will be identified for providing day to day guidance on each FPR.

Recommendations

5. Members are asked to note and comment on the content of the report.

1 Purpose of this report

- 1.1 To inform Members of the rationale behind the current update of FPRs.
- 1.2 To inform Members of the format of the proposed document by way of example (Appendix A).

2 Background information

- 2.1 FPRs apply to Members and all colleagues involved in financial transactions on behalf of the Council.
- 2.2 FPRs are a significant part of the Council's control environment and this review will improve and enhance that environment.
- 2.3 FPRs provide the framework for managing the Council's financial affairs. They are supported by more detailed guidance and procedures which set out how FPRs will be implemented. They were last revised in 2010.
- 2.4 The approval of FPRs is delegated to the Director of Resources under the Constitution as part of his personal Section 151¹ responsibilities to make arrangements for the proper administration of financial affairs.
- 2.5 In order to continually meet the Council's "Spending Money Wisely" value, it is vital that we maintain good, sound financial management which helps to ensure that the Council is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.6 Adherence to modern FPRs will help us to control spending, ensure due probity of transactions and allow decisions to be informed by accurate accounting information. They also protect colleagues in that if they are complying with the regulations they cannot be subject to criticism

3 Main issues

- 3.1 FPRs will be renamed Financial Regulations (FR). The existing FPRs have been criticised for being exhaustive and confusing which has led, on occasions, to them not being followed. The intention of this review is to modernise the rules and make them fit for purpose. Examples of current FPRs which cause confusion and/or are hard to adhere to:-

7.5 (g) Where a debtor fails to pay for goods or service invoiced, and unless express permission is given by the Director of Resources, no further goods or services shall be provided by the authority until the original debt is settled in full.

e.g. how would a sports centre receptionist know that a customer had not paid an invoice for goods or services provided elsewhere in the Council?

7.8 (a) The post collection box on the premises should, wherever possible, be connected to a locked receptacle, which should only be emptied in the presence of two persons. A notice should be

¹ Local Government Act 1972

placed on or near to the collection box stating that no cash should be placed in the box. Where a self-locking mail bag is utilised for collecting mail from the Post Office, this should similarly be opened by two persons.

- (b) The opening of the post should be in the presence of at least two persons.

Not practical under most circumstances where the majority of mail is correspondence and money is rarely received.

3.2 FRs will set out the key rules for managing the Council's financial affairs and are underpinned by detailed procedures and guidelines. As the procedures and guidelines will be separate but integral to the FRs, it will make the FRs more streamlined and easier to update, and each procedure / guideline can be updated independently.

3.3 Each FR will provide concise and clearer guidance to colleagues, concentrating on the key rules, thus enabling them to comply with their responsibilities for managing the Council's financial affairs.

3.4 Each FR will have the following information:-

- Objectives – what the FR is aiming to achieve.
- Key Risks – what could happen if the rule is not followed.
- Key Rules – what must, or must not, be done.
- Owner – the Chief Officer with responsibility for ensuring that the FR and associated procedures and guidelines are relevant and up to date.
- Contacts – nominated colleagues for answering day to day queries.
- Key Procedures / guidelines – detailed procedures and guidelines that underpin the FR.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Directorate and corporate Finance Managers, FR owners and nominated contacts have been consulted. Once approved, the FRs will be publicised via the intranet.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Not applicable.

4.3 Council policies and City Priorities

4.3.1 FPRs are part of the constitution and therefore impact on adherence to Council policies and meeting the City Priorities.

4.4 Resources and value for money

4.4.1 This is the essence of the FRs and, to stress its importance, there is a specific FR on spending money wisely.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Council's responsible financial officer is required by statute to make arrangements for the proper administration of financial affairs. Financial Regulations are an integral part of such proper arrangements and regular reviews will help ensure that the regulations are fit for purpose.

4.6 Risk Management

4.6.1 Risk management is not directly applicable to this report.

5 Conclusions

5.1 The revised FRs are more concise and provide clearer guidance to colleagues. They concentrate on the key rules for managing the Council's financial affairs and there will be a nominated owner for each FR.

5.2 By removing some of the detail from the FRs and including it in linked procedures and guidelines the FRs should remain more clear, thus improving the control environment.

5.3 With the identification of an owner and contact(s) for each FR any queries should be easier to resolve and the owner will be responsible for ensuring that associated policies and procedures are kept up to date.

