



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds on
Tuesday, 26th June, 2018 at 10.00 am

MEMBERSHIP

Councillors

J Illingworth	J Bentley	P Harrand
P Grahame		M Harrison
K Ritchie (Chair)		J Taylor
A Scopes		
P Truswell		
B Garner		

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 15.2 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 15.2, 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 DISCLOSABLE PECUNIARY AND OTHER INTERESTS'</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE</p> <p>To receive apologies for absence (If any)</p>	
6			<p>MINUTES OF THE PREVIOUS MEETING</p> <p>To receive and approve the Minutes of the previous meeting held on 16th March 2018.</p> <p>(Copy attached)</p>	1 - 8
7			<p>MATTERS ARISING FROM THE MINUTES</p> <p>To consider any matters arising from the Minutes.</p>	
8			<p>ANNUAL DECISION MAKING ASSURANCE REPORT</p> <p>To consider a report by the City Solicitor which presents the annual report on the Council's decision making arrangements.</p> <p>The report provides one of the sources of assurance which the committee is able to take into account when considering the approval of the Annual Governance Statement.</p> <p>(Report attached)</p>	9 - 40

Item No	Ward	Item Not Open		Page No
9			<p data-bbox="675 181 1043 215">ESTATE GOVERNANCE</p> <p data-bbox="675 255 1369 434">To consider a joint report by the Directors of City Development and Resources & Housing which seeks to provide assurance and visibility on governance arrangements to manage, maintain and make best use of council buildings.</p> <p data-bbox="675 474 1374 618">The scope of the report includes buildings with Listed status, but excludes council houses and schools for which there are separate governance arrangements in place.</p> <p data-bbox="675 689 927 723">(Report attached)</p>	41 - 66
10			<p data-bbox="675 1043 1377 1144">ANNUAL ASSURANCE REPORT ON EMPLOYMENT POLICIES AND PROCEDURES AND EMPLOYEE CONDUCT.</p> <p data-bbox="675 1189 1406 1476">To consider a report by the Chief Officer Human Resources which seeks to provide assurance that: the requirements of employee conduct are established and regularly reviewed; requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated; and employee conduct is monitored and reported.</p> <p data-bbox="675 1554 927 1588">(Report attached)</p>	67 - 88

Item No	Ward	Item Not Open		Page No
11			<p>ANNUAL ASSURANCE REPORT ON CORPORATE RISK AND PERFORMANCE MANAGEMENT ARRANGEMENTS</p> <p>To consider a report by the Director of Resources and Housing which seeks to provide assurance on the effectiveness of the council's corporate risk and performance management arrangements: that they are up to date; fit for purpose; effectively communicated and routinely complied with.</p> <p>(Report attached)</p>	89 - 96
12			<p>INTERNAL AUDIT UPDATE REPORT MARCH TO MAY 2018</p> <p>To consider a report by the Chief Officer Financial Services which provides a summary of the Internal Audit activity for the period March to May 2018 and highlight the incidence of any significant control failings or weaknesses.</p> <p>(Report attached)</p>	97 - 116
13			<p>PUBLICATION OF DRAFT STATEMENT OF ACCOUNTS 2017/18</p> <p>To consider a report by the Chief Officer Financial Services which presents the draft 2017/18 Statement of Accounts and the draft Annual Governance Statement, both of which were published on 1st June for the statutory public inspection period. The Statement of Accounts is included with the agenda as a separate document and will be published on the Council's internet site. The draft Annual Governance Statement is attached as an appendix to this report.</p> <p>The report also provides an update on the outstanding elector objection arising from the 2016/17 statement of accounts public inspection period.</p> <p>(Report attached)</p>	117 - 146

Item No	Ward	Item Not Open		Page No
14			<p>WORK PROGRAMME 2018/19</p> <p>To receive a report by the City Solicitor which notifies Members of the Committee's draft Work Programme for 2018/19</p> <p>(Report attached)</p>	147 - 152
15			<p>DATE AND TIME OF NEXT MEETING</p> <p>To note that the next meeting will take place on Monday, 30th July 2018 at 10.00am in the Civic Hall, Leeds.</p>	

Corporate Governance and Audit Committee

Friday, 16th March, 2018

PRESENT: Councillor P Davey in the Chair
Councillors R Wood, J Bentley, P Harrand,
K Bruce, J Illingworth, G Hussain,
J Heselwood and D Nagle

48 Appeals Against Refusal of Inspection of Documents

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

49 Exempt Information - Possible Exclusion of the Press and Public

There were no items identified where it was considered necessary to exclude the press or public from the meeting due to the nature of the business to be considered.

50 Late Items

There were no late item of business.

51 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations of disclosable pecuniary interest made at the meeting.

52 Apologies for Absence

Apologies for absence were received from: Councillors: N Dawson

Councillor D Nagle was in attendance as a substitute.

53 Minutes for the Previous Meeting

RESOLVED – That the minutes of the previous meeting held on 22nd January 2018 were accepted as a true and correct record.

54 Matters Arising from the Minutes

- (i) KPMG Annual Audit Letter 2016/17 (Minute No.38 (iii) referred) – The Principal Financial Manager, Resources & Housing provided an update with regard to the outstanding LOBO objection.

It was reported that KPMG were aiming to have a draft findings document available for discussion with the Council in April

- (ii) Customer Contact and Satisfaction - Annual Report (Minute No. 39 referred) – The Head of Governance Services and Scrutiny Support reported that the issues raised by Members at the previous meeting relating to customer contact had been circulated to all Members of the Committee. It was also reported that the concerns raised by the Committee relating to DBS checks for Members were being considered by the Member Management Committee at their meeting on 17th March 2018

55 Annual Information Governance Report

The Director of Resources and Housing submitted a report which presented the Annual Information Governance report.

The report sets out the steps being taken to improve Leeds City Council's information governance in order to provide assurance for the annual governance statement.

Addressing the report the Head of Information Management and Governance said considerable progress had been made to resolve security issues. The Cabinet Office had de-escalated Leeds City Council's PSN (Public Services Network) status to Remediation, but the city council still remained non-compliant at present. Work was on-going to re-apply in May 2018.

Members were informed that the council continued to handle and process requests for information in accordance and compliance to appropriate legislation such as the Data Protection Act and Freedom of Information Act.

Members noted the General Data Protection Regulation (GDPR) would replace the current Data Protection Act 1998, and would pass directly into Member State law taking effect from 25th May 2018. The Regulation imposes new and significantly more stringent requirements for the handling of personal data.

Referring to the Council's continued PSN status of non-complaint, Members queried how many other core cities were in a similar situation and what were the consequences of not been complaint

In responding the Head of Information Management and Governance said six other local authorities were in a similar position to Leeds. In terms of what were the consequences of not been compliant, it was suggested there were no financial penalties but continuous monitoring would be undertaken by the Cabinet Office.

Members queried if there was further training to be delivered around cyber resilience and also the requirements of GDPR.

Members queried what the position was in respect of training for Members and Officers, the Committee were informed that a variety of training delivery methods were currently been considered including: face to face, web presentation and E- learning training packages.

Members of the Committee were of the view that training should be mandatory for both Members and Officers and undertook to recommend to the Member Management Committee that training arrangements for cyber resilience and GDPR be established as compulsory for Members.

Members welcomed the report and acknowledged the measures been undertaken to achieve PSN and GDRP compliance

RESOLVED –

- (i) To note the contents of the report and the assurances provided as to the Council's overall approach to information governance.
- (ii) To note the efforts being made to rectify the current situation with regards to the Council's approach to Cyber and PSN compliance where some progress had been achieved.
- (iii) To note the assurance provided by the Head of Information Management and Governance as to the Council's approach to implementation of the changes required to achieve compliance with the new Data Protection legislation from May 2018.
- (iv) To recommend to the Members Management Committee that training on GDPR and Cyber Resilience be identified as mandatory for all Elected Members

56 Procurement Assurance Report

The Chief Officer Projects, Programmes and Procurement Unit submitted a report which presented the Annual Assurance report in respect of procurement policies and practices.

The report sets out details of the Council's procurement function and the ongoing work to maintain effective procurement support tools and guidance.

Members were informed that following review, assessment and ongoing monitoring carried out, the Chief Officer PPPU had reached the opinion that, overall, systems were operating effectively and that there were no fundamental control weaknesses. It was further recognised that Procurement Assurance needs to be subject to regular review and assessment with the following actions already identified for 2018/19;

- Update and refresh of the Procurement Strategy, including a review of the reliance upon the current Category Management Methodology
- Review of CPR's in line with changes in legislation and Council policy.
- Compliance remained an issue in some areas, notably around justification in reports considering waivers.

Referring to the monitoring of waiver activity, Members queried what additional plans were being considered to address the continuing issue relating to waivers and off contract spend and what could be done to improve oversight/monitoring in the coming financial year.

In responding the Senior Project Solicitor reported that the contract award process for contracts above £100k, internal audit reports and the ongoing training and support provided to directorates offered further assurance around compliance.

It was also noted that there was additional audit coverage for procurement proposed in the Internal Audit Plan 2018/19

Referring to Social Value Members requested to know what weight was given to the use of local suppliers.

In responding Members were informed that the procedure rules did not allow the tender evaluation criteria to be weighted in favour of local suppliers but the use of other criteria, such as a requirement for a winning bidder to consider using local sub-contractors was acceptable.

RESOLVED – To note and accept the assurance provided in the submitted report

57 Annual Business Continuity Report

The Director of Resources and Housing submitted a report which presented the Annual Business Continuity Report.

The report sought to provide assurances that Leeds City Council maintained compliance with the statutory duties contained within the Civil Contingencies Act 2014.

Members noted there were currently 79 Business Continuity Plan implemented for LCC's prioritised services and functions but how many had recently been reviewed.

The Principal Officer Resilience and Emergencies said 64 had been completed, 15 were "work in progress" but it was anticipated that all outstanding plans would be completed in the near future.

The Principal Officer Resilience and Emergencies advised the Committee that due to recent incidents there was now an even greater appreciation of how important it was to have an up to date, and tested Business Continuity plan.

Referring to the West Yorkshire Community Risk Register, paragraph 4. 6 of the submitted report, Members queried if the local NHS Trust was also included on this risk register

Officers confirmed that all such organisations were included as part of the multi-agency Working Party.

Reference was made to the recent period of cold weather and the issue of emergency boiler repairs to some council house properties. Members queried if the emergency plan was implemented and was it sufficiently escalated.

Officers confirmed the plan was implement but the poor weather conditions and the difficulty in travelling did result in a delay in response times.

RESOLVED – To note and welcome the assurance provided in paragraph 6.1 of the submitted report that the business continuity arrangements were fit for purpose, up to date, were routinely complied with, had been effectively communicated and were monitored

58 Internal Audit Update Report January to February 2018

The Chief Finance Officer submitted a report which provided a summary of the Internal Audit activity for the period January to February 2017 and highlighted incidence of any significant control failings or weaknesses.

The report also provided information from the Head of Service (Legal) about the recent use of the council's surveillance powers under RIPA.

Members were informed that audit had reviewed the processes in place within Adults and Health to ensure that policy and procedures in relation to DoLS (The Deprivation of Liberty Safeguards) were are in line with legislation, had been communicated to all relevant parties and training provided as necessary. The audit also reviewed the monitoring arrangements in place to ensure the policy was complied with and that the outcomes from this are reported to the appropriate forum, with remedial action being taken where necessary.

The review resulted in an acceptable assurance opinion overall for the control environment.

It was noted that all recommendations made had been agreed with the Service and a follow up review would be undertaken during 2018/19 to assess the progress made.

In conclusion the Head of Internal Audit said there were no issues identified by Internal Audit in the January to February 2018 Internal Audit Update

Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

RESOLVED –

- (i) To receive the Internal Audit Update Report covering the period from January to February 2018 and note the work undertaken by Internal Audit during the period covered by the report.
- (ii) To note that there had been no limitations in scope and nothing had arisen to compromise the independence of Internal Audit during the reporting period.
- (iii) To note the information in the report about the recent use of the council's surveillance powers under RIPA and the information provided by the Head of Service (Legal) about the recent use of the council's surveillance powers under RIPA.

59 Internal Audit Plan 2018-19

The Chief Finance Officer submitted a report which presented the proposed Internal Audit Plan for 2018-19 for review and approval.

The report also included a summary of the basis for the plan which had been developed in consultation with Senior Management.

Members were informed that the proposed Internal Audit Plan for 2018-19 had been prepared in line with the PSIAS. A risk-based approach had been used to prioritise internal audit work and ensure there was sufficient coverage and internal audit resource to provide an evidence-based assurance opinion that concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Members noted the plan was responsive in nature and all efforts would be made to maximise coverage to provide the most effective internal audit service that focuses on those key risks facing the organisation throughout the year. Progress against the plan would be monitored throughout the year and key issues would continue to be reported back to this Committee.

Members queried the reason why parking services had been included within the plan.

The Head of Internal Audit said that an audit of the systems in place within parking services had been included in the audit plan following a recommendation made by senior management as a result of a customer complaint.

RESOLVED – That approval be given to the proposed Internal Audit Plan for 2018-19.

60 Review of the Whistleblowing and Raising Concerns Policy

The Chief Finance Officer submitted a report which set out details of the revisions to the Whistleblowing Policy and Raising Concerns Policies.

The report also provided Members with an opportunity to comment on the updated policies prior to publication.

Members were informed that the review of the overall content of both the Whistleblowing Policy and Raising Concerns Policy had been undertaken to ensure that the policies were up to date and fit for purpose in accordance with best practice, offering clear, consistent and relevant guidance upon how and when concerns should be raised around any aspects of the council's work.

It was noted that once approved, the Whistleblowing and Raising Concerns policies would be published on the intranet and internet respectively, and effective communication would be strengthened through the provision of training across directorates. Assurances that the policies were routinely complied with would continue to be gained through regular reporting of the policy outcomes delivered through the update reports provided to this. This, in turn, would drive periodic monitoring and review of the policy content to ensure that they continue to underpin the principles of good governance throughout the organisation.

Reference was made to section 3.4 of the submitted report and the inclusion of a new section on whistleblowing by individuals in schools. Members queried if a pupil could also raise a concern through the Whistleblowing Policy.

In responding officers suggested that there were separate reporting mechanisms in place for school pupils.

RESOLVED –

- (i) That the contents of the report be noted
- (ii) That following consultation with Legal Services and HR the Chief Officer (Financial Services) has delegated authority to approve the revised policies prior to publication.

61 Annual Assurance Report on the Financial Management and Control Arrangements and Compliance with the Chief Finance Officer Protocol

The Chief Officer Financial Services submitted a report which aimed to provide assurance that the financial control and financial governance arrangements that were in place were fit for purpose, up to date and embedded across the organisation.

Members were informed that the Responsible Financial Officer had established an effective overall financial control environment framework for

financial planning and exercises effective financial management and control which, in his opinion, discharge both his statutory responsibilities and were consistent with the Chief Financial Officer protocol which forms part of the Council's constitution.

It was reported that the framework of control and developments outlined in section 3 of the submitted report were fit for purpose, up to date, embedded and were regularly complied with.

The Head of Finance - Financial Management said that whilst the above arrangements should provide members with substantial assurance that the Council does have in place appropriate systems and procedures to deliver sound financial management and planning, it is important that this is kept continually under review and improved upon where appropriate.

Members queried if Business Rates may be exposed as a consequence of Brexit.

In responding the Head of Finance said consequences of Brexit remained unclear but the position was constantly monitored.

RESOLVED –

- (i) To note the Chief Officer Financial Services assurances that there are appropriate systems and procedures are in place to ensure that there is sound financial management and control across the Authority.
- (ii) To note that the arrangements set out in Section 5K of the Chief Finance Officer protocol, of the Council's constitution, had been complied with.

62 Work Programme 2018/19

The Head of Governance and Scrutiny Support presented a report of the City Solicitor which set out the draft work programme for 2018/19 and associated meeting dates.

RESOLVED – That approval be given to the draft work programme 2018/19 as set out in the Appendix of the submitted report.

63 Date and Time of Next Meeting

RESOLVED – To note that the next meeting will take place on Tuesday, 26th June 2018 at 10.00am in the Civic Hall, Leeds.



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Report of City Solicitor, Head of Elections, Licensing and Registration and Chief Planning Officer

Report to Corporate Governance and Audit Committee

Date: 26th June 2018

Subject: Annual Decision Making Assurance Report

Are specific electoral wards affected? If yes, 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 is the annual report to the committee concerning the Council's decision making arrangements. The assurances contained within this report will feature in the draft Annual Governance Statement (to be considered by committee later in this agenda).

Recommendations

1. Members are requested to consider and note the positive assurances provided in this report given by the Head of Governance and Scrutiny Support, the Head of Service Legal Services, the Chief Planning Officer and the Head of Elections, Licensing and Registration that the decision making framework in place within Leeds City Council is up to date, fit for purpose, effectively communicated and routinely complied with.

1. Purpose of this report

- 1.1 This is the annual report to the committee concerning the Council's decision making arrangements.
- 1.2 The report provides one of the sources of assurance which the committee is able to take into account when considering the approval of the Annual Governance Statement.

2. Background information

- 2.1 The Council's decision making framework, which is detailed within the Council's Constitution, comprises of the systems and processes through which decision making is directed and controlled. Whilst a number of these systems and processes are put in place in direct response to primary and secondary legislation, others reflect the implementation of locally adopted definitions and choices made to ensure maximum transparency and accountability within Council practice and procedure.

Reporting Period

- 2.2 The Committee has received annual assurance reports in respect of executive decision making, Regulation of Investigatory Powers Act, licensing and planning matters. Most recently, the Annual Decision Making Assurance Report was received by committee on 20th June 2017 covering the period to 31st March 2017.
- 2.3 The information set out in this report therefore reflects decision making arrangements for the period 1st April 2017 to 31st March 2018, although Members will note that the Annual Licensing Report covers the period 1st January to 31st December 2017.

3. Main issues – Executive Decision Making

- 3.1 In considering the assurance statement which can be given in respect of the Council's executive decision making arrangements the Head of Governance and Scrutiny Support considers four aspects. The information set out below advises how the Head of Governance and Scrutiny Support has arrived at the positive assurances given that the decision making arrangements are:-
 - 1. up to date,
 - 2. fit for purpose,
 - 3. effectively communicated and
 - 4. routinely complied with.