6 Recommendations

6.1 Members are asked to note and comment on the content of the report.

7 Background documents²

7.1 Current Financial Procedure Rules.

² The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.



Report author: P Garnett

Tel: 51632

Report of The Director of Resources

Report to Corporate Governance and Audit Committee

Date: 23rd April 2012

Subject: Corporate Governance and Audit Committee Annual Report

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The Corporate Governance and Audit Committee Annual report (attached at Appendix 1) has been produced to provide an overview to Members of the work the Committee has completed over the municipal year 2011/12.

Recommendations

2. The Corporate Governance and Audit Committee is recommended to note the contents of the report.

1 Purpose of this report

- 1.1 The Corporate Governance and Audit Committee Annual Report provides and overview of the work completed by the Committee over the 2011/12 municipal year.

2 Background information

- 2.1 The Committee's Annual report was an annual feature on the Committee's work programme up until 2010. The report has been written this year as it was felt that some impressive work has been completed by the Committee which should be given due consideration by Members.

3 Main issues

- 3.1 Members are requested to Consider the report in light of the work completed by the Committee during the municipal year 2011/12.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 No consultation or engagement has been undertaken in preparing this report. However by publicising the work of the Committee it is hope that Members and the public will become more aware of the work of the Committee.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no direct implications for equality and diversity or cohesion and integration.

4.3 Council policies and City Priorities

- 4.3.1 The work the Committee completes is linked to the Council Business Plan through the Annual Governance Statement. By producing an annual report it emphasises the link between the work of the Committee and the Council Business Plan.

4.4 Resources and value for money

- 4.4.1 The production of this report has not resulted in any resources being used. The report does however highlight the work the Committee has done in promoting value for money.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal implications.

4.6 Risk Management

- 4.6.1 There are no implications for risk management in this report.

5 Conclusions

- 5.1 The Annual Report demonstrates the important work that the Committee has completed this year. With the support of Members and officers the Committee has been involved in ensuring that good governance arrangements are a feature of the work of the Council.

6 Recommendations

- 6.1 The Corporate Governance and Audit Committee is recommended to note the contents of the report attached at Appendix 1.

7 Background documents¹

- 7.1 None Used

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

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Corporate Governance and Audit Committee

Annual Report 2011 – 2012



CORPORATE GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2011/12

Foreword from the Chair

Working on behalf of the citizens of Leeds it is the task of the Corporate Governance and Audit Committee to ensure that the rules by which the Council operates and the ways in which it uses its resources are both clear and transparent. It must also try to ensure as far as possible that those rules are properly complied with and money is spent wisely.

During the past year the Committee has covered many aspects of these responsibilities in a year of financial stringency it has rightly focused upon the Council's systems of financial management, its external and internal audit arrangements, procurement procedures, risk management and the regulations governing the Council's many partnerships with external organisations both private and public.

In Committee every effort has been made to question and where necessary confront in order to improve the quality of governance and management. I want to thank Members for their willingness and effectiveness of their questioning and congratulate officers for the professional way in which they have responded. But of course the task must go on.

In stepping down, I can only say that I am indeed proud to have been the Chair of the Committee and wish it well for the future, confident that its work is already setting standards which other authorities are increasingly keen to follow.

A handwritten signature in black ink, appearing to read 'R. Skyring', with a large, stylized initial 'R'.

Background

Corporate Governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their functions with integrity and in a way that is accountable, transparent, effective and inclusive. The role of the Corporate Governance and Audit Committee is to assess and challenge a range of assurances provided within the Council and those provided externally both by the appointed external auditor and by various inspectorates.

The Council's Code of Corporate Governance provides more information regarding corporate governance at Leeds.

The Annual Report

The committee has raised the profile of internal control, risk management and financial reporting issues. In doing so enhancing public trust and confidence in the governance of the Council, to demonstrate the impact of its key elements work over the last year and to raise awareness of corporate governance across the Council.

Throughout 2011/12 the work of the Committee has met its terms of reference which are broadly –

- To consider the Council's arrangements relating to the accounts;
- To consider the Council's arrangements relating to external audit requirements;
- To review the adequacy of policies and practices to ensure compliance with statutory and other guidance;
- To review the adequacy of the Council's Corporate Governance Arrangements; and

- To consider the arrangements relating to Internal Audit requirements to make recommendations to external agencies about any matter relating to general principles of conduct and the code of conduct or protocols approved from time to time by or on behalf of the Council.