Up to Date and Fit for Purpose

Review of Constitution

- 3.2 Article 15 of the Constitution requires that the Monitoring Officer is aware of the strengths and weaknesses of the Constitution and that she ensures that the aims and principles of the Constitution are given full effect. The Article provides authority to the Monitoring Officer to make any amendments to the Constitution necessary as a result of legislative change, to give effect to decisions of Council or the Executive or for the purpose of clarification only.
- 3.3 Article 15 further sets out which person or body has authority to amend each document within the Constitution.
- 3.4 Each year the Head of Governance and Scrutiny Support co-ordinates a review of the Constitution. Directors and other key officers are invited to contribute any recommendations as to ways in which the various parts of the constitution could or should be amended to ensure that they remain up to date and fit for purpose, reflecting current structures and processes.
- 3.5 The majority of decisions taken to amend the constitution form part of the annual review of the constitution or are the result of routine review of particular documents.
- 3.6 In 2017 changes recommended as a result of the annual review were given effect in a series of delegated and committee decisions:-
- On 18th May the Leader approved the Council's executive arrangements with effect from 26th May;
 - On 25th May Full Council approved Committee Terms of Reference and Officer Delegations, whilst also approving minor amendments to the Council Procedure Rules and Article 15;
 - On 26th May Licensing Committee approved delegations to Licensing Subcommittee and to the Director of Communities and Environment, whilst also approving minor amendments to the rules of procedure for the purpose of clarification;
 - On 26th May the Head of Governance and Scrutiny Support approved amendments to Article 6, Committee Membership and the Members Allowances Scheme consequential upon the decisions of Full Council on 25th May.
- 3.7 The Council's Constitution for 2017/18 was published following the annual review.
- 3.8 Since this time the Monitoring Officer has taken five delegated decisions in the reporting period to ensure that the constitution remains up to date and fit for purpose. These decisions included:-
- Two decisions correcting minor errors in the Constitution;
 - The annual update report in respect of the Members Allowances Scheme giving effect to the decision of Council to apply an annual uplift to the allowances set out;
 - A decision amending Article 2, and Article 10 of the Constitution to give effect to the Leeds (Electoral Changes) Order, and to make amendments to the Members Allowances Scheme to clarify the arrangements for payments where entitlement changes; and

- A decision making minor amendments to Article 4, the Community Committee Procedure Rules, the Procedure for Considering Complaints Against Members and the Members' Code of Conduct, for the purposes of clarification and to ensure that the constitution is up to date and fit for purpose.

Executive Arrangements

3.9 The Executive and Decision Making Procedure Rules require the Leader to present details of her Executive Arrangements for the forthcoming municipal year. These include the details of:

- Executive Members (including Deputy and Support Executive Members)
- Executive Committees
- Delegation of Executive Functions to
 - Community Committees,
 - Health and Wellbeing Board,
 - other authorities
 - officers
- Joint arrangements

3.10 As detailed above, the Leader's Executive arrangements were set out in a delegated decision dated 18th May 2017. They were reported to the annual meeting of Council on 25th May 2017 and any subsequent changes have been reported to Full Council as required by the Executive and Decision Making Procedure Rules.

Delegation of Functions

3.11 The delegations of functions to committees and to officers of the Council are set out in part 3 of the Constitution. Delegations to committees are expressed as the terms of reference of each committee. Delegations are set out in the officer delegation scheme to ten Directors¹. The scheme is divided into two parts – the first reflecting the delegation of Council functions and the second the delegation of executive functions. Both parts contain general delegations to all Directors and specific delegations which reflect the remit of each officer.

3.12 Following delegation of functions through the Leader's executive arrangements and by the resolution of Full Council, each of the ten Directors is required to make arrangements for the sub-delegation of those functions to officers of suitable experience and seniority. Schemes follow a template approach, setting out delegations in respect of both Council and Executive functions and specifying appropriate terms and conditions in respect of each delegation. Each scheme also provides for the exercise of those functions not delegated in the event of the absence of the Director.

3.13 All directors had their sub delegation schemes in place by the 5th June 2017.

¹ The ten officers who receive delegated functions through the constitution (the Chief Executive, Director of Resources and Housing, Chief Officer (Financial Services), City Solicitor, Director of Communities and Environment, Director of City Development, Chief Planning Officer, Director of Children and Families, Director of Adults and Health, Director of Public Health) are referred to as the Directors within the Constitution.

- 3.14 Since this time all Directors have kept their sub-delegation schemes under review. In the reporting period five² Directors have updated their scheme once, and two have made two updates. Amendments have been made for a variety of reasons including to reflect changes in the senior management structure and to give effect to changing requirements of the law.

Routinely Complied With

Decision Monitoring

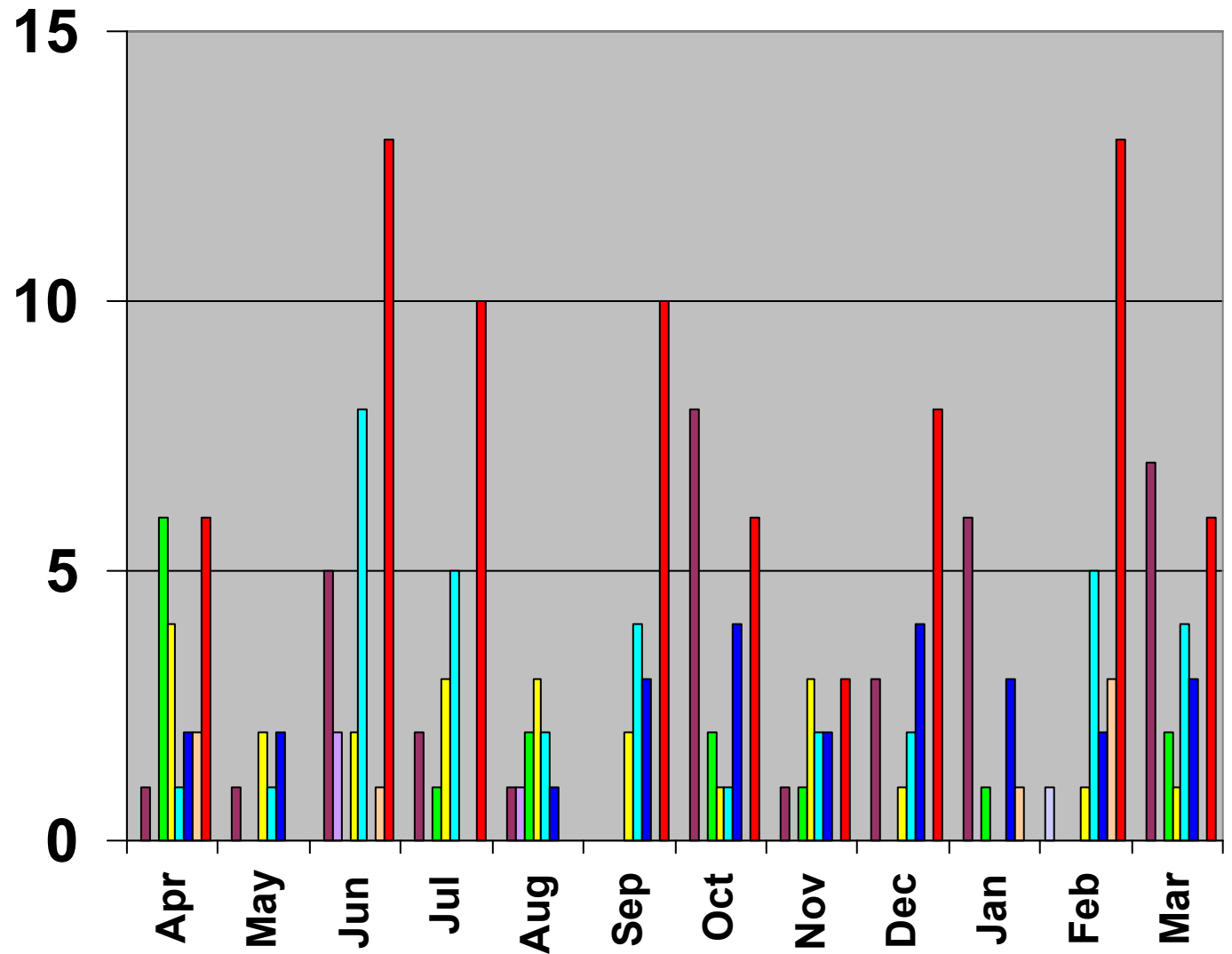
- 3.15 Members are familiar with the categorisation of decisions as key³, significant operational⁴ or administrative⁵. The Head of Governance and Scrutiny Support undertakes regular monitoring of key and significant operational decisions taken and recorded across the Council. Whilst there are no formal performance indicators attached to the publication of significant operational decisions it is helpful to understand the numbers of decisions recorded in accordance with the decision making framework.
- 3.16 In previous reports the Head of Governance and Scrutiny Support has provided comparisons year by year in relation to the number of decisions taken within directorates. However, given the structural reorganisation which took place at the beginning of the reporting period it is not possible to compare like for like as the way functions are mapped to directorates has altered significantly.
- 3.17 The Executive and Decision Making Procedure Rules, and the Access to Information Procedure Rules require that records of all key and significant operational decisions are published as soon as practicable after those decisions have been taken.
- 3.18 The Head of Governance and Scrutiny Support monitors the numbers of decisions published by each directorate each month. Where the monitoring shows unusual peaks or troughs in publishing activity the relevant directorate is invited to comment, enabling the Head of Governance and Scrutiny Support to offer support around the decision making framework with the aim of ensuring that there is understanding of the arrangements for publication of decisions and that the arrangements in place are mindful of any excess administrative burden being placed on directorates.
- 3.19 Over the course of the reporting period a total of 220 key decisions were taken; 145 by officers and 75 by Executive Board. Members receive notification of every officer key decision as it is taken through the circulation of an email when the relevant report is published alongside notice of intention to take the decision. Executive Board agendas are published on the Council's website and circulated to Members of the Executive Board. Other Members can be added to the electronic distribution list by request to Governance and Scrutiny Support.
- 3.20 The table below sets out the key decisions taken by each Director month by month during the reporting period.

² The Chief Executive, Chief Planning Officer, Director of Adults and Health, Director of Resources and Housing and Director of Public Health

³ >£250K or significant impact in one or more wards

⁴ >£100K, exempt from Key or record required for transparency and accountability

⁵ <£100K, within budget and policy framework



**Table Showing Number of Key Decisions taken by Directors and Executive Board
April 2017 to March 2018**

- 3.21 Members may wish to note that the key decision taken by Chief Executive related to the Kirklees improvement partnership; in accordance with a resolution of Executive Board the Chief Executive took the decision relating to Children's services functions as the Director of Children and Families was directly affected by the decision.
- 3.22 Members will note that although both have delegated authority to do so neither the City Solicitor nor the Chief Planning Officer took any key decisions during the reporting period. This reflects the way in which functions are delegated as the role of the City Solicitor is predominantly advisory, and planning functions are largely Council functions and would not therefore be categorised as Key decisions.
- 3.23 Over the course of the reporting period a total of 811 significant operational decisions have been taken by individuals; 805 taken by officers and 6 by the Leader. A further 74 significant operational decisions have been taken by Executive Board. The view has been taken that Members would not find it helpful to receive email notifications in relation to every significant operational decision published. However it is possible to subscribe to Modern.gov (the system used to publish information in relation to Council decision making) and request email alerts to decisions taken by decision maker and/or by ward.
- 3.24 The table below sets out the significant operational decisions taken by each Director month by month throughout the reporting period.
- 3.25 Members will note that the majority of significant operational decisions are taken in City Development and Resources and Housing, with a further significant number being taken in Communities and Environment. Whilst it is not possible to do a precise like for like comparison of decisions taken by each directorate in previous years, the Head of Governance and Scrutiny Support believes that this reflects the pattern of decisions taken in previous years.
- 3.26 However, the volume of decisions taken by the Director of Children and Families, and the apparent peak in the months of January and February does not reflect previous patterns of decision making by that Directorate. The Head of Governance and Scrutiny Support is advised that this is the result of changes in the administration arrangements within the Directorate which caused a backlog in terms of publishing significant operational decisions relating to both the placement of children and approvals relating to the employment of children. The Head of Governance and Scrutiny Support is satisfied that decisions took place in a timely manner and that the delay in publication did not negatively impact on the placement or wellbeing of children. Consideration is being given to the batch publication of such placement decisions by the Directorate in future so that the publication of decisions does not impose an overly onerous burden. Similar batch publishing arrangements are used in respect of a number of licensing functions and are in line with the requirement to publish decisions 'as soon as reasonably practicable'.
- 3.27 Whilst Executive Board took 34% of the key decisions taken during the reporting period (more than any individual director), the Board has been responsible for only 8% of the significant operational decisions taken during the same period. This reflects the intention that officers should take responsibility for routine decision making with relatively low value and impact in city terms, allowing Executive Board to consider those decisions of high value or of significant impact on the communities living and working in Leeds. The arrangements provide for Executive Board to take decisions which may be significant in policy terms, or to keep a watching brief on developing projects which are significant although the individual decisions to be taken to not fall within the definition of a Key decision.

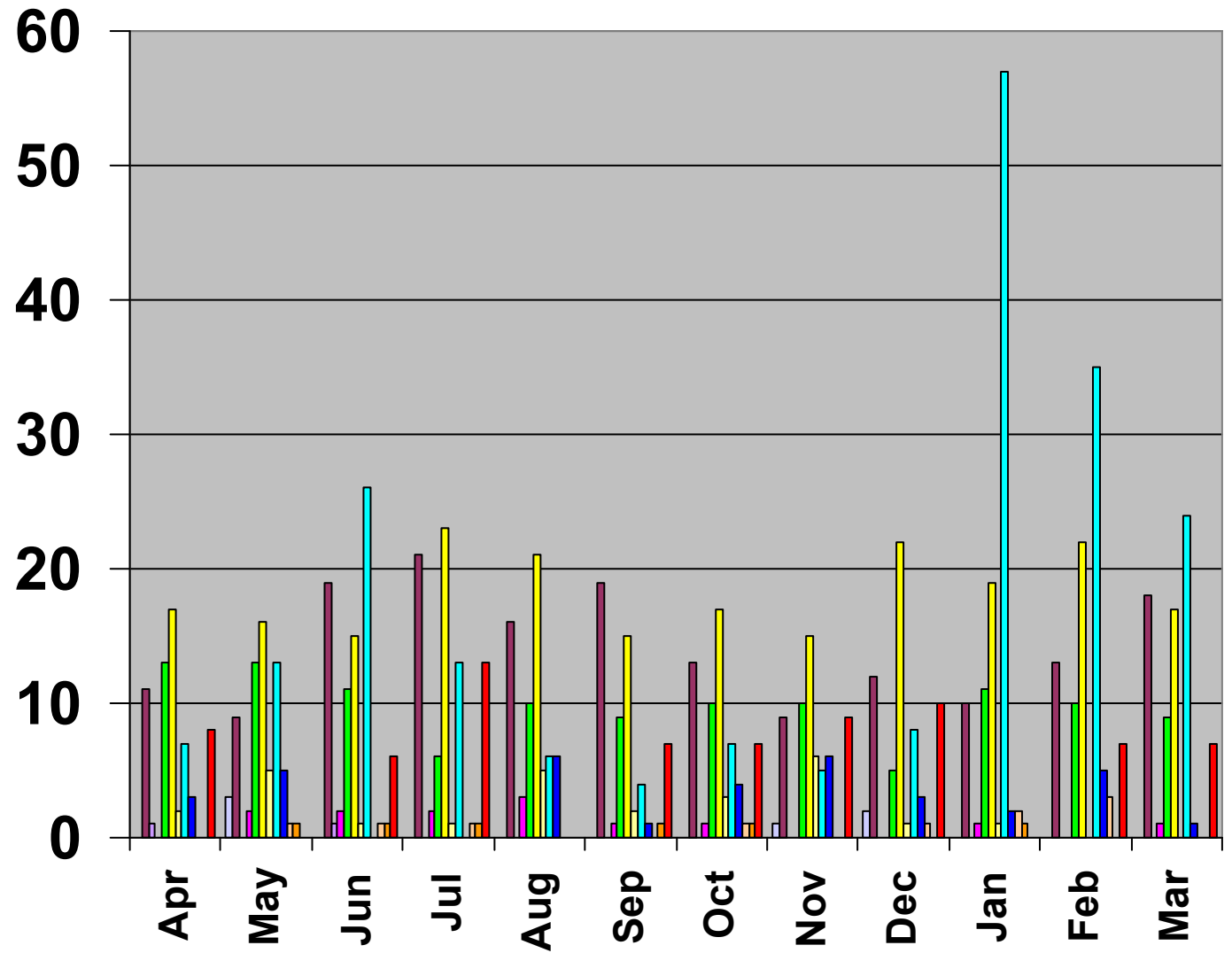


Table Showing Number of Significant Operational Decisions Taken by Directors, Leader and Executive Board April 2017 to March 2018

Performance Indicators

- 3.28 In addition to the informal monitoring that takes place the Head of Governance and Scrutiny Support also monitors a number of key performance indicators in respect of the statutory requirements surrounding the Council's decision making.

List of Forthcoming Key Decisions

- 3.29 Regulations⁶ require that the Council publishes details of all likely Key Decisions no less than 28 clear calendar days before those decisions are taken. As details are published a significant time before the decision is taken it is not anticipated that the final details of the proposal will be available at the time this notice is given. Rather this publication is intended to alert Members and the public to the fact that decisions involving significant financial implications or impact on local communities are being considered. The details published include the contact details for the lead officer in relation to the decision in question, allowing Members and the public to seek further information and to contribute to the decision making process.
- 3.30 The Council's List of Forthcoming Key Decisions is available on Leeds.gov.uk. Decisions can be added to the List at any time, with flexibility in the way in which the timescale for the decision is expressed. As it is possible to amend the published details or even to 'unpublish' a planned notified decision if it becomes unnecessary or is re-categorised, officers are encouraged to publish details of all key decisions the Executive may wish to take as early as possible in the contemplation of that decision.
- 3.31 The Head of Governance and Scrutiny Support has set a target of 89% of all Key Decisions to be published to the List of Forthcoming Key Decisions no less than 28 clear calendar days before those decisions are taken. This target reflects the statutory provisions allowing for urgent decisions to be taken without complying with this requirement. Such decisions must however comply with the General Exception or Special Urgency provisions detailed below.
- 3.32 During the reporting period of 145 Key decisions taken by officers 139 (96%) were included in the List of Forthcoming Key Decisions. For the same period of 75 Key decisions taken by Executive Board, 73 (97%) were included in the List of Forthcoming Key Decisions. In combination 96% of Key decisions were published to the List 28 clear calendar days before those decisions were taken.