The Committee has received a broad range of reports relating back to these terms of reference as is illustrated below. This also includes some key assurance reports such as the governance arrangements of the Leeds City Region; Annual Monitoring of Key and Major Decisions and Business Continuity Programme update. The Committee has also been consulted on key Council policies such as the policy surrounding the Bribery Act; risk Based Verification Policy for assessment of benefit claims and Risk Management reporting policy where the approach to this is being aligned to performance management work.

The Work of the Committee 2011-12

The following section provides a summary of the work that the Committee has undertaken over the last year, including the impact that work has had on the effectiveness of the Council's overall corporate governance arrangements.

The Future of Local Public Audit

Throughout the municipal year the Committee has been proactive addressing the challenges presented by the proposed disbanding of the Audit Commission by the Coalition Government.

The Committee remain concerned at possible consequences if the proposals yet have been kept through the Chair and the Core Cities group to influence Government thinking to the mutual benefit of all sections of Local Government.

IMPACT -

- Significant and powerful lobbying to the Government helping to influence thinking.

External Audit

External audit is an essential part of the process of ensuring public money is spent accountably. The Council's external auditors are KPMG. Their work is guided by an annual audit plan which details the work the external auditors aim to complete over the coming year; the plan for 2012/13 was agreed by the Committee on 27th February 2012. The plan is developed having assessed areas of risk to the Council that have been identified in the corporate risk register and following input from Members and senior officers. During 2011/12 the auditors completed a number of audits which were received by the Committee and published on the Council's website. Most notable was the Committee's approval of the Council's accounts on 30th September 2012.

IMPACT -

- The Committee has provided challenge to the external audit fee charged to the authority;
- The Committee has sought to provide assurance on.

Internal Audit

Internal audit is an independent function established by the Council to objectively examine, evaluate and report on the adequacy of the corporate governance arrangements. Reports issued by internal audit provide a key source of assurance to the Committee that the governance arrangements in place are functioning correctly. The Committee is also responsible for monitoring the performance of internal audit and receives a bi-monthly report from Internal Audit.

In June 2011 the Committee received the annual internal audit report looking back at work completed and issues identified in the previous municipal year. The Committee were informed that the internal control environment, including key financial systems' is well established and continues to operate well in practice. No significant issues have arisen from work undertaken by Internal Audit during the year.

Financial Management

The Committee received a report which outlined the key systems and procedures which are in place to ensure that the Council delivers sound financial planning and management whilst ensuring the maintenance of adequate reserves. Members gave much consideration to the financial challenges of the authority and sought assurances on how budgets will be balanced in the future. The Committee has asked that an annual report on the resilience of the key systems and procedures relating to financial management be presented to the Committee.

The Committee have also been provided with accountancy best practice and developments in accountancy. This has enabled Members to approve the accounts with greater understanding on the detail contained within them.

Further to this In June 2011 Members considered a report on Risk Management and Budget Process. This report provided an assessment on the robustness of the 2011/12 budget risk assessments included in the Director of Resources' report , 'Revenue Budget and Council Tax 2011/12' presented to Executive Board on 11th February 2011. Through this the committee has highlighted the need for revenue protection in the current economic climate.

IMPACT –

- Check and challenge to the financial management and reporting arrangements in place.

Procurement

The Committee have recognised the significant potential of the Council's procurement activities to ensure the Council spends money wisely whilst also supporting the growth of the local economy.

The municipal year 2011/12 saw significant changes to the Council's Central Procurement service it becoming part of the Public Private Partnership Unit. In February 2012 The Committee were informed of the of progress made with respect to the Transforming Procurement Programme. The systematic approach being taken to ensure that procurement practice across the Council can achieve the highest possible standards.

The Committee also received a report in February 2012 entitled Procurement Policies and Procedure. The report informed the Committee of the procurement policies and procedures that are in place at the Council and whether these are fit for purpose. The Committee challenged officer on compliance with Contracts Procedure rules and emphasised the importance of them being embedded and complied with by all officers involved in procurement. Regular updates on the monitoring an compliance with Contract Procedure Rules was requested by the Committee.

IMPACT –

- Heightened awareness of the importance of compliance with Contract Procedure Rules and emphasised the fundamental role of the Central Procurement Unit within the Council for achieving VFM and being a catalyst to the local economy.