General Exception

- 3.33 The General Exception is a legislative provision⁷ which permits a Key decision to be taken, although not included on the List of Forthcoming Key Decisions for the requisite period if it is impracticable to delay the decision until such time as those 28 clear calendar days have elapsed.
- 3.34 The regulation requires that five clear working days' notice is given of a general exception decision, setting out the reason why it is impracticable to delay. This information is included in paragraph 4.5 of the corporate report template under the heading 'Legal Implications, Access to Information and Call In'. In addition the information is set out in the delegated decision notice published in relation to officer decisions.
- 3.35 The regulation also requires that the Chair of the relevant Scrutiny Board **is notified** that such a decision is to be taken. As all Members are automatically advised of the publication

⁶ Regulation 9, Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

⁷ Regulation 10, Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

of all Key decisions, through the circulation of agendas and delegated decision notices, this statutory requirement is met.

- 3.36 Of the 8 Key decisions which were not included in the List of Forthcoming Key Decisions for 28 clear calendar days prior to those decisions being taken 6 (4 officer and 2 Executive Board decisions) were taken under the General Exception. The reasons given in each case are set out in the table below:-

Officer Decisions		
D44434 May 2017	Director of Children and Families	Decision flowed from earlier key decision but final scheme cost was in excess of £250K greater than approved spend and therefore required a further key decision when scheme cost received. Delivery programme would not accommodate further delay.
D44985 November 2017	Director of Children and Families	Delay would impact on procurement of independent fostering and supported lodgings care
D46353 March 2018	Director of Adults and Health	Transfer of funding from CCGs to local authority required to take place before CCGs closed ledgers in preparation for formal merger.
D47392 March 2018	Director of Adults and Health	Delay would mean expiry of interim contract prior to acceptance of three month extension option. Interim arrangements necessary pending outcome of full procurement process.
Executive Board Decisions		
Minute 185 April 2017	Director of Children and Families	ATS Learning places expansion project at Cockburn School Decision urgent when pupil numbers confirmed for increased cohort in next academic year.
Minute 195	Director of City Development	Development of Headingley Stadium Original funding package couldn't be delivered and time required to identify proposed alternative but completion required for 2019 Cricket World Cup.

Special Urgency

- 3.37 Special Urgency is a legislative provision⁸ permitting urgent decisions to be taken without giving five working days' notice. In order to do so the Director **must seek the agreement** of the relevant Scrutiny Chair that the decision is urgent and cannot be deferred.
- 3.38 Again the reasons for urgency are recorded in the report to the decision maker at paragraph 4.5 "Legal implications, access to information, and call in" and are repeated on the delegated decision notice for officer decisions.
- 3.39 In accordance with Rule 2.6.2 of the Executive and Decision Making Procedure Rules⁹, the Head of Governance and Scrutiny Support, on behalf of the Leader, is able to confirm that, of the 8 Key Decisions which were not on the List of Forthcoming Key Decisions for the required 28 day period, only 2 (both officer decisions) were taken under Special Urgency.

⁸ Regulation 11 Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012

⁹ Regulation 19 Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012

3.40 As required by Executive and Decision Making Procedure Rule 2.6.1 the agreement of the Scrutiny Chair that the matter was urgent and could not reasonably be deferred was recorded and published alongside the relevant decisions. The reason given for urgency in relation to the two linked decisions is shown in the table below:-

Officer Decisions		
D44808	Director of Adults and Health	South Leeds Independence Centre and Suffolk Court recovery hubs – linked decisions.
D44809	Director of Adults and Health	Embargo on communicating the outcome of Community Beds Service tender from NHS Leeds South and East CCG. Decision required to be taken urgently to enable readiness for performance of contract.

3.41 Members will note that good and cogent reasons are given in respect of all decisions which were not included in the List of Forthcoming Key Decisions for the required 28 clear calendar days.

Availability for Call In

- 3.42 The Council is required to make arrangements for decisions of the Executive which have been made but not yet implemented to be considered by an overview and scrutiny committee¹⁰.
- 3.43 The Council's procedure is set out in the Executive and Decision Making Procedure Rules, and provides for non-executive members to Call In any eligible decision by 5 p.m. on the fifth working day after the decision is published. All decisions of the Executive Board, Executive Decisions of the Health and Wellbeing Board and Key decisions of officers are eligible for call in.
- 3.44 Significant operational and administrative decisions taken by officers are not included with those eligible for call in as the required framework to monitor the numbers of decisions taken, to ensure the call in control is applied, and the delay in implementation for those decisions would be disproportionate to the benefit gained.
- 3.45 The Executive and Decision Making Procedure Rules provide that certain categories of decisions will not be eligible for call in. The Head of Governance and Scrutiny Support has considered the list of categories which are not available for call in and is of the view that the inclusion of each is appropriate.
- 3.46 Following consideration of a decision which has been Called In the relevant Scrutiny board may release the decision for implementation or recommend its reconsideration. Whilst the Scrutiny Board is not able to impose its own decision the provision of Call is an important element of democratic accountability arrangements as it allows Members to hold the executive to account.
- 3.47 The Executive and Decision Making Procedure Rules provide that a decision taker may exempt a decision from Call In if the decision is urgent (i.e. that any delay would seriously prejudice the Council's or the public's interests.) The reasons for urgency must be set out in the report relating to the decision.

¹⁰ S9F Local Government Act 2000

- 3.48 The rules do not permit any kind of appeal against a decision to exempt a decision from Call In. However, given that the recommendation to exempt the decision from call in must be included in the report which is published together with the agenda or delegated decision notice five clear working days before Key decisions are taken (except in cases of Special Urgency), opportunity exists for Members to make representations to the decision maker prior to the decision that the exemption would apply.
- 3.49 Availability of eligible decisions for call in is one of the key performance indicators monitored by the Head of Governance and Scrutiny Support with a target of 95% of all eligible decisions being open for call in.
- 3.50 During the reporting period of 145 Key decisions taken by officers of which 144 were eligible for call in 137 (95%) were available for Call In. For the same period, of 148 decisions taken by executive Board of which 138 were eligible for Call In, 134 (97%) of eligible decisions were available for Call In. In combination 96% of eligible decisions were available for call in.
- 3.51 The table below sets out the reasons given for exempting decisions from Call In:-

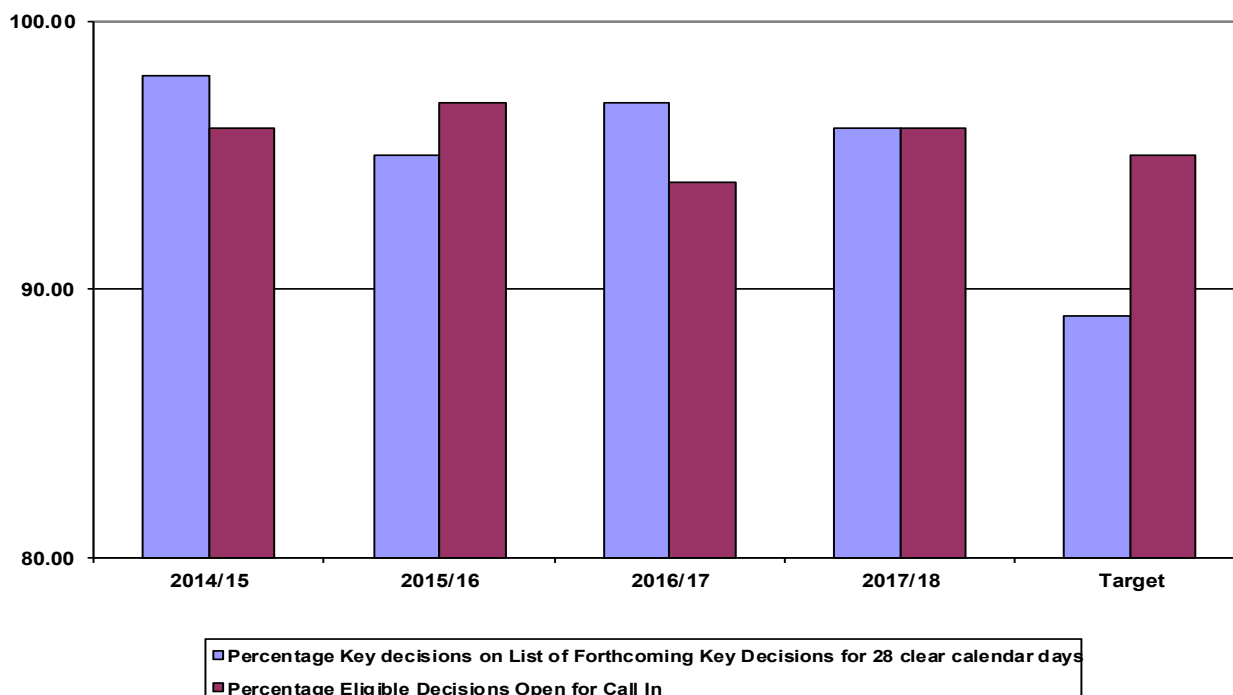
Officer Decisions		
D44326 April 2017	Director of City Development	Exempt – Council’s investment portfolio Delay may mean Council not able to complete acquisition
D44776 Sept 2017	Director of City Development	Ineligible – Local Transport Capital Block funding subject to a previous call in.
D44808 Sept 2017	Director of Adults and Health	Exempt - South Leeds Independence Centre and Suffolk Court recovery hubs – linked decisions.
D44809 Sept 2017		Embargo on communicating the outcome of Community Beds Service tender from NHS Leeds South and East CCG. Decision required to be taken urgently to enable readiness for performance of contract.
D46316 Feb 2018	Director of City Development	Exempt – delay would mean Council not able to complete acquisition
D46353 Mar 2018	Director of Adults and Health	Exempt – transfer of funds from CCGs to be completed before end of financial year when CCGs to merge.
D47392 Mar 2018	Director of Adults and Health	Exempt – risk of interim contract expiring before option to extend exercised.
D47431 Mar 2018	Director of Children and Families	Exempt – urgent provision of temporary facilities for school places for bulge cohort.
Executive Board Decisions		
Minute 192 16/17	Director of City Development	Exempt – Housing White Paper Short timescale set by DCLG to comment on white paper proposals

Minute 195 16/17	Director of City Development	Exempt - Development of Headingley Stadium Original funding package couldn't be delivered and time required to identify proposed alternative but completion required for 2019 Cricket World Cup.
Minute 76 17/18	Director of City Development	Exempt – Capital of Culture Bid Delay would prevent submission within bid timescales
Minute 81 17/18	Director of City Development	Exempt – Transport for North Incorporation Timescales for consenting to making of regulations set by Department for Transport.

3.52 The following table shows the comparison over the last three reporting periods in relation to the inclusion of key decisions on the List of Forthcoming Key Decisions and the availability of decisions for call in:-

Reporting Period	1 st June 2015 to 31 st March 2016	1 st April 2016 to 31 st March 2017	1 st April 2017 to 31 st March 2018
Key decisions taken by officers	105	139	145
Key Decisions taken by Executive Board	61	67	75
Key decisions on List	157	200	212
Percentage Key decisions on list (target 89%)	95%	97%	96%
General Exception	5	5	6
Special Urgency	4	1	2
Decisions eligible for call in	222	285	282
Decisions available for call in	215	267	271
Percentage eligible decisions available for call in (target 95%)	97%	94%	96%
Decisions called in	0	2	0
Decisions released for implementation following Call In	NA	1	NA
Recommendations made following Call In	NA	1	NA

3.53 The chart below sets out performance indicators for decisions on the List of Forthcoming Key Decisions and eligible decisions open for Call In over the previous three reporting periods.



3.54 In quantitative terms, Members will note that although the number of decisions taken during the reporting period has increased year on year targets in relation to performance in respect of inclusion in the List of Forthcoming Key Decisions (89%) and availability of eligible decisions for Call In (95%) continue to be met.

3.55 From a qualitative perspective the Head of Governance and Scrutiny Support has noted that in the majority of cases where the statutory exceptions (General Exception, Special Urgency and Exemption from Call In) are considered advice is sought and the reasons given for their use reveal a complete story explaining why relevant steps could not be taken earlier to meet the usual requirements as well as documenting the reason for the urgency.

Decisions Not Treated as Key

3.56 Executive and Decision Making Procedure Rule 6.1 enables Members to challenge the categorisation of significant operational or administrative decisions which they believe should have been treated as Key. The relevant Scrutiny board is empowered to require the decision maker to prepare a report to Council if the Board agrees the decision should have been treated as Key

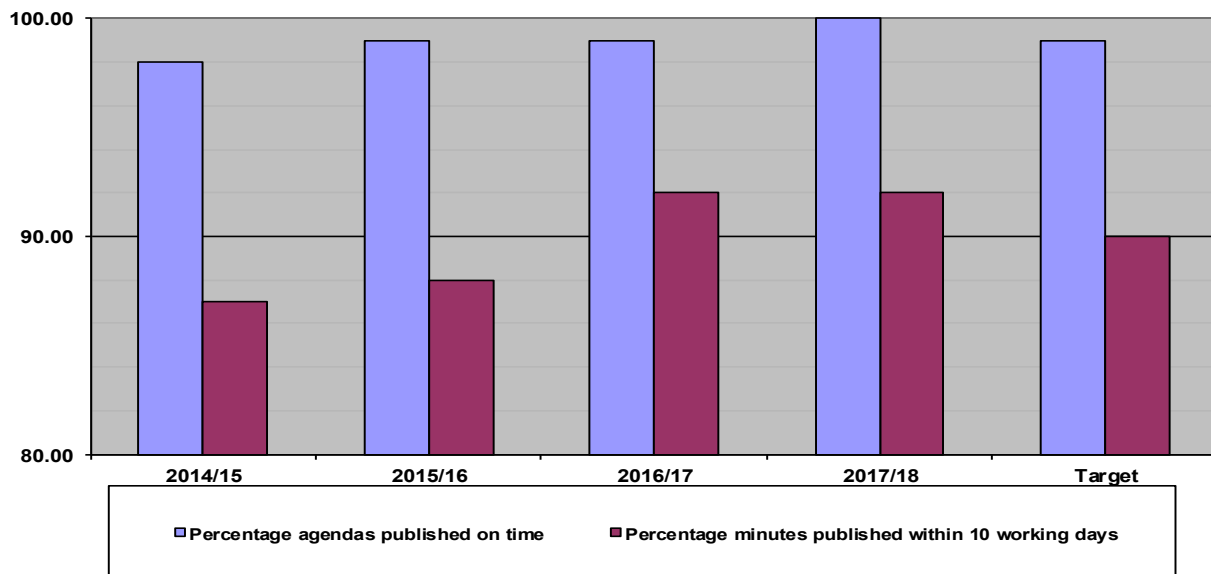
3.57 The Head of Governance and Scrutiny Support can confirm that there have been no decisions taken within the reporting period that have been challenged under Executive and Decision Making Procedure Rule 6.1 as wrongly treated.

Agendas

- 3.58 The Council is required to publish agendas and reports for committees five clear working days in advance of a meeting. This requirement is contained within Section 100B of the Local Government Act 1972 for Council Committees and in the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 for Executive committees. Both pieces of legislation also contain exception provisions for meetings to be called at short notice.
- 3.59 The Head of Governance and Scrutiny Support has established a target for 99% of agendas to be issued and published within the five day statutory deadline; this being a reasonable measure of timely transparency and an indication of the extent to which exception provisions are utilised to call meetings at short notice.
- 3.60 Of 204 meetings which took place within the reporting period covered by this report, 204 agendas were issued within the 5 clear day deadline. This gives a performance of 100% agendas issued and published within the five day statutory deadline.

Minutes

- 3.61 There is no statutory framework stipulating the time period for the publication of committee minutes. To enable the decisions of the Council to be accessible and transparent the Head of Governance Service has established a local target; this being for 90% of draft minutes to be published on the Council's internet site within ten working days.
- 3.62 Of 203 committee meetings which have taken place within the period covered by this report, 17 sets of draft minutes were published outside of this locally established target. This gives a performance of 92% draft minutes published within the specified target period. Members will note that a total of 204 agendas were published but only 203 meetings held within the reporting period – this is because the February meeting of the Scrutiny Board (Infrastructure and Investment) was cancelled on the day because of weather conditions.
- 3.63 Of the 17 late published minutes 13 were published within 15 working days of the meeting, 2 within 20 working days and the remaining 2 within 30 working days of the meeting. All but one of the late minutes were published before the next meeting of the relevant committee. The remaining Minute was circulated to Members of the Scrutiny Board (Adults and Health) before the next meeting but those Members agreed to defer consideration of the minutes until the following meeting to ensure that the process was open and transparent.
- 3.64 In addition Members should note that there has been 100% compliance with the requirement in the Executive and Decision Making Procedure Rules that minutes for all meetings of Executive Board are published within two working days of the meeting. This permits prompt availability of Executive Board decisions for call-in and minimises the delay to implementation necessary to allow for the call-in process.
- 3.65 The table below shows performance indicators for agenda and minute publication for the previous three reporting periods, compared to this period and against target. Members will see that the improved rate of agenda publication has been sustained and that performance in relation to the publication of minutes continues to improve.



Committees outside monitoring arrangements

3.66 There are a number of committees for which the Head of Governance and Scrutiny Support does not collate agenda and minute publication statistics. The reasons for this are as set out below:-

Joint Committees

3.66.1 The Council appoints a number of joint committees in relation to both Council and executive functions. The Governance and Scrutiny Support Service have responsibility for clerking three of these; the West Yorkshire Adoption Joint Committee, the Joint Health Overview and Scrutiny Committee (Yorkshire and Humber) and the West Yorkshire Joint Health Overview and Scrutiny Committee. The preparation of agendas and minutes is complex in relation to these committees given the need to liaise with Members from other authorities, not all of whom work to the same aspirational targets.

Non Statutory Bodies

3.66.2 The Governance and Scrutiny Support Service support a number of committees which are not appointed by Council or Executive Board and are not therefore subject to the statutory access to information requirements. These include the School Organisation Advisory Board and the Joint Plans Panel which is a meeting combining the membership of the three Plans Panels.

Licensing Sub Committees

3.66.3 Section 101(15) of the Local Government Act 1972 disapplies the provisions requiring prior publication of agendas from functions of the Licensing Authority which fall instead to be discharged in accordance with the Licensing Act 2003 and the Licensing Act (Hearing) Regulations 2005. For this reason the Head of Governance and Scrutiny Support does not include meetings of the Licensing Sub-Committee in the performance indicator for publication of agendas. However in the interests of openness and transparency the service continues to seek to publish those agendas in accordance with the 5 clear working day notice period wherever possible. Of the 26 Licensing Sub-Committee meetings held in the reporting period all 26 agendas were published with 5 clear working days' notice.

Effectively Communicated

Support for the Decision Making Framework

- 3.67 Support to the decision making process seeks to encourage compliance, improve governance administration, and enhance organisational effectiveness; this support is provided in three main ways:

Training and Awareness

- 3.68 Appropriate and timely provision of training should
- ensure that officers involved in all stages of the decision making process are able to identify when decisions are being taken, which rules and procedures apply, the steps which they as individuals need to take and the steps which need to be taken by others within the process;
 - strengthen a culture of compliance, by presenting the decision making framework with clarity; setting out all necessary processes in such a way as to show how they achieve relevant and necessary outcomes (that processes support the democratic mandate, are reflective of the Council's values, encourage public and Member engagement with decision making before decisions are taken, and that decisions stand up to challenge once taken); and
 - encourage discussion of the framework, application to organisational reality and consideration of ways in which the procedures and processes in place can be applied or may be amended to continuously improve efficient decision making practice whilst enhancing the transparency and quality of decisions taken.
- 3.69 There are a number of training opportunities in place which seek to support officers in relation to decision making governance.
- Council structures and decision making –half day face to face training aimed at those who take decisions or support the decision making process. The course covers political structures of the Council, delegation of functions, definitions of key, significant operational and administrative decisions and controls in relation to prior publicity, recording and scrutiny applying to each;
 - Political awareness – a series of learning resources and opportunities are being brought together with the aim of ensuring that Members and officers are able to participate together in learning and awareness activities. In addition there is a proposal to develop a group of Member Development Champions who will work directly with and through Directorate Management Teams to provide a structured cascade of learning.
 - Occasional bespoke decision making training tailored to suit the needs of particular services either in carrying out functions directly or in supporting those who do.
- 3.70 Other opportunities are being considered for developing the training on offer including:-
- Adding Value through Scrutiny – face to face training to be developed to assist officers in understanding the role and processes of Scrutiny thus enhancing their contribution to Scrutiny and assisting each Board in adding value to the work of the Council.
 - Procurement e-learning – this brief e-learning package is being developed to target officers who raise orders or are involved in procuring low value contracts (under £100K) within directorates;
 - Decision making governance e-learning – to be developed for those who are unable to attend or have attended the face to face training and seek a refresher.

- Finance e-learning – to be developed for managers with and without budget responsibility to ensure that financial regulations are routinely followed and robustly enforced.

Advice and Guidance

- 3.71 Whilst training provides generalised knowledge in relation to the decision making framework there is a need for specific advice and guidance in relation to the application of the framework to decision making in context. Such advice is provided by a number of professionals, some located within directorates and others situated in the corporate centre:-
- The Governance and Scrutiny Support Service provides advice and guidance to Members and officers. The service routinely provides advice in relation to Executive Board reports – the governance requirements of decisions to be taken by the Board and those which follow as a consequence. In addition the service provides support in relation to all aspects of decision making governance, whether generic or relating to specific matters, to directorate or discipline specific advisors whether within the directorates or centrally based services.
 - Each directorate has access to a directorate support officer. As a group these officers work together to provide a consistent offer of support in relation to decisions taken by officers in accordance with delegated powers, the preparation of reports for executive board and other committees, leadership and partners meetings, and executive member briefing, in addition to providing ‘a safe pair of hands’ with substantial knowledge of the decision making framework to advise, to scan the decision making horizon within the directorate and to lead on the operational business requirements of the governance framework..
 - Legal support is provided by Legal Services working in specialist teams. Good working relationships are developed with relevant directorates enabling access to ad hoc advice in addition to that which is given as part of larger projects or within the executive board clearance procedures.
 - Each Directorate has a nominated Head of Finance who, together with their team, works closely alongside colleagues in the directorates which they support. They are in a unique position to identify and advise in relation to decisions which are being taken and to provide links between the directorate and other relevant professionals.
 - The Procurement and Commercial Service provides dedicated support in relation to the Council’s procurement processes. The committee receives dedicated assurance reports in relation to the Council’s procurement activity.
- 3.72 The Head of Governance and Scrutiny Support has undertaken a piece of work to identify ways in which governance, legal, finance and procurement colleagues can work increasingly cohesively to support officers engaged in decision making. The approach taken is one of using those decisions which prompt challenge to prompt learning and development within teams, further strengthening the roles of the supporting disciplines within and throughout the decision making process, rather than a perception that they are separate and distinct.
- 3.73 Increasingly colleagues from all disciplines are seeking opportunities to share and apply their expertise to the day to day process of decision making. Time is being taken to engage in forward planning to ensure that decision making processes can be as smooth as possible, with the necessary compliance with statutory controls not causing unmerited delays in decision making.

Check and Challenge

- 3.74 A consistent approach to monitoring decision making across the directorates will help to ensure that the relevant frameworks which govern decision making are embedded and routinely complied with. Some of this monitoring can be carried out as part of the decision making activity, some is provided after the fact but enables learning and development to improve practice and procedure.

Performance Monitoring

- 3.75 Performance Monitoring ensures that key performance indicators are monitored monthly together with general patterns of decision publishing. As noted earlier in this report any anomalies or emerging trends are shared with directorates via the directorate support officers.

Audit

- 3.76 The Audit Plan, which informs the work of Internal Audit, includes work designed to test the features of the decision making framework as part of the ongoing programme of audit. Audits test decisions at both high and low level, considering the way in which the framework, rules and procedures are complied with. Where potential for improvement is identified recommendations are made as to how compliance can be secured through practicable measures.
- 3.77 Areas of decision making risk or weakness have been identified formally through the internal audit process during the year, although a number of improvements were identified through the audit follow up process. Work is ongoing to ensure that practice is embedded and that these improvements are therefore sustained. Some issues have been identified during the year with decisions not always being published as appropriate, and where formal decisions should have been taken but there are no records to confirm that this has been done.
- 3.78 In addition there continues to be concern around the extent to which evidence is available to support compliance with Contracts Procedure Rules where procurement has taken place outside a formal contract. Internal Audit has reviewed the root causes of instances of non-compliance and have highlighted issues around the understanding and application of Contract Procedure Rules, particularly when procuring lower value items outside formal contracts, which can lead to a lack of consistent evidence to support the decisions that have been taken. This is also reflected in issues that have been noted around the management of contract waivers.
- 3.79 Where decision making processes are not followed or properly evidenced, this opens the authority up to the risk of challenge from contractors or bidders that may feel that they have missed out on a worthwhile tendering opportunity. This risk is increased where the aggregated sum of expenditure reaches a level at which the council has a legislative obligation to publish details of the procurement in accordance with Public Contracts Regulations. Transactional information is also readily available in the public domain through published payments and Freedom of Information.

Looking Forward

- 3.80 The Head of Governance and Scrutiny Support plans to co-ordinate a review of thresholds which apply in finance, procurement and decision making governance as well as undertaking benchmarking against the Core Cities and the West Yorkshire Authorities. It is anticipated that this may lead to detailed consultation with Members in order to ensure that the thresholds for categorisation of decisions remain up to date and fit for purpose in supporting Members to fulfil their democratic mandate.

Decision Making Governance Assurance Statement

- 3.81 From the review, assessment and on-going monitoring carried out, the Head of Governance and Scrutiny Support has reached the opinion that, overall, decision making systems are operating soundly and that arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.

4. Main Issues – RIPA

- 4.1 In line with the Council's last inspection report, Members were last updated in relation to applications for directed surveillance and CHIS (Covert Human Intelligence Source) authorisations at their December 2017, and March 2018 meetings. It is confirmed that there have been no applications for directed surveillance or CHIS authorisations, since the June 2017 meeting. There has been no use of the powers to obtain communications data, over the same period. Given that the grounds for authorising directed surveillance are limited to preventing or detecting serious crime, and approval by a JP is now also required in both cases, it is unlikely that the use of directed surveillance or CHIS authorisations will increase. It is possible that Environmental Action may decide to use the powers to acquire communications data in some serious cases, and preparations have been made so as to ensure that should this be the case, the Council will be fully compliant with the RIPA rules and the relevant Code of Practice.
- 4.2 Members are asked to consider whether they require any changes to the RIPA policy appended to this report. No changes are recommended at this time. Although there is little use of these powers currently, officers will continue to update Members periodically on their use, and on any changes in policy or procedure which may be required as a result of new legislation, or changes to the Codes of Practice.
- 4.3 From the review, assessment and on-going monitoring carried out, the Head of Service Legal Services has reached the opinion that, overall, systems and processes relating to RIPA are operating soundly and that arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.

5. Main Issues - Licensing

- 5.1 In order to avoid duplication of effort it has been agreed that the annual licensing report, which is agreed by Licensing Committee before being received by Full Council, will be received as the assurance report in relation to decision making for licensing. The most recent report was considered by Licensing Committee on 6th March 2018 and received by Council on 28th March 2018. The information set out in the annual licensing report reflects decision making arrangements from 1st January to 31st December 2017.
- 5.2 The Annual Licensing Report can be found at <http://democracy.leeds.gov.uk/documents/s171870/Appendix%20A.pdf>.
- 5.3 Since the annual licensing report was published, Licensing Committee continues its function for the overview of licensing decisions and activities, and there are no issues that require to be brought to the attention of this committee at this time.
- 5.4 From the review, assessment and on-going monitoring carried out, the Head of Elections, Licensing and Registration has reached the opinion that, overall, systems and processes relating to licensing are operating soundly and that arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.

6. Main issues – Planning

Planning Matters

- 6.1 The Chief Planning Officer has responsibility to ensure that the Council's arrangements for dealing with and determining planning matters are up to date, fit for purpose, effectively communicated, routinely complied with and monitored.
- 6.2 Planning Services has internal arrangements in place to provide assurance in the decision making process and to mitigate any potential risk of challenge on the grounds of partiality or bias. The service is firmly committed to a programme of continuous improvement, ensuring that processes take into account best practice and from learning from past errors. A number of actions and improvements have taken place over the last year and these are described below.

Decision making framework for planning matters

- 6.3 The framework for decision making in relation to planning matters in England and Wales is plan-led. This involves the authority 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.
- 6.4 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 cover a wide variety of matters including impact on neighbours and the local area.

Delegation and sub delegation schemes

- 6.5 The Chief Planning Officer is authorised to carry out specific functions on behalf of the council. 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 which were detailed in previous reports to this Committee. The Chief Planning Officer's delegation scheme was last reviewed and approved by Full Council on 25 May 2017.
- 6.6 The sub-delegation 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 22 August 2017.
- 6.7 The Chief Planning Officer's sub-delegation scheme ensures that decision making is undertaken at the appropriate level of seniority and experience. For example, only officers at planning team leader level and above have the authority to determine major applications. Other applications can only be signed off by officers at PO4 level and above. No officer can 'sign off' their own applications and therefore an appropriate level of external scrutiny is brought to bear on each proposal before it is finally determined. The majority of decisions are made by officers under the delegation scheme and in 2017-18, officers made 97.7% of the decisions. This is necessarily high due to the sheer volume of applications received in Leeds, in order to maintain expeditious decision making, and is similar to the levels of delegation in other Core Cities

Audit of Community Infrastructure Levy

- 6.8 In February 2017, Internal Audit commenced an audit into the Community Infrastructure Levy. The scope of the audit was to gain assurance over the arrangements in place to ensure income is identified and collected and that the monies are used in line with the intended purpose. A report was produced in June 2017 by Internal Audit and their opinion was *limited assurance* for the control environment and *acceptable assurance* for compliance with actual controls. *Minor Organisational Impact* was assigned as the weaknesses identified during the audit left the council open to low risk. If the risk materialised it would have a minor impact on the organisation as a whole.
- 6.9 One of the main areas of concern was the number of officers involved in the CIL process from beginning to end and Audit recommended that a dedicated officer had overall responsibility for maintaining the CIL process. This recommendation was agreed and a CIL officer has been appointed and started on 1 April 2018. This officer will be responsible for developing and reporting on CIL and implementing the other recommendations identified in the audit. The post is funded from the 5% charge top sliced from CIL payments, which local authorities can use to administer CIL. This is a very positive step forward for the service in terms of service development and in ensuring the appropriate assurances and control measures are in place.

Planning performance 2017-18

- 6.10 The service collects a range of information and data to monitor its own performance and to take corrective action wherever necessary. The service reports on this performance twice a year in a half year and end of year performance report to the Joint Plans Panels.
- 6.11 In 2017-18 the service received 5,130 applications; this was a 3.2% increase from the previous year. This was the sixth successive year that the service has seen an increase in number of applications being submitted and for the first time since 2008 that numbers have gone over 5,000 applications. This is compared with latest available national figures¹¹ which show that there has been no increase or decrease change in the number of applications made in comparison with the same period the previous year.
- 6.12 There were 4,985 decisions made in the reporting period, 3.1% increase from the previous year.
- 6.13 The table below shows the services' performance in relation to applications being determined in time or within agreed timescale.

	% Majors in time	% Minors in time	% Other in time
2017-18	91%	84.3%	88.2%
2016-17	93.1%	89.4%	93%
2015-16	96.6%	90.6%	93.5%
2014-15	88.7	85.1	91.8
2013-14	73.3	70.3	83.3

- 6.14 The latest national figures¹² for applications determined in time show that Local Planning Authorities decided 88% of major applications within 13 weeks or the agreed time.

¹¹ Department for Communities and Local Government Statistical release Planning Applications in England: October to December 2017.

¹² Department for Communities and Local Government Statistical release Planning Applications in England:

Therefore, Leeds' performance is above the national average. There has been a fall in performance in comparison with the previous year, this is due largely to the resource constraints the service has been working within, carrying a number of vacancies combined with an increase in the number of applications being submitted. However, this is still a significant achievement.

6.15 The last time this assurance report came before committee, members requested that comparative information from the Core Cites was provided. This is presented in the table below for the latest available dataset, (year ending December 2017)¹³ showing comparative performance and workload.

Authority	No applications received	Majors determined in time (%)	Minors determined in time (%)	Others determined in time (%)
Birmingham	4772	88	73	92
Leeds	4629	93	86	90
Liverpool	2159	90	84	84
Manchester	2324	86	86	89
Newcastle	1423	96	92	91
Nottingham	1343	80	80	82
Sheffield	2550	80	83	87

6.16 Clearly, Leeds performance is very strong across all categories, but particularly in ensuring decisions on major applications were on time. Major applications represented a significant workload, matched only in number by Birmingham who determined 88% of their majors in time.

Plans Panel decision making

6.17 Occasionally the Plans Panel may make a decision contrary to the officer's recommendation (whether for approval or refusal). In these circumstances a detailed minute of the Panel's reasons is made and a copy placed on the application file. Thus, members are required to explain in full their reasons for not agreeing with the officer's recommendation, observing the 'Wednesbury principle' which requires all material considerations to be taken into account and all irrelevant information (i.e. non-material matters) to be ignored. This ensures there is, as far as possible, a robust and defensible position should the application be subject to a legal challenge or appeal.

6.18 There is some inevitability that different decisions are reached, especially where decisions are finely balanced, or where different weight is attached to the potential planning considerations and the table below shows the position over the last few years.

October to December 2017.

¹³ Table P132: District planning authorities1 - planning applications decided, granted, performance agreements and speed of decisions, by development type and local planning authority, England Year ending December 2017

Year	Decisions	Decisions contrary to officer rec (as a % of the total no of decisions)	Appeals Against Refusal	Dismissed	Allowed	Costs awarded
2017-18	119	4 (3.3%)	3	2 1 in progress		
2016-17	105	11 (10.4%)	3	1	1	0
2015-16	127	4 (3%)	2	0	1	0
2014-15	191	14 (7%)	9	4	5	0
2013-14	136	7 (5%)	0	0	0	0

- 6.19 Of the 119 decision made by the three panels, four were contrary to the officer recommendation. One was at North and East Panel which related to an application for dormer windows at 71 Hill Top Mount; it was recommended for refusal but Members resolved to grant permission. Three were at South and West Panels two were for change of use to House of Multiple Occupation (HMO): The Omnibus, Throstle Road North and 20 Conference Road. Both were recommended for approval but Members refused them. The final one was for 183 Haigh Moor Road, Tingley, which was refused by members due to concerns over overlooking, and massing of a new dwelling. All three refused applications have been appealed; the Planning Inspectorate has dismissed two and the third is currently going through the appeals process.
- 6.20 The number of Panel decisions contrary to the officer recommendation represents a very small percentage of the total number of decisions made by the local planning authority, around 0.08% of total decisions, and only 3.3% of those presented to Panel.
- 6.21 Applications where the recommendation is supported by the Plans Panels are discussed thoroughly, with robust questioning of all stakeholders- officer, applicant and public speakers. This is to enable the Panel to be in possession of the full facts before making their decision. From this discussion, sometimes the application is amended, when it is recommended for approval, to add further conditions or amendments suggested in order to generate the best planning and development outcome on the ground. In the last report to the Committee, members asked for examples of developments highlighting the impact made by members to decisions where officer recommendation is supported, below are a few recent examples:
- North and East Panel, Former Civil Service Site, Newton Road, Potternewton- members sought additional affordable housing units following initial consideration
 - City Panel Residential development of 43 houses with associated landscaping and access on land to the rear of 5 and 14 Merton Close, Kippax, asked developers to look again at design issues to ensure the scheme was more imaginative
 - North and East on Heather Royd a development of eight flats, where members requested an additional condition to restrict building works to 8.00am to 5.00pm
 - South and West Panel on a residential site in Stanningley, where members successfully secured a pedestrian crossing.