Annual Governance Statement Alignment of Governance Reporting corporate planning and the Performance Management Framework

Each year the Council produces a Governance Statement which is a public statement regarding the adequacy of the Council's governance arrangements. It sets out the arrangements that have been in place for the previous year and also details what actions the Council will take over the forthcoming year to further strengthen its governance. The Annual Governance Statement (AGS) was presented to the Committee in September 2011. A fresh approach was adopted this year with the AGS being aligned to the Council Business Plan. The AGS has also been instrumental in shaping the Committee's work programme.

IMPACT -

- Through the approval and development of the Annual Governance Statement the Committee has completed a far reaching work programme and sought assurances on the key council systems.

Core Cities Benchmarking

Following on from the work with Core Cities on the future of local public audit. Leeds City Council and the Chair of the Committee have led the way in undertaking a benchmarking exercise on the work of Audit and Governance Committees of the Core Cities., This work has been important to identify the assurance reports required to sign of the Annual Governance Statement with a high degree of confidence.

IMPACT -

- Greater co-operation and similar approach to the work programme as the other Core Cities.

Risk Management and Performance Management

Risk management is defined as the effective management of threats and opportunities in order to enhance the delivery of Council services. Good risk management practices enable the Council to make better decisions, and enhance its ability to achieve its objectives. The Committee receives both an annual report and update reports from the Chief Officer (Audit and Risk) regarding key risk management developments across the Council and its strategic partners. The Committee has considered risks that might affect the Council in the future and for the first time this year the Committee has established a link between the two areas. In January 2012 a Performance Management Update was submitted to the Committee. The Committee resolved to continue to monitor the implementation of the arrangements detailed within the report through the submission of an annual risk and performance report.

IMPACT -

- Alignment of important and interrelated governance processes to add value and reduce duplication of effort.

Annual Information Security Report

This report was presented to the Committee in March 2012. The report detailed the steps being taken to improve the Council's information security in order to provide assurance for the Annual Governance Statement. Members were informed that this year all staff who use

computers have receive training on safeguarding council information stored electronically. Members were also told about the improvements in Council IT which mean that every piece of IT equipment in the Council's possession can be identified.

Impact –

- Promoted the importance for strong security over council assets and information.

Capital Programme Approvals

A key piece of work the Committee has overseen has been the changes to the capital programme approval framework where it was the first Committee the new framework was presented to.

The Committee sought assurance that the proposed changes substantially added value to the Council's capital approval arrangements.

Impact –

- Reduced bureaucracy and alignment of elements of the governance framework.

Challenges for 2012/13

During 2011/12 the Committee has completed what it set out to do; it has actively sought to monitor and oversee the changes made to procurement at the Council and has been influential in shaping the future of Local Public Audit.

2012/13 is likely to bring new challenges to the Council's governance arrangements. Some of the issues which will involve the Committee include:

- Public Audit;
- Elected Mayor;
- Financial Challenge;
- Procurement; and
- Leeds City Region Governance

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Report of Director of Resources

Report to Corporate Governance and Audit Committee

Date: 23rd April 2012

Subject: Work Programme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. Members are requested to consider whether they wish to add any items to the work programme.
2. The draft work programme is attached at Appendix 1.

Recommendations

3. Members are asked to note the draft work programme and advise officers of any additional items they wish to add.

1 Purpose of this report

- 1.1 The Purpose of this report is to notify Members of the Committee of the draft work programme. The draft work programme is attached at Appendix 1

2 Background information

- 2.1 The work programme provides information about the future items for the Corporate Governance and Audit Committee agenda, when items will be presented and which officer will be responsible for the item.

3 Main issues

- 3.1 Members are requested to consider whether they wish to add any items to the work programme

3.2 The draft work programme is attached at Appendix 1

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This report consults Members on the content of the work programme of the Committee.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 No significant issues.

4.3 Council Policies and City Priorities

4.3.1 This report helps support the implementation of the Code of Corporate Governance.

4.4 Resources and Value for Money

4.4.1 It is in the best interests of the Council to have sound control arrangements in place to ensure effective use of resources, these should be regularly reviewed and monitored as such the work programme directly contributes to this.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report is not an executive function and is not subject to call in.

4.6 Risk Management

4.6.1 By the Committee being assured that effective controls are in place throughout the Council the work programme promotes the management of risk at the Council.

4.6.2 The work programme adopts a risk based approach to the significant governance arrangements of the Council.

5 Conclusions

5.1 The work programme of the Committee should be reviewed regularly and be updated appropriately in line with the risks currently facing the Council.