6.22 Additionally, Plans Panel members often request that employment and skills obligations are included in S106 agreements to ensure that employment and training opportunities is provided for local people.

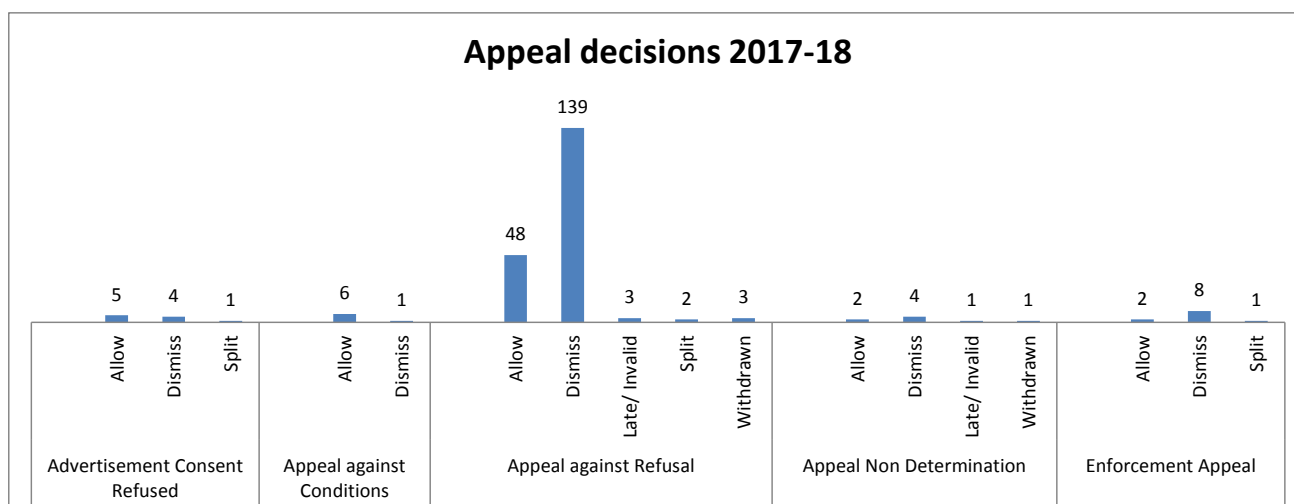
Appeals

6.23 The service uses several indicators to determine the quality of decision making: number of lost appeals, number of ombudsman complaints received and numbers upheld. In 2017-18 there were 307 new appeals, this is a 13% increase in the number of appeals in comparison with the previous year. Just over a quarter of appeals were householder appeals.

6.24 The Planning Inspectorate made 231 decisions on appeals in 2017-18. (The figures are different because of the six month window allowed for appeals to be made.) The table below shows the outcome of appeals for 2017-18 compared with the last five years performance. Performance on appeals dismissed has improved from the position last year where 63.5% of appeals were dismissed compared with 67.5% in this reporting period (about the national average).

Year	Appealed Decisions	Dismissed	Costs awarded Council	Costs awarded to Council
2017-18	231	67.5%	1	0
2016-17	260	63.5%	0	0
2015-16	231	74.1%	3 partial, 1 full	1 partial, 1 full
2014-15	237	66%	5	0
2013-14	251	71%	4	0

6.25 There has been one appeal against the non-determination of an application that was in the process of being considered at Panel (proposal for a Wetherspoon's in Cross Gates). The appeal was lodged following the deferral of the application at Panel for further information. The application was originally recommended for permission but Members resolved to contest the appeal. The appeal was allowed and costs were awarded against the council, however the final settlement hasn't been reached yet. Additionally, there are two other fairly recent cases where costs have been awarded. The costs awarded for an appeal at Longroyd Grove have been settled at 55% of the original claim, whilst the Council's negotiated offer relating to the appeal at 84 Kirkstall Road has not yet been responded to.



- 6.26 The chart above shows that most of the appeals made in 2017-18 were in relation to refusal of planning consent, 139, or 87%. Of the total appeals in 2017-18, 78 decisions related to householder appeals where 59% were dismissed. This is an improvement on the position reported last year. The service is committed to further analysing appeal decisions and taking corrective action, as appropriate.
- 6.27 Analysis of the latest annual figures on decisions from the Planning Inspectorate April 2016 to March 2017¹⁴ show that Leeds has the highest number of S78 appeals of the metropolitan authorities, 106 appeals, with an above average number of decision being allowed on appeal, compared with the metropolitan average. Maintaining control of appeals is particularly important as the Government's performance regime commencing in 2018 increases the threshold to 10% of an authority's total number of decisions on major and non-major applications made during the assessment period being overturned at appeal.
- 6.28 However, the service is currently well within this threshold; based on 2017-18 data, 4, 985 planning decisions were made, of which 67 were allowed on appeal. This equates to just 1.3% of the total number of decisions being overturned at appeal. Nevertheless appeals work is has a significant resource implication for the service and a close watch will be maintained, identifying where a change of stance is perhaps required in light of recurring upheld appeals.

Customer complaints and Ombudsman cases

- 6.29 From April 2017 to March 2018 there have been 117 stage 1 and stage 2 complaints received by the LPA. This compared with 148 complaints received in the same period last year. This is a 21% decrease in the number of complaints received in comparison with the same period last year.
- 6.30 One of the main themes of upheld complaints focus on the way planning applications have been advertised to neighbours and that comments received from neighbours not been taken in to account by officers. Training from Legal Services on report writing and focussing on writing effective and robust officer reports will be delivered in 2018 which will go some way to address this issue.
- 6.31 The Local Government Ombudsman (LGO) reported 21 cases to the Planning Service during this period, of which nine were received as closed with no further action being taken by the LGO. This compares to 25 new cases with 17 requiring no further action in 2016-17. One was closed after initial investigation, the rest required investigation. Seven cases were upheld and identified fault and four cases are awaiting a decision. Training from the LGO was delivered to officers in May 2018. This focussed on evaluating information and following a clear, transparent process in dealing with complaints, as well as , communicating with complainants effectively and learning from complaints.

Embedding the framework for planning matters

Officer training

- 6.32 As mentioned in previous reports to this Committee, the service places emphasis on ensuring that planning officers are up to date with current legislation, best practice and government initiatives. This ensures the decision making process is based on the most current and accurate information possible.

¹⁴ Planning Inspectorate Statistics April 2016 to March 2017

<https://www.gov.uk/government/statistics/planning-inspectorate-statistics>

- 6.33 The planning reform agenda continues with the recent overhaul of the National Planning Policy Framework which has implications for the planning system and the way new housing is delivered. It therefore continues to be a time of significant change, and it is necessary to ensure that officers are up to date and receive training to support decision making. Case officers receive training and updates at the planning case officers' meeting which takes place every 6 to 8 weeks. The head of development management provides a regular update of government reforms and changes that will impact on the way officers work. Guest speakers are also invited who provide information on planning and planning related information. In conjunction with monthly team leader meetings, the case officer meetings facilitate two way communications to ensure agreement is reached on operational issues and a consistent approach is adopted across the service.

Member training

- 6.34 Article 8.2.2 of the Council's Constitution, says that Members of the Plans Panels must complete all compulsory training and shall not sit as a Member of the Panel unless such training has been undertaken in accordance with the Council's prescribed training programme.
- 6.35 The compulsory training session in order to sit on Panel comprises one or two session(s), depending on the experience of members on planning matters and comprises:
- Planning update: This session updates members with the latest legislation and planning guidance. It also covers any changes to the planning system which will impact on the work of members.
 - Additional training for members new to the Plans Panel. This training is run by the group manager who goes through the procedural issues associated with the running of the Panel and the basic principles of planning. In this session officers will also identify some key planning issues, hot topics, direction of travel for policy and probity issues.
- 6.36 All Plans Panel members in 2017-18 undertook the prescribed training. Following the May elections, new-to-Panel members for 2018-19 have received the training.
- 6.37 Further training was offered to members of the plans panels in 2017-18 including a workshop on tall buildings.
- 6.38 Additionally, a useful and informative session with representatives from the private rental sector (PRS) Colliers and Legal & General was held in September 2017. The PRS has undergone a rapid period of growth and nationally now forms around 20% of the housing market and the session was to explore with the development industry some of the community and local pressures Members have to balance in supporting good growth in Leeds. The industry representatives spoke about the changing views of PRS, future growth of the PRS, how the PRS is regulated and the quality and management of the PRS homes.
- 6.39 There was much discussion about affordable and sub market rents, and the representatives outlined schemes in other parts of England where schemes were ring fenced to keyworkers where rents could be lower. It was also recognised that there are poor quality PRS housing and this perception could shape members' views of the whole sector.

Member tour of past sites

- 6.40 A tour of past sites was organised for March 2018; however the tour was cancelled due to the adverse weather conditions. Following the elections the visit is now being reorganised for a date later in July or for after the Summer in September. The tour will include a mix of commercial and residential, that were either granted permission or had permission granted on appeal. Such tours are very useful for members to look at development as built and to

reflect on past decisions made. This reflection helps in the decision making process on future applications.

Work of the Plans Panels

- 6.41 The second annual report of the work of the three Plans Panels and the Development Plans Panel was presented to full Council in November 2017. The report outlined the workload and other activity dealt with by the Panels and focussed on a number of significant applications which went before the Panels for determination.

Review of the Plans Panels

- 6.42 As part of planning services' commitment to continuous improvement to support the council's growth ambitions for Leeds, consultants were commissioned to carry out a short piece of work look at the function of the plans panels in Leeds City Council and its contribution to that growth agenda. POS Enterprises were appointed, working with planning officers, members of the Plans Panels and representative from the development industry to highlight existing good practices and to learn from practices from elsewhere. The Chief Executive and the Leader have also been interviewed as part of this work. A report is due from the consultants in June 2018.

Relationship with partners and customers

- 6.43 2017-18 has seen a developing relationship with the Leeds Chamber of Commerce to support good growth in Leeds. A session was held in June 2017 with the Chamber and members of the Plans Panels to discuss ways to make planning work more efficiently in the city. The session was quite informal and generated much robust discussion, with challenges for all parties to consider. Whilst the Chamber fielded developers from all sectors, discussion inevitably focussed on housing and the challenges that brings, but also the opportunities for moving forward. Feedback from members and the Chamber of Commerce was that the session was a positive first step in an evolving partnership.
- 6.44 An action from the session was to produce a "Joint Planning Protocol"; the Protocol is essentially to be a series of promises adhered to by both the development industry and the local authority, which all parties sign up to. This is currently in development and a draft will come before the Joint Member Officer Working Group in the first instance for consultation.

Working with Small and Medium Enterprise house builders (SME)

- 6.45 It is increasingly being recognised that the SME housebuilding sector is important in delivering the homes needed in Leeds. However, this sector has its own particular issues and pressures in securing planning permission and starting on site. A meeting was held with representatives from the SME sector to explore the issues in December 2017. The meeting was an honest exchange of views, with specific issues and concerns raised by the Authority and SME representatives. But it was also productive with an action plan agreed to look at ways of better supporting the sector, within current resource parameters. A follow up meeting is scheduled for September 2018.

Planning Assurance Statement

- 6.46 From the review, assessment and on-going monitoring carried out, the Chief Planning Officer has reached the opinion that, overall, systems and processes for planning are operating soundly and that arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.

7. Corporate considerations

7.1 Consultation and engagement

7.1.1 This report has been shared in draft with the Corporate Leadership Team.

7.2 Equality and diversity / cohesion and integration

7.2.1 There are no implications for this report.

7.3 Council policies and best council plan

7.3.1 The Council's values include being open, honest and trusted; spending money wisely; and working with all communities. The Council's decision making framework sets out systems and processes which ensure information is shared in a clear and consistent fashion to enable the people living and working in the communities of Leeds to engage with the decision maker to ensure that community wishes and needs are taken into consideration. Whilst decision makers are required to consider whether the decision to be taken represents best value the systems and processes themselves are subject to continuous review to ensure that their implementation is practicable and makes best use of the Council's resources to achieve compliance with both the statutory and local framework.

7.4 Resources and value for money

7.4.1 The systems and processes in place to meet the requirements of the decision making framework do so from within existing resources.

7.5 Legal implications, access to information, and call-in

7.5.1 The Council's decision making framework meets the statutory requirements in relation to decision making and monitoring of relevant performance indicators ensures compliance.

7.6 Risk management

7.6.1 The positive assurances set out in this report show that the Council's decision making framework is fit for purpose, embedded and routinely complied with so there are no risks identified by this report.

8. Conclusions

8.1 In relation to Executive Decision Making

- The systems and processes in place to support Executive Decision Making, which are captured in the Council's Constitution and sub-delegation schemes are subject to regular review and amendment as necessary to ensure that they are up to date, and fit for purpose;
- Routine monitoring of executive decisions has shown that systems and controls in place to promote open and transparent decision making are observed across all directorates. Use of statutory exemptions to publicity and scrutiny requirements is within target limits set for key performance indicators;
- Statutory requirements for the publication of agendas, and locally set targets for the publication of minutes of meetings have been met; and

- A combined approach of training and awareness, advice and guidance; and check and challenge supports the framework ensuring that it is fully embedded.

8.2 In relation to RIPA

- Relevant statutory powers have not been used during the reporting period; but
- Systems and processes are in place to ensure statutory powers are used lawfully should the need arise.

8.3 In relation to Licensing

- Detailed monitoring of performance has been shared with Licensing Committee and Full Council through the Annual Licensing Report;
- All systems and processes remain up to date and fit for purpose.

8.4 In relation to Planning

- A CIL Officer has been appointed, ensuring that appropriate assurances and control measures relating to the Community Infrastructure Levy are in place;
- Planning performance is the subject of regular monitoring and review showing Leeds to be performing strongly against the national average and in relation to core cities;
- Decision making by Plans Panels is robust;
- Planning appeals are the subject of ongoing review with a commitment to taking corrective action in relation to planning decision making where appeal outcomes show this to be necessary;
- Ombudsman complaints are monitored, and enable focussed training is to be put in place to further improve decision making;
- Training is provided to both Officers and Members engaged in planning decision making to ensure they are up to date with legislation and best practice;
- Ongoing work is being undertaken to develop relationships with partners and customers to add value to the planning process;

9. Recommendations

9.1 Members are requested to consider and note the positive assurances provided in this report given by the Head of Governance and Scrutiny Support, the Head of Service Legal Services, the Chief Planning Officer and the Head of Elections, Licensing and Registration that the decision making framework in place within Leeds City Council is up to date, fit for purpose, effectively communicated and routinely complied with.

10. Background documents¹⁵

10.1 None.

¹⁵ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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Joint Report of Directors of City Development and Resources & Housing

Report to Governance & Audit Committee

Date: 26th June 2018

Subject: Estate Governance

Are specific electoral wards affected? If yes, 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: 10.4 (3)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. At its meeting of 22nd January 2018 the Governance & Audit Committee requested assurance as to the governance arrangements to manage, maintain and make best use of council buildings including those with Listed status. This report seeks to provide that assurance by detailing the current roles, responsibilities and decision making processes which run across the various management functions of the Council's estate.

2. As a result of the ongoing austerity measures faced by the Council both revenue and capital maintenance budgets have reduced over the last 5 years. Due to the scale of the Council's estate this has led to competing demands on available funds and some challenging decisions on identified investment needs, with health & safety works being prioritised. Following analysis of the investment requirement across the estate an additional £5m has been injected into the capital programme within this year's capital programme, to address outstanding urgent and essential work.

3. Over the last 9 months significant (Property Pathways) work has taken place across services which perform an estate function, Health & Safety, Asset Management, Facilities Management and Corporate Property Management. This has resulted in clarification of roles and responsibilities for the management, maintenance and decision making of the Council's estate, a review of governance arrangements and baselining of processes, budgets and information management.

4. Stakeholder engagement takes place at a variety of points throughout decision making processes on estates matters. Both the Executive Member for Regeneration, Transport & Planning and the Executive Member for Communities are regularly briefed on their respective estate portfolios and any projects/sites which warrant highlighting. Further to this Ward Members are consulted as part of the process for decision making on surplus sites.
5. The lack of budgetary provision to improve the condition of the operational estate following a number of years of reduced spending is now becoming apparent. Without immediate investment the Council faces risks relating to safety, poor standards to both staff and public and ultimately will lead to declining asset values and larger repair bills.

Recommendations

6. The Governance & Audit Committee is recommended to:
 - a) Note the content of the report and specifically the work that has taken place over the last nine months to review estate management, including governance; and
 - b) Comment on the current governance arrangements as detailed in the report and attached appendices.

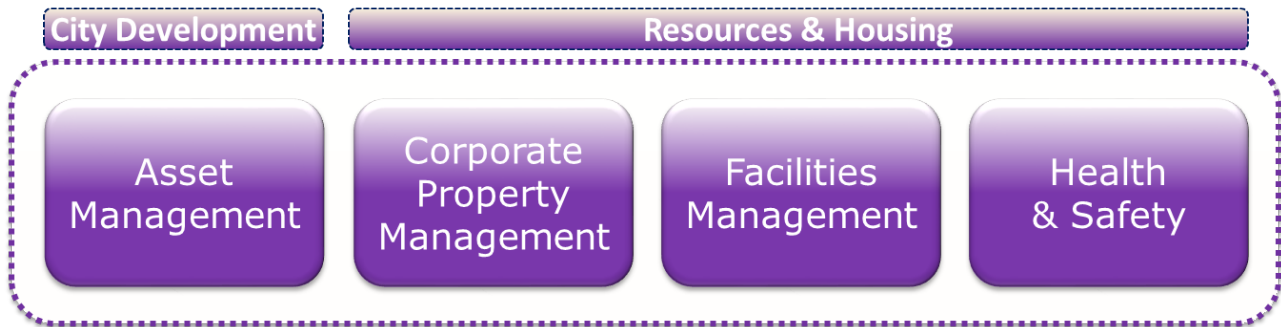
1. Purpose of this report

- 1.1 The purpose of this report is to provide the Governance & Audit Committee with assurance and visibility on governance arrangements to manage, maintain and make best use of council buildings.
- 1.2 For clarification the scope of the report includes buildings with Listed status, but excludes council houses and schools for which there are separate governance arrangements in place.

2 Background information

- 2.1 The Council's estate portfolio includes a wide range of different property types that perform a variety of functions, including:
 - Direct service delivery (e.g. sports centres, community hubs, museums, children's centres)
 - Offices (e.g. Merrion House, Kernel House, St George House)
 - Investments (e.g. First Direct Arena, 3 Sovereign Square)
 - Residential homes (e.g. children's homes, older people's homes)
 - Surplus/void properties
- 2.2 Overall the revenue requirement of this portfolio is c.£40m per year to run, including utilities, rates, maintenance and statutory compliance. Given its scale there are significant resources tied to the operation of the portfolio and a clear need for its management to be effective, efficient and aligned to the delivery of the Best Council Plan.
- 2.3 Due to budget pressures that Members will be aware of in recent years the property maintenance budget has been reduced, albeit in recognition of this and the need to address priority investment requirements this was reversed in 2018/19 by way of a £5m capital injection in 2018/19.
- 2.4 The Council's estate is extensive, headline figures are:
 - c.615 operational sites
 - c.700 investment assets
 - £40m running and revenue maintenance costs
 - £10.6m income from investment estate
 - 741 leases
 - £4.3m annual maintenance budget
- 2.5 In the vein of making the most effective and efficient use of the Council's estate Strategic Asset Management has led a programme of rationalisation, in partnership with wider council services, which since 2014 has achieved:
 - 57 sites declared surplus
 - c.£7m of revenue savings to date
 - £20m+ capital receipts (achieved and in pipeline)
 - 13 leased-in buildings handed back
- 2.6 Since September 2017 significant Property Pathways review work has been jointly undertaken by the key services who collectively have responsibility for the Council's estate functions, these being:

Estate Management Team



- 2.7 During this period baselining across key property themes, e.g. budgets, ICT and void management, has taken place to provide clarity on roles and responsibilities and with that sought assurance that effective processes and governance are in place, that all service areas with estate responsibilities have visibility across the various functions and that where challenges exist these are effectively noted and addressed.
- 2.8 A number of key sessions have been held as a result of this work to highlight the collective work of the estate management team and seek service input into how estate challenges can collaboratively be addressed to the benefit of all services. In addition a forward programme of sessions is in place to facilitate further discussion. These sessions have included:
- Asset Management Board – October 2017
 - Strategic Investment Board – October 2017
 - Asset Management Themed CLT – November 2017
 - Communities & Environment SLT – January 2018
 - Adults & Health SLT – February 2018
 - Children & Families SLT – February 2018
 - CLT – February 2018
 - Asset Management Board - April 2018
 - Themed CLT July 2018

3 Main issues

Decision Making

- 3.1 The decision making process is underpinned by a revised and robust governance structure, spanning and integrating the various estate functions, which comprises a number of boards and working groups. An organogram of the proposed governance and decision making arrangements is attached at appendix 1. This structure covers the operational, investment and void portfolios of the estate.
- 3.2 Within this structure there are three key decision making points, namely either Executive Board or by way of delegation to the Directors of City Development, and Resources & Housing.
- 3.3 Through the relevant sub-delegation schemes of each Director decision making authority on a number of estate related matters are taken at:
- Property Panel in regards to City Development areas of responsibility; and

- Capital Approvals Panel in Resource & Housing regarding estate maintenance/investment.

Governance

- 3.4 In regards to governance Corporate Asset Management Board, chaired by the Chief Asset Management and Regeneration Officer, is the main point for consultation, and support on matters concerned with use implications of the estate.
- 3.5 Membership of Corporate Asset Management Board was recently revised along with updated Terms of Reference and now consists of Chief Officers from across each directorate and services with specific estate responsibilities, e.g. Chief Officer Property & Contract (within which Corporate Property Management sits) and Chief Officer Civic Enterprise Leeds (within which Facilities Management sits) along with representatives of all service areas.
- 3.6 Both Children & Families and Adults & Health have discrete directorate Asset Management Boards which act as a first point of consideration for matters with any estate implication. In turn the chairs of each of these sit on the Corporate Asset Management Board.
- 3.7 Discussions are currently ongoing with Resource & Housing and Communities & Environment as to any requirement to establish directorate asset boards.
- 3.8 As can be seen from appendix 1 there are also boards specifically to give consideration to heritage assets, these being:

Heritage Assets Board (HAB) Role

The HAB board was set up in 2016 with a specific remit of overseeing delivery of the Central Library and Art Gallery refurbishment project. Following completion of this the board has continued to meet with revised terms of reference to ensure a holistic and joined up approach is taken to maintaining the Council's heritage assets.

The HAB role is to prosecute a programme of prioritised maintenance works on heritage assets owned or managed by Leeds City Council. The Board is responsible for:

- Controlling, managing and assigning the Heritage Assets Maintenance Fund budget, scheme no 16996, to specific projects and work streams.
- Ensuring that the projects continue to be strategically aligned to the Council's vision and city's strategic outcomes and the difference the projects are making to these.
- Making recommendations to the decision-maker (Chief Asset Management & Regeneration Officer or Director City Development) regarding the projects, providing support and challenge for the projects, ensuring that appropriate methodology, assurance and governance is in place and representing the Council's financial, legal and user interests.

Special Heritage Board Role

The board was established in 2012 to provide a strategic steer for capital heritage investment priorities for the city as a whole, both public and private, and to co-ordinate HLF / Historic England investment. The board is chaired by the Chief

Culture & Sport Officer and membership includes the Chief Planning Officer and senior Conservation officers. The Board is responsible for:

- Preparing, reviewing and disseminating the Leeds Heritage Action (HAP) Plan
- Ensuring that the Special Heritage project adds value and delivery capacity to the buildings at risk process considering all of the powers available to the Council
- Advising on the measures designed to increase the rate of disposal or re-use of traditional buildings owned and managed by the Council
- Check and challenge for heritage projects during the bid development stage and to act as temporary project board, where required

3.9 Through the various boards and working groups there is connection across all services with estate responsibilities, and confidence that through the ongoing review started in September 2017 there is now the appropriate structure and mechanisms in place that enable collaborative solutions and joined up decision making.

Making Best Use of the Estate

3.10 The Director of City Development, or officers identified within the sub-delegation scheme, is responsible for decisions relating to land and property seeking to:

- Acquire
- Dispose
- Lease out
- Lease in
- Licence 3rd party occupation

3.11 Asset Management & Regeneration carryout the work to ensure that the Council's estate is used as effectively as possible, both from an operational and investment point of view. In summary this includes:

- The Land & Property team manages leased out properties (which collectively generate c.£10.6m income per annum), disposal of sites to achieve capital receipts target (which helps underpin the Council's annual budget), as well as acquisitions (for either operational or investment purposes).
- Strategic Asset Management manages the deployment of the Council estate for occupation by Council staff and third party seeking to achieve the most efficient use of space whilst ensuring that the estate works to support effective service delivery and outcomes. It works alongside other services with estate responsibilities to ensure decisions around planned investment is done in the context of strategic need for sites and the existing occupation liabilities.
- Condition surveys are commissioned by Strategic Asset Management, via NPS on a rolling programme, or where up to date surveys are needed to inform investment or future use decisions. Survey reports are reviewed by Corporate Property Management who then programme priority works identified. A review to the programme was undertaken in January 2018 with an updated scope of services implemented for the condition surveys and a programme is being developed to implement a 5 year target for a rolling programme.

- The Strategic Asset Management team provides the secretariat functions to the Corporate Asset Management Board and Strategic Investment Board.
- Regeneration Services provide secretariat functions to the Special Heritage Board and Heritage Assets Board, respectively. Both heritage boards have representation from Strategic Asset Management, and in the case of the Heritage Assets Board a representative from Corporate Property Management has been invited to attend to ensure robust decision are made around ongoing maintenance. The Regeneration Service and Planning's Conservation Team provide heritage-led regeneration and conservation advice, as appropriate.

Maintaining & Managing the Estate

- 3.12 The Director of Resource & Housing, or officers identified within the sub-delegation scheme, is responsible for decisions relating to land and property seeking to:
- Comply with statutory requirements
 - Undertake remedial works
 - Maintain assets
 - Provide facilities management to FM managed buildings
- 3.13 Corporate Property Management, which sits within Property & Contracts, is responsible for maintaining an agreed list of 615 sites that form part of the Council's estate, both from a reactive and planned programme. This includes ensuring that all properties have up to date statutory checks, such as legionella and electrical testing. A monitoring report is now reported on a quarterly basis to Corporate Asset Management Board and it is proposed that a highlight report be provided for the Council's High Hazard Group to provide assurance that the Council is complying with its statutory duty as a property owner and landlord.
- 3.14 With an annual budget of c.£6m and over 800 properties to maintain it is an ongoing challenge to address all requirements across the Council's extensive and diverse portfolio of assets. Priority is given to addressing safeguarding issues, e.g. children's homes, older people's homes, and assets requiring revenue protection e.g. leisure centres. A lack of budgetary provision to improve the condition of the operational estate, following a number of years of reduced spending is now becoming apparent.
- 3.15 Following analysis of the backlog maintenance need across the Council's estate during 2018, excluding heritage buildings which are being dealt with separately, there has been an additional capital injection of £5m in 2018/19 which will specifically address priority 1 and 2 condition works across the operational estate. Corporate Property Management is programming this work alongside Leeds Building Services who will carry out the physical works.
- 3.16 Decisions on significant spend on maintaining buildings (over £10,000) is now done in consultation with Strategic Asset Management to ensure an appropriate longevity to the Council's use the asset. In some instances, i.e. where there is a health & safety, the decision to invest regardless of a long term requirement to retain the asset may need to be made.
- 3.17 Facilities Management (FM) provide support for the day to day functioning of a number, but not all, operational properties (leisure centres for example are managed day to day by the occupying service). The services offered by FM including cleaning, caretaking, opening and shutting of buildings, security and a reception function. Large or multi-service occupied buildings are FM managed to

ensure clarity of responsibilities, but in some single occupancy or small buildings services may opt to 'buy-in' certain FM services as required.

3.18 The Council's Health and Safety Team, within Resources and Housing, plays a significant role in supporting, monitoring and ultimately providing assurance on the Council's statutory compliance with health and safety regulations pertinent to the management of the Council's estate. This role is undertaken in partnership with Asset Management, Facilities Management and Corporate Property Management, who programme the compliance and remedial works, and also health and safety compliance teams in the Property and Contracts service.

3.19 Compliance is assessed in a number of ways including:

- Analysing performance information;
- Audits;
- Inspections;
- Statutory inspection reports;
- Monitoring contractors; and
- Incident investigations (where required).

The Health and Safety Team also ensure that remedial works identified as part of undertaking Fire Risk Assessments are passed to Corporate Property Management for programming.

3.20 A new Estate Management Group, formally the Property Working Group, has been created to bring relevant stakeholders together to assess compliance, identify any gaps and develop solutions, to be shared with the Corporate Asset Management Board. One of the areas this group is looking at is the need for a single estate management database to capture all property related information so it can be maintained, retrieved and evaluated more efficiently by all teams with estate responsibilities.

Heritage Buildings

3.21 Significant work to consider the Council's heritage assets has been undertaken over the last 18 months primarily by Regeneration but with input from colleagues across City Development and the wider Council, and overseen by the Special Heritage and Heritage Assets Boards.

3.22 Part of this work has involved getting up to date information on the condition of heritage assets and the traditional building techniques needed to properly maintain them through the production of updated condition surveys, where necessary. The work assisted in the identification and catalogue all of the listed heritage assets owned or managed by the Council, with surveys undertaken on 46 heritage assets across 23 different properties. The estimated costs of full repairs are in the order of £44m over the next 10 years. It is important to note that this is a headline figure, and will be subject to change as ongoing works are completed and sites moved out of council ownership.

3.23 In recognition of this investment need, and that there are insufficient funds within the standard maintenance budget, an extra capital injection of £2m per annum over the next 3 years has been agreed by Strategic Investment Board for works specifically on heritage assets. This is over and above funding that is already earmarked for works to Leeds Town Hall.

- 3.24 The funding will be used to carryout immediate or essential works, as highlighted within condition surveys. Prioritisation of spend has been guided by the following considerations:
- Operational assets
 - Vacant with market potential
 - Assets with potential for match funding
 - Non designated heritage assets - operational
 - Non designated heritage assets – non operational
- 3.25 Consideration is also being given to more innovative ways of safeguarding heritage assets through possible alternative ownership arrangements, e.g. Building Preservation Trust and heritage focussed disposal processes. In some cases there is potential to leverage the funding earmarked for repair costs to be used as a reverse premium, if the situation warrants such an approach.

Roles & Responsibilities

- 3.26 To provide clarity on the roles and responsibilities held by various services in regards to the Council's estate a number of refreshed matrices have been developed pertaining to the operational, investment and void portfolios. These matrices have been developed and are in final draft format ready for sign off and are attached at appendix 2.
- 3.27 Sitting behind each matrix is a comprehensive list of all properties within that portfolio and also a compliance checklist which cover all aspects of the Council's statutory requirements specifically in regards to type of property within that portfolio, e.g. tenanted.
- 3.28 Further to this, mapping of processes for decision making on various estate issues has been completed, including for sites to be declared operationally surplus by services and the pathway for onward movement to another use or disposal. This process is illustrated at appendix 3.

Stakeholder Engagement

- 3.29 It is recognised that the Council's portfolio is a tangible representation of its presence in a local area. It is also often a representation of civic and community pride in within localities. Consequently whilst a business decision on the future of a particular property may be relatively straightforward, for reasons set out above the wider stakeholder engagement and management of local issues can mean decision making or delivery of decisions can become elongated.
- 3.30 Regular updates are provided by each service area to their respective Executive Members, relating to both general overviews and specific assets.
- 3.31 In addition to this Ward Members are consulted at key points throughout the process of consideration of future use of operationally surplus sites, as per the highlighted points within appendix 3. A stakeholder engagement plan is currently being prepared to ensure a robust and consistent approach.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive Members for Regeneration, Transport & Planning and Communities have been briefed by their respective service areas on the ongoing work of the Estates Management Team, and specifically on this report.
- 4.1.2 The governance and decision making processes that is outlined within this report was considered by Corporate Asset Management Board at its meeting of 25th April 2018.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 This report is for information only and therefore there are no direct equality and diversity or cohesion and integration implications. Screenings, and where necessary assessments will be undertaken for individual projects seeking to make changes/improvements to buildings within the Council's estate.
- 4.2.2 In September 2016 Executive Board approved a framework for integrating inclusion & diversity in the built environment. The framework has been successfully applied to buildings such as Merrion House and St George House where significant refurbishment has taken place. Further to this audits have started to take place on a number of operational buildings. The outcomes of these audits is due to be reported over the coming months, with a view to establishing an approach to tackling a range of requirements highlighted within those audits.

4.3 Council policies and best council plan

- 4.3.1 The estate management functions across the Council seek to support the Best Council Plan 2018-21 ambition of being '*an efficient and enterprising organisation*'.
- 4.3.2 Governance arrangements in place support the Council's value of spending money wisely, through enabling informed and timely consideration of estate matters and decision making.

4.4 Resources and value for money

- 4.4.1 The available budget for maintenance of the Council's estate continues to be a challenge but through the work of the Estate Management Team and discussions at Strategic Investment Board additional funds, over a 3 year programme, have been injected to ensure that identified priority investment works can be delivered.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no legal implications arising from this report.

4.6 Risk management

- 4.6.1 The Resource & Housing Directorate is proactively monitoring performance indicators in regards to statutory compliance through monthly dashboard reports from Facilities Management, Health & Safety and Corporate Property Management.

In addition the performance is reported on a quarterly basis to the Corporate Asset Management Board.

- 4.6.2 In addition each service monitors their own areas of responsibility, highlighting risks and identifying mitigating actions through their appropriate lines of accountability and to Executive Members.
- 4.6.3 The High Hazard Group, chaired by the Director of Resources & Housing, also fulfils a significant function in relation to health & safety aspects of the Council's management of its estate.

5 Conclusions

- 5.1 Significant collaborative work has taken place over the last 9 months between Asset Management, Facilities Management, Corporate Property Management and Health & Safety to map, baseline and review key areas of estate management functions.
- 5.2 This work had led, amongst other things, to clarification on roles and responsibilities across the various estate management functions and injection of additional funds to maintain the Council's Portfolio.
- 5.3 The governance structure in relation to maintaining, managing and making best use of the Council's estate has undergone review and been strengthened to ensure appropriate mechanisms are in place for operational and strategic consideration of estate matters.
- 5.4 It is recognised that stakeholder engagement, particularly with Ward Members, could be strengthened and this will be redressed through development and consultation of a stakeholder engagement plan.
- 5.5 There has been recognition that historic annual budgets have not been sufficient to maintain all of the Council's estate to an acceptable standard, leading to the current position of significant under investment. An additional injection into the 2018/19 capital programme of £5m has sought to address some of the highest priority works. Given the ongoing financial challenges faced by the Council it is evident that the current scale of the estate needs to be reduced if effective deployment of available budgets is to be achieved.