6 Recommendations

6.1 Members are asked to note the work programme and advise officers of any additional items they wish to add.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
July 2012 (date to be confirmed)		
Annual Report on Risk and Performance Management	To receive a report regarding the Council's risk and performance management arrangements.	Chief Officer (Audit and Risk) Tim Pouncey / Chief Officer (Intelligence and Improvement)
KPMG – Interim Audit report	To receive a report summarising the results from the preliminary stages of KPMG's audit, including testing of financial and other controls	Chief Officer (Financial Management) Doug Meeson
Access to Information	To receive a report updating the Committee on the effectiveness of the Council's RIPA policy	Head of Property Finance & Technology
Decision Making Framework; Annual Assurance Report	To receive a report presenting the outcome of the monitoring process relating to Key and Major decisions.	Head of Governance Services Andy Hodson
ALMO Annual Assurance Report	To receive the Annual Assurance report from Strategic Landlord based on the assurances received from the ALMOs. (This report is part of the committee's annual work programme)	Strategic Landlord Liz Cook
Achievement of Appraisal Objectives	To receive a report updating the Committee on progress made in achieving the objective of all staff receiving an appraisal	Chief Officer (HR) Loraine Hallam
Staff Engagement	To receive a report providing assurance that staff are fully involved in delivering change and feel able to make an impact on how services are delivered.	Chief Officer (HR) Loraine Hallam
Equality and Engagement	To receive a report providing assurance that all major decisions evidence that appropriate consideration of equality issues can be taken	Chief Officer (Localities and Partnerships)
Work Force Planning	To receive a report providing assurance that arrangements are in place to enable the reduction in the size of the work force required by the budget	Chief Officer (HR) Loraine Hallam

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
Staffing System Budgetary	To receive a report reviewing the budgetary system for staffing at the Council	Chief Officer (Financial Management) Doug Meeson
Transformation of Procurement	To receive report updating the Committee on the transformation of procurement	Chief Officer Public Private Partnership Unit and Procurement Dave Outram
September 2012 (date to be confirmed)		
KPMG – Report to those charged with governance	To receive a report summarising the results of the 2011/12 audit including key issues and recommendations raised as a result of our observations	Chief Officer (Financial Management) Doug Meeson
Annual Internal Audit Report	To receive the Annual Internal Audit Report	Chief Officer (Audit and Risk) Tim Pouncey
Local Government Ombudsman’s Annual Letter	To receive the annual letter from the Local Government Ombudsman. (This report is on the agenda as part of the Committee’s Annual work programme)	Corporate Customer Relations Manager Wendy Allinson
Capital Programme Approvals	To receive a report updating the Committee with regards to the implementation of the new capital programme approvals framework (report added to the work programme on 23 rd January 2012)	Chief Officer (Financial Development) Maureen Taylor
Annual Governance Statement	To receive the Annual Governance Statement	Head of Governance Services Andy Hodson
November 2012 (date to be confirmed)		
KPMG – Annual Audit Letter	To receive a report providing a summary of the results of the audit for 2011/12	Chief Officer (Financial Management) Doug Meeson

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
Bi – Monthly Internal Audit Report	To receive a report updating the Committee on the latest Internal Audit developments	Chief Officer (Audit and Risk) Tim Pouncey
Un-scheduled items for 2011/12		
Future Development in Accounting Standards	To receive a report detailing the effect of Future developments in Accounting Standards that will effect the Council	Chief Officer (Financial Management) Doug Meeson
Review of the Code of Corporate Governance	To receive a report reviewing the code of corporate governance	Head of Governance Services Andy Hodson
Leeds City Region – Local Enterprise Partnership Governance	To receive a report updating the Committee on the Governance arrangements surrounding the Leeds City Region	Chief Officer (Localities and Partnerships)
Spending Money Wisely	To receive a report providing assurance that effective arrangements are in place to ensure the Council spends money wisely	Chief Officer (Audit and Risk) Tim Pouncey
Local Public Audit	To receive a report updating the Committee on the latest developments from the department for Communities and Local Government with regards to Local Public Audit	Chief Officer (Audit and Risk) Tim Pouncey
Compliance with Contract Procedure Rules	To receive a report updating the Committee on progress made in terms of compliance with Contract Procedure Rules across the Council	Chief Officer Public Private Partnership Unit and Procurement Dave Outram
Annual Financial Management Report	To receive the annual report reviewing the Financial Planning and Management Arrangements at the Council	Chief Officer (Financial Management) Doug Meeson

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