6 Recommendations

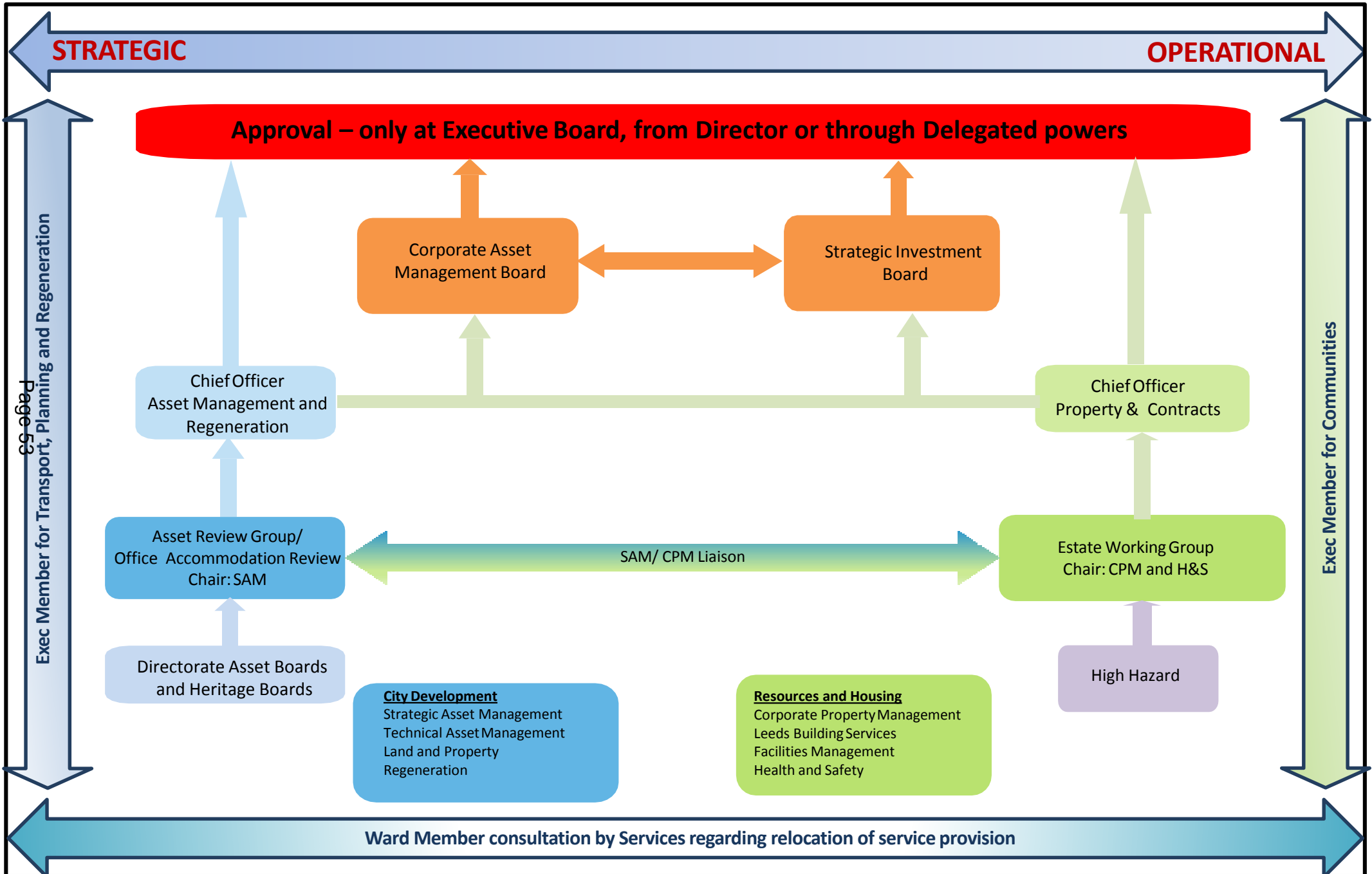
- 6.1 The Governance & Audit Committee is recommended to:
 - a) Note the content of the report and specifically the work that has taken place over the last nine months to review estate management, including governance; and
 - b) Comment on the current governance arrangements as detailed in the report and attached appendices.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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Page 53
Exec Member for Transport, Planning and Regeneration

Exec Member for Communities

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ESTATE MANAGEMENT
ROLES AND RESPONSIBILITIES FOR HEALTH AND SAFETY COMPLIANCE

Over-arching health and safety responsibilities for all staff are detailed in the Corporate Health and Safety Policy. These have been agreed by the Chief Executive and Leader of the Council.

These generic accountabilities can only be met if each service is clear about any specific duties they may have. This is more important where different services work together to deliver a particular outcome. Estate Management is a good example of this where services such as Asset Management and Regeneration, Facilities Management, Corporate Property Management and Health and Safety all have an important part to play. As do our Internal Service Providers who are commissioned to carry out much of the work.

By working together effectively we can ensure that people working in, visiting, or who may otherwise be affected by the management of the LCC estate are kept safe and well. Compliance with health and safety responsibilities also: protects assets for the future; reduces major one-off maintenance costs; reduces insurance premiums and any criminal fines; and protects and enhances the reputation of LCC.

Clarity on the various roles in relation to different parts of the portfolio are contained in a series of Appendices to this document. Whilst these are not meant to be exhaustive it clearly identifies the contribution of each service.

Table 1 below, details the named Chief Officers and Heads of Service/Senior Managers accountable for delivering their contribution to the effective management of the estate, as per Appendix 1.


Service	Chief Officer	Head of Service/Senior Manager
Asset Management and Regeneration	Angela Barnicle	Asset Management: Dayle Lynch
		Property and Land: Chris Gomersall/Mary Stockton
Corporate Property Management	Simon Costigan	Nahim Mehmood-Khan/ David Gold
Facilities Management	Sarah Martin	Richard Jackson
Health and Safety	Lorraine Hallam	Chris Ingham

Table 1


Summary of Appendices

Appendix Number	Portfolio	Description
2a	Operational Estate	Those buildings occupied by LCC staff and/or partners and may include: offices, depots, libraries etc. There are approximately 800 premises that come within the scope of this definition.
2b	Investment Estate	<p>Those LCC owned buildings and land leased out to third parties:</p> <ul style="list-style-type: none"> • Full commercial lease; • Community lets; • Other third sector/public sector lets.
2c	Void Premises and Land	<p>Premises or land owned by LCC or on a long-term lease which have been declared operationally surplus by a service.</p> <p>N.B. this should be read in conjunction with Appendix 7 Workflow on Property Pathways.</p>
2d	Miscellaneous Land	<p>The scope covers:</p> <ul style="list-style-type: none"> • Land that the council is required to own and manage, but serves no operational or investment purpose. • Land owned and utilised by operational services. <p>N.B. void land is included in Appendix 3.</p>


PLANNING AND STRATEGY	LEGISLATIVE MAINTENANCE
ASSET MANAGEMENT	CORPORATE PROPERTY MANAGEMENT




Asset/Estate Management Strategy and Plans - coordinating the development of strategy and plans in relation to the LCC estate.




Retention, Disposal and or Refurbishment of Premises - based on an overall the strategy, short/medium/longer term requirements, intelligence from condition surveys.




Condition Surveys - commissioning a programme of condition surveys.




Asbestos Management - planning, commissioning, survey and management plans.




Legionella Management and Control - planning, survey, identification, testing




Fire Safety Management - fire safety strategy/programme, testing and maintenance of fire/smoke detection. emergency lighting, sprinklers & dry risers.



Planned Maintenance - includes servicing and testing of gas, electrical installations, heating/ventilation, lifts, doors/shutters/gates, air conditioning/handling etc.



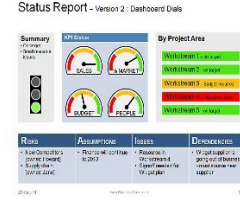
Responsive Maintenance - prioritisation and facilitation of building repairs.




LCC Client Role - performance monitoring of internal/external service providers; client advisor on some service improvement projects.

OPERATIONAL ESTATE MANAGEMENT HEALTH AND SAFETY ROLES


OPERATIONAL MANAGEMENT	COMPLIANCE
FACILITIES MANAGEMENT (OR SERVICE IN NON-FM)	HEALTH AND SAFETY SERVICE - HR




Daily Status Reporting - responding to faults and repairs.



Building Security - including the provision of staff, CCTV, secure door access, building risk assessment and response to national security threat.



Local Safety Arrangements - covering emergency evacuation, first aid, key contacts and information.



Routine Maintenance and Monitoring - grounds maintenance, car parking, cleaning services, toilet provision, waste and energy management.



Health and Safety Management Framework - development of policy, procedures and guidance.



Governance and Assurance - auditing, inspection, compliance monitoring and reporting to relevant Boards e.g. Executive Board, CLT etc








Co-operation and Liaison - consultation and negotiation with Trade Unions and liaison with enforcing agencies.












Fire Safety Concordat - development, maintenance and review with WYFRS



Relationship Management - with building users and Members




PLANNING AND STRATEGY LAND AND PROPERTY SERVICES	LEGISLATIVE MAINTENANCE CORPORATE PROPERTY MANAGEMENT
 <p>Investment Strategy for New Acquisitions – develop strategy for new investment acquisitions and implementation.</p> <p>Strategy for assets for working with third sector or commercial organisations.</p>  <p>Retention, Disposal and/or Refurbishment of Premises - based on an overall the strategy, short/medium/longer term requirements, intelligence from condition surveys.</p>	<p>N.B. Roles and responsibilities are defined in each lease and summarised in the Statutory/Contractual Responsibility Matrix produced and maintained by Land and Property.</p>  <p>Statutory Checks – CPM to undertake statutory checks on behalf of LCC as the landlord – prior to premises being leased out. This is based on information provided by Land and Property. This information will then form part of the Tenants Health and Safety Pack, produced and distributed by Land and Property. Statutory checks include: Asbestos Management Plan/Surveys, Fire Risk Assessment, Water Management, Electrical, Gas etc.</p>  <p>Planned Maintenance – CPM to produce and maintain a schedule for statutory inspections and remedial work, based on the responsibilities detailed in the ‘Matrix’ provided by Land and Property. CPM to provide quarterly updates on this work to Land and Property. Any matters of concerns found during inspection or undertaking remedial works to be reported to Land and Property.</p>  <p>Responsive Maintenance – responding to requests from tenants for repairs, which are the responsibility of LCC.</p>  <p>LCC Client Role - performance monitoring of internal/external service providers; client advisor on some service improvement projects.</p>

INVESTMENT ESTATE MANAGEMENT - HEALTH AND SAFETY ROLES

OPERATIONAL MANAGEMENT LAND AND PROPERTY	COMPLIANCE HEALTH AND SAFETY SERVICE - HR
 <p>Leasing Out – leases with schedule of conditions and responsibilities; check-list to ensure premises are fit for purpose and compliant before leased-out; production and maintenance of a tenant’s health and safety pack containing compulsory landlord information and clarifying tenants’ responsibilities.</p>  <p>Leasing In – strategy (as above); commissioning survey to assess the extent of any work required and on-going liabilities; agreeing lease conditions and roles and responsibilities; ensuring statutory landlord information is received.</p> <p>Statutory/Contractual Responsibility Matrix – Land and Property to produce and maintain a full list of responsibilities for each leased in and leased out property/land, detailing what LCC is responsible for and what is the responsibility of the tenant/landlord. This should contain the provisions for action if others are not discharging their responsibilities.</p>  <p>Landlord Monitoring – Land and Property to develop, maintain and carry out an on-going risk-based programme of monitoring of leased premises to assess: whether LCC was satisfactorily carrying out its statutory/ contractual responsibilities; assess tenant compliance; assessment of ‘proper use’ of the premises etc.</p>  <p>Responsive Maintenance – in line with the ‘Matrix’, Land and Property to develop and maintain a process whereby tenants can report disrepair, which LCC are responsible for putting right. Reports will be passed to CPM for assessment and any remedial works.</p>  <p>Relationship Management - with tenants.</p>	 <p>Health and Safety Management Framework - development of policy, procedures and guidance.</p>  <p>Governance and Assurance - auditing, inspection, compliance monitoring and reporting to relevant Boards e.g. Executive Board, CLT etc</p>  <p>Co-operation and Liaison - consultation and negotiation with Trade Unions and liaison with enforcing agencies.</p>  <p>Fire Safety Concordat - development, maintenance and review with WYFRS</p>

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PLANNING AND STRATEGY	MANAGEMENT AND MAINTENANCE
ASSET MANAGEMENT	CORPORATE PROPERTY MANAGEMENT




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Asset/Estate Management Strategy and Plans - coordinating the development of strategy and plans in relation to the LCC estate.

Facilitate Business Cases to Allow Decision Making on Future Use – this will consider whether there is any re-use opportunities within the council or decisions on release of premises/land.

Oversight of Voids – this will include working with Corporate Property Management to arrange: pre-handover checks with the previous occupier; formal handover; viewings of potential buyers/tenants; commissioning void inspection reports and day to day management from Corporate Property Management.

If the premises/land is in a Derelict Nuisance area, notify the Regeneration Team as there is a need for increased vigilance.

Pre- Handover – attend pre-handover meeting on behalf of Asset Management. Advise service on what they need to do e.g. cancel localised contracts.
 Arrange for transfer of intruder alarm and utilities to CPM.
 If decision made for demolition – disconnect services. Otherwise electricity kept on, but gas and water may be capped off.
 Complete risk assessment regarding any future entry into the premises/land.

Handover – check everything ready for formal handover. Notify Asset Management and the Service. Alert CPM Maintenance Officer.

Management and Maintenance – day to day management on behalf of Asset Management. This includes: inspections, building maintenance, security, compliance checks, various charges, risk assessment updates, Void Inspection Report on Uniform, emergency response, use of voids by other agencies (e.g. Police, WYFRS), controlled key holders.




Updates provided to Asset Management at monthly updates.

VOID PREMISES AND LAND HEALTH AND SAFETY ROLES

SERVICE VACATING THE PREMISES/LAND

COMPLIANCE


HEALTH AND SAFETY SERVICE - HR

Notify – Asset Management as soon as you are aware you may need to leave a premises/land in void. This should be discussed at Directorate Leadership Teams and brought to Asset Management Board.

Declaration – Formally declare the premises/land is surplus.

Handover – work with Corporate Property Management (CPM) to ensure a smooth handover, ensuring the premises are emptied of equipment and furniture. Take advice from CPM as to which localised contracts you will need to cancel n.b. intruder alarms are normally keep live and transferred to CPM.



Health and Safety Management Framework - development of policy, procedures and guidance.

Governance and Assurance - auditing, inspection, compliance monitoring and reporting to relevant Boards e.g. Executive Board, CLT etc

Co-operation and Liaison - consultation and negotiation with Trade Unions and liaison with enforcing agencies.

Fire Safety Concordat - development, maintenance and review with WYFRS

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Appendix 4 – Estate Management – Roles and Responsibilities

Miscellaneous Land

1. Land that the council is required to own and manage, but serves no operational or investment purpose.

Responsibility lies with City Development, Asset Management and/or Regeneration.

Corporate Property Management are commissioned to undertake any work as required.

2. Land owned and utilised by operational services.

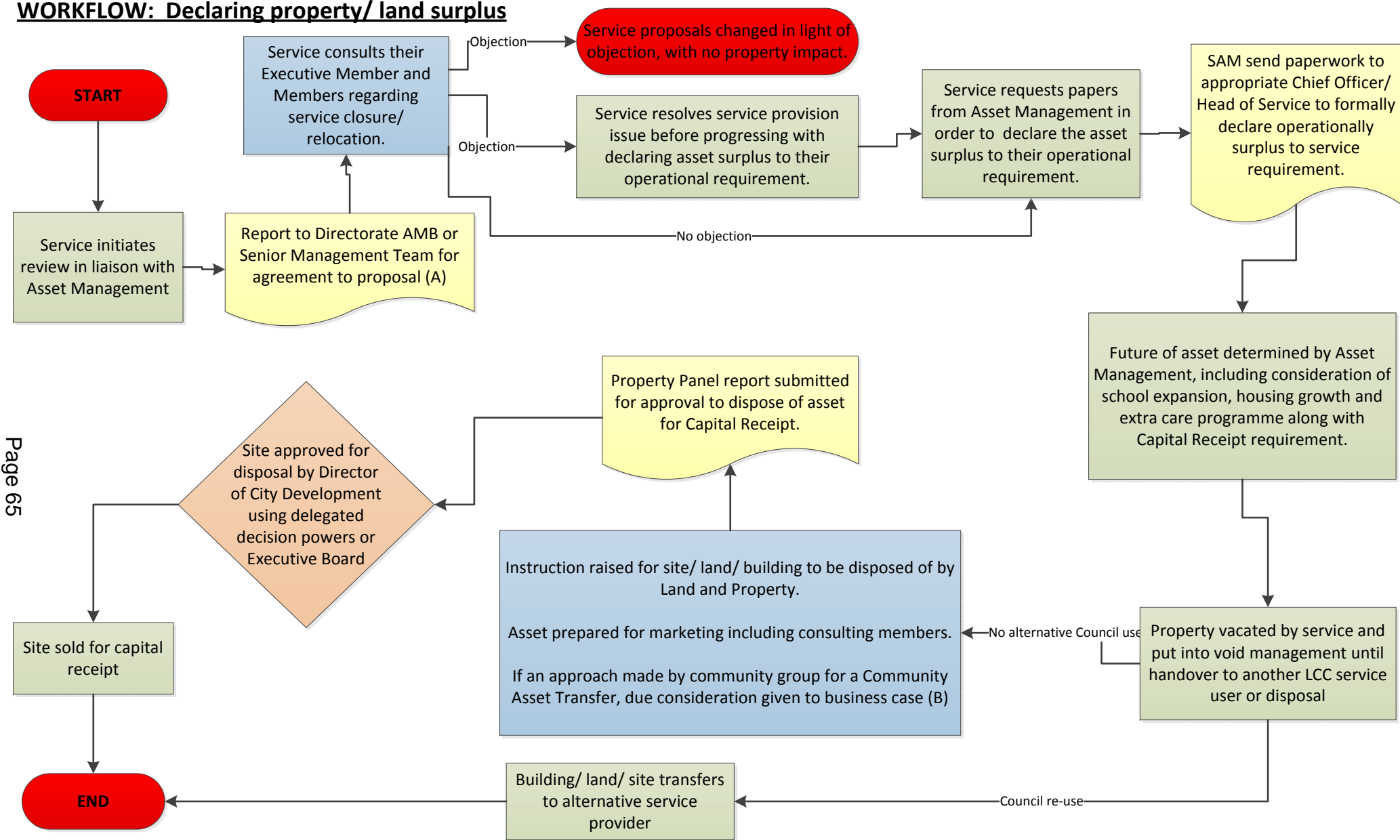
This includes such land as housing amenities and parks and countryside spaces.

Responsibility to manage, maintain and ensure compliance lies with the relevant service area.

N.B. Void land is covered in Appendix 3.

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WORKFLOW: Declaring property/ land surplus



Page 65

NOTES

- A) Adults and Health and Children and Families have Service Asset Management Boards, other services have Management Teams or Programme Boards which take these decisions.
- B) CAT's can take months/ years to progress, in some cases assets suffer severe deterioration through vandalism and CAT abandoned, resulting in waste of officer hours negotiating the transfer and ultimately a reduced capital receipt for the Council.

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Report of: Chief Officer Human Resources

Report to: Corporate Governance and Audit Committee

Date: 26th June 2018

Subject: Annual assurance report on employment policies and procedures and employee conduct.

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 is the annual report to the committee concerning the Council's employment policies and employee conduct. From the review, assessment and on-going monitoring carried out, the Chief Officer HR has reached the opinion that, employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.

Recommendations

1. Members are requested to consider and note the positive assurances provided in this report in relation to:
 - the requirements of employee conduct are established and regularly reviewed;
 - requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated;
 - and employee conduct is monitored and reported:

1 Purpose of this report

- 1.1 To provide assurance to the Corporate Governance and Audit committee that: the requirements of employee conduct are established and regularly reviewed; requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated; and employee conduct is monitored and reported.

2 Background information

- 2.1 An internal audit of “Employee conduct – central controls” was issued in June 2015 and this concluded that overall there was “Good assurance”. A recommendation from the audit was that a reporting mechanism be introduced to the Corporate Governance and Audit Committee to give assurance that the key employment policies and procedures are fit for purpose, effectively communicated, working as intended and regularly reviewed. The first such report was presented in September 2015, followed by June 2016 and June 2017.
- 2.2 An internal audit of register of interests issued in August 2016 concluded that overall there was “acceptable assurance” on the control environment and “good assurance” on compliance and the recommendations made in the audit report have been implemented.
- 2.3 An internal audit of gifts and hospitality issued in August 2016 concluded that overall there was “good assurance” on the control environment and “good assurance” on compliance and the recommendations made in the audit report have been implemented.
- 2.4 The Audit Plan for 2018/19 includes a planned audit, “Application of HR Policies - To gain assurance that a sample of HR policies are consistently and properly applied across the authority.”

3 Main issues

3.1 Employee Code of Conduct

An Employee Code of Conduct is in place and is set out in Part 5 of the council’s constitution ‘Codes and protocols’. It was revised in 2013 to align it with the Members Code of Conduct. Any breach of the employee code of conduct can lead to disciplinary action. In addition to this the Council has also established a set of values to inform the way that the council delivers services and the way in which employees work. In 2017 the values were refreshed and “tweaked” to reflect the feedback from colleagues. The changes were:

- Get the best deal on price, quality and social impact
- I am part of a team with a “can do” attitude
- Working with people - Engaging all communities
- Take a “no wrong door” approach if someone needs help

- 3.2 Further work is underway on developing the ‘can do’ culture where everyone feels safe and confident to take a ‘can do’ approach to working towards our ambition to

be the best city and the best council. This included the first “can do” week incorporating the leadership conference in October 2017. Recognising and sharing our successes is integral to the notion of ‘can do’ culture, which runs throughout our existing values, where staff may say:

- I am open to new ways of working.
- I appreciate the efforts of others and acknowledge a job well done.
- I look for ways to improve processes and service delivery.

3.3 Employees have access to the Code of Conduct and associated policies via the Toolkit section on InSite along with guidance and supplementary notes. It is the duty of managers to ensure that the Code of Conduct is available to employees who do not have access to InSite. There is also an induction checklist that is completed for new starters and this ensures employees are aware of the Code of Conduct on the first day of their employment.

3.4 The Code of Conduct is referenced every time a communication goes out about any of the policies and procedures which link to the code. In addition to regular council-wide reminders regarding the code of conduct, individual services identify when specific reminders are needed.

3.5 Gifts and hospitality

The rules on the acceptance of gifts and hospitality are communicated to managers and staff annually to ensure all employees are aware of the process. This communication normally takes place in early December as offers of gifts and hospitality traditionally see an increase in the run up to the Christmas period. The table below shows the details of the declarations for the past 3 years.

	Total number of declarations.	Number of offers that were rejected.	Number of offers which were accepted.	Number of accepted offers valued at less than £50.
2017/18	97	27	70	35
2016/17	135	48	87	41
2015/16	121	43	78	47

The vast majority of offers are for attendance at seminars/ award ceremonies/ networking events and were made to employees working within City Development. On an annual basis Directors are sent a copy of the register for their directorate and they are responsible for reviewing this to ensure that they are satisfied that there are no concerns, either with what individual officers have declared over the year or with any particular firm making inappropriate offers. No such concerns were identified in the last annual review and there have no referrals in 2017/18 to the HR casework team for any breach of the gifts and hospitality policy.

3.6 Employee Register of Interests

There is a rolling programme in place for the completion of register of interest forms, this involves an annual exercise and in addition new self-declarations are processed throughout the year. High risk posts are identified using the following criteria: posts that give significant advice or speaking for the council; posts where there is significant authority to make decisions; and posts with significant discretion over spending. For the 2017/18 annual exercise the business support centre sent out 1005 forms. The details of declarations that have been made have been sent to the relevant Directors for review and they have also been given the details of the 92 non responders so these can be chased up. Directors and chief officers have a responsibility to assess declarations and take the necessary actions to address any potential conflict of interest. Examples of declarations include duties such as school governors and other voluntary activities, employment outside the council and personal relationships with contractors. There have been no referrals to the HR casework team in 2017/18 for any breach of the register of interests policy.

3.7 Employee Training and Development

Much of the training and development available to employees is booked through the PAL system where courses are divided into categories and are delivered via online and classroom methods. In total for 2017/18 there were 14,918 training sessions completed. The top three categories were, Health, safety and wellbeing (3074), Working with Adults (2138) and Managing Information (2086).

3.8 Mandatory information governance training for all employees was completed in summer 2016. Employees with IT access completed an e-learning package and those without IT access received a leaflet to their home address. The refreshed training was launched on 16th April 2018 and incorporates information to ensure employees understand their responsibilities under the new General Data Protection Regulations. Employees have 8 weeks to complete the e learning after which if it is not complete their system access will be withdrawn until it is complete.

3.9 Within Adult Social Care and Children's and Families there are a number of job roles that require statutory training. LCC was successful in a bid to be a Teaching Partnership. The Leeds and Wakefield Social Work Teaching Partnership

comprises of Leeds Adults and Children's social work, Wakefield Adult and Children social work, Leeds Beckett university and University of Leeds. The partnership leads the whole of social work development and curriculum from starting at university on the degree course to practicing as a social worker. In Children's and Families examples of training to meet a statutory requirement include "Safeguarding Children" which is compulsory for all staff and "Therapeutic Crisis Intervention" which is required for all residential workers. In ASC there are courses, "Safeguarding for Adults" which is for all staff and "The Mental Capacity Act in the workplace" which is for frontline care staff.

3.10 The health and safety team deliver or advise on a range of training and development to ensure that LCC meets its statutory obligations and that all employees have the necessary knowledge and skills to carry out their roles safely. The Head of H&S has monthly assurance meetings with the Director of Resources and Housing to discuss H&S performance and the high hazard group meets quarterly to discuss H&S priorities and share details of any incidents and good practice across services. The annual health and safety report which provides assurance on health, safety & wellbeing is presented to CLT, Executive Board and the Corporate H&S Committee each year. The annual report highlights H&S performance across the year and also identifies new priorities and strategies for the coming years.

3.11 Politically restricted posts

The Local Government and Housing Act 1989 (as amended) states that people in certain council jobs cannot be active in political parties. Those posts are known as 'politically restricted' posts. Posts may be politically restricted for two reasons: they may be specified posts or the post may have sensitive duties. As a guide, the top three tiers of management are likely to be specified posts. Posts will be designated as "sensitive duties" if the role involves regularly advising the authority, or regularly dealing with the media. An exercise was conducted in early 2015 to ensure politically restricted posts were matched to the specified and sensitive criteria. New positions are categorised from the creation of the post. In May 2018 there were 87 politically restricted posts, 76 of which were filled. There have been no referrals in 2017/18 to the HR casework team for any breach of the politically restricted posts policy and procedure.

3.12 Appraisals

Our values and behaviours clearly set out expectations for all managers and supervisors. Arrangements are in place to assess the performance of employees against expected behaviours through the two formal appraisals each year, a 'full year' appraisal (1 April to 30 June) and an 'interim appraisal' (1 October to 31 December). Having listened to feedback from managers and staff earlier this year the way appraisals work have been simplified to create a better conversation which is geared towards getting the best from everyone. The main changes are:

- new, simpler appraisal forms – for paper and online, (appendix 1)
- new questions that builds the conversation around the person
- more focus on individual strengths and things colleagues bring to the team

- an opportunity to discuss how we can all work together to 'be our best'

Latest mid year completion rate = 95.8% (collected in December 2017)

Latest full year completion rate = 97.6 % (collected in July 2017)

3.13 Employee Engagement Survey

Response rates were maintained in 2017, with around 7000 people completing the survey, giving a response rate of 49.4%. The overall engagement score was 7.54 out of 10. This was based on answers to the question 'If a friend asked you to give a score from 1 to 10 working for Leeds City Council, what would it be?' All directorates scored higher than 7 out of 10.

The scores for 20 of the 26 survey questions improved between 2016 and 2017 (with slight variations on the other 6 questions) and four new questions were added including an open question inviting suggestions for making Leeds City Council the best place to work in. 90%+ of staff agree that they have clear expectations, are trusted to do their jobs, and get help and support from colleagues. 90% of staff agree they are making a difference to the people of Leeds.

Six key themes have been identified from across the council:

1. Improving the quality and value of appraisals across the Council.
2. Giving everyone a say and influence at work, especially those in front line teams.
3. Tackling increased workloads and burnout, with everyone doing their fair share.
4. Tacking areas of poor management (fairness, consistency, values and behaviour).
5. Looking at the money pressures that people are facing and the things that will help.
6. Improving IT systems and equipment.

This year services and teams will take a different approach using spring and summer 2018 to listen to staff to get underneath the key issues. To allow this to take place, the next survey will launch in Spring 2019 not Autumn 2018.

3.14 Handling disciplinary matters

There are formal routes for staff to report non-compliance with the Code of Conduct through raising a grievance or submitting a whistleblowing concern which may lead to an investigation under the disciplinary policy. The outcomes of investigations are shown in the table below.

Outcome of disciplinary investigations.	2015/16 Number of employees	2016/17 Number of employees	2017/18 Number of employees
Dismissed	17	28	31
Offered an alternative to dismissal	4	0	0
Final or written warning	27	35	37
Resigned	15	17	17
Recommendation to management.	20	30	19
No further action	18	14	16
Frustration of contract	0	1	0
Total number	101	125	120
Number of total cases coded as "Corrupt or Improper Practice" or "Official Conduct".	27	14	29

- 3.15 Between 2015 and 2017 the following employment policies were revised: disciplinary, attendance, dignity at work, alcohol and drugs, grievance, performance and probationary. In all of these policies there is an emphasis on managers taking early action to avoid issues escalating unnecessarily and also on taking an individualised approach to supporting their employees to be at work and be their best. In 2018 a new supporting colleagues at work policy is being developed which will endorse the social model of disability and help join up the intrinsically linked themes of health, safety, wellbeing, inclusion and diversity.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Reviews of employment policies are subject to consultation with service managers, staff networks and trade union colleagues.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 All reviews of employment policies include Equality Impact Assessments. These ensure equality, diversity, cohesion and integration is considered throughout the development, implementation and review or establishment of any key decisions, strategies, policies, services and functions.

4.3 Council policies and the Best Council Plan

- 4.3.2 An internal audit of register of interests issued in August 2016 concluded that overall there was “acceptable assurance” on the control environment and “good assurance” on compliance.
- 4.3.3 An internal audit of gifts and hospitality issued in August 2016 concluded that overall there was “good assurance” on the control environment and “good assurance” on compliance.

4.4 Resources and value for money

- 4.4.1 Effective management of our workforce has a positive impact on our overall salary costs.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report is not subject to call in. All employment policies are legally compliant and if they are not followed then there is a risk of employees taking legal action against the Council through Employment Tribunal claims.

4.6 Risk Management

An internal audit of register of interests issued in August 2016 concluded that overall there was “acceptable assurance” on the control environment and “good assurance” on compliance. An internal audit of gifts and hospitality issued in August 2016 concluded that overall there was “good assurance” on the control environment and “good assurance” on compliance. As an employer there is legal responsibility to ensure that certain employment policies are in place and as a good employer Leeds City Council wants to achieve a culture where all employees are clear on their responsibilities and can be their best. The monitoring of employee conduct allows trends to be spotted and early intervention prevents where possible issues escalating to formal procedures.

5 Conclusions

From the review, assessment and on-going monitoring carried out, the Chief Officer HR has reached the opinion that, employee conduct is properly managed, employment policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations. In particular:

a. In relation to the requirements of employee conduct being established and regularly reviewed:

- The Code of Conduct is accessible to employees and fit for purpose.
- Politically restricted posts have been matched to the specified and sensitive criteria.
- There is a programme of review for employment policies to ensure they are fit for purpose.
- Training and development for employees is in place to meet statutory requirements.

b. In relation to the requirements of employee conduct being communicated and feedback being collected on whether expected behaviours are being demonstrated:

- Annual reminders regarding gifts and hospitality are issued and Directors review annually the declarations that have been made.
- There is an annual programme for the completion of register of interests for employees in identified high risk posts and declarations are reviewed by Directors.
- Through the appraisal process managers rate employees on their overall performance and also on the behaviours they demonstrate.
- Through the annual engagement survey feedback is gathered direct from employees on how well behaviours are being demonstrated.
- Mandatory “Information Governance Level 1” training is in place and is reviewed and refreshed every 2 years.

c. In relation to the requirement that employee conduct is monitored and reported:

- Where appropriate employees are referred for investigation under the disciplinary policy.
- There have been no referrals to the HR casework team in 2017/18 for any breach of the politically restricted posts policy, the gifts and hospitality policy or the register of interests policy.

6 Recommendations

Members are requested to consider and note the positive assurances provided in this report in relation to:

- the requirements of employee conduct are established and regularly reviewed;
- requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated;
- and employee conduct is monitored and reported:

7 Background documents

7.1 None.

My Appraisal 2018-19

My details	Name		Payroll number
My manager	Name		Payroll number
Appraisal dates	Planning complete	Mid-year review	End of year review

STEP 1 : Planning for the year ahead with your manager

My objectives for this year		
No.	Objective	By when
1		
2		
3		
4		
5		
My strengths		My development areas
Things you're good at, what you bring to the team		Things to work on, or get help and training around
Getting the best from me What things would help get the best from you at work? Things you'd like to get involved in? Important things that you want to share, about you. Any blocks getting in the way? Ways to make more of your strengths? Career ambitions?		

STEP 2 : Mid-year review meeting

My view – how things are going

My objectives	How are you getting on with your objectives?
My way of working	Have you demonstrated our values over the last 6 months? Share some practical examples
My development	How is your personal development and training going? What have you done and how has it helped?

Managers view and feedback

--

STEP 3 : End of year review meeting

Looking back over the last 12 months					
The year overall	How has the year been for you? Share your highs and lows. Have we seen the best of you?				
Rating my own performance over the year	Values and behaviours	Exceeding	Meeting	Not meeting	Unsatisfactory
	Overall performance	Exceeding	Meeting	Not meeting	Unsatisfactory
My comments	Why I have chosen these ratings – thinking about my objectives, the values, my development and job standards.				
Feedback from my manager	About me, my performance and how things have gone in the last 12 months.				
Ratings by my manager	Values and behaviours	Exceeding	Meeting	Not meeting	Unsatisfactory
	Overall performance	Exceeding	Meeting	Not meeting	Unsatisfactory

My signature		Date	
Manager's signature		Date	

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Test FYReview Twenty18 02

Options ▾



Overview

Review form

Feedback

Review ratings

Manager rating

Next year ahead



Marie XLittle

01/04/2017 - 31/03/2018

Add Co-Planners

Attachments

Employee Details

View feedback

Print review

Print Reviewee Version

Overview

Welcome to the end of year appraisal review, in which you will look back and rate your performance for the last year and plan for the year ahead.

Review Step Progression



Self Review



Manager Review

Date: 30/04/2018



Reopen step

Get started

Full Year Review 2018

Options ▾

- Overview
- My objectives**
- Looking back
- Employee ratings
- Manager ratings
- The year ahead



Janet XGreen
01/04/2017 - 31/03/2018



My objectives

Here are your objectives from the previous year.

Test Objective Mid Year 2017 Number 1

Test Objective Mid Year 2017 Number 1

Progress: 0%

Status: In Progress

Start date: 02/10/2017

Due Date: 31/03/2018

more...

Weight: 50 %

Test Objective Mid Year 2017 Number 2

Test Objective Mid Year 2017 Number 2

Progress: 0%

Status: In Progress

Start date: 02/10/2017

Due Date: 31/03/2018

more...

Weight: 50 %

[Back](#) [Save and Exit](#)

[Save and Continue](#)



- Looking back
- Looking forward
- Looking back

- Looking back
- Looking forward
- Looking back

Looking back

In this section you can capture your comments about the year just gone.

A link to our values is here

How has the year been for you? Share your highs and lows. Have we seen the best from you?

Comments: 1



Janet XGreen (Self) Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:01

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More

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How did you get on with all of your objectives?

Comments: 1



Janet XGreen (Self) Review: Test FYReview Twenby18 02 Time: 11/04/2018 10:01

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Share your best examples from the last year which show how you have demonstrated our values in your work.

Comments: 1

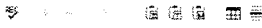


Janet XGreen (Self) Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:01

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Reflect on your learning and development in the last year. What have you done and how has it helped?

Comments: 1



Janet XGreen (Self) Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:01

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More

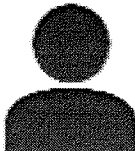
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Full Year Review 2018

Options ▾

- Overview
- My objectives
- Looking back
- Employee ratings
- Manager ratings
- The year ahead



Janet XGreen
01/04/2017 - 31/03/2018



Employee ratings

This is where ratings about performance over the last year are made. There are two ratings to decide. The first looks at how well values and behaviours have been demonstrated over the year. You can find a copy of these [HERE](#), which have been updated in line with the manager habits. The second rating looks at overall performance during the year.

The overall performance rating relates to how well objectives, development plan and job standards have been delivered. For each rating, you can make your choice from the drop down lists. Performance rating guidance available [HERE](#).

Rating - Behaviours



Janet XGreen (Self) Rated: 3 - Meeting expectations Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:02

Rating - Overall Performance








Janet XGreen (Self) Rated: 3 - Meeting expectations Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:02

Back

Save and Exit

Save and Continue

-  Overview
-  My objectives
-  Learning Bank
-  Employee ratings
-  **Manager ratings**

The year ahead



Janet XGreen
01/04/2017 - 31/03/2018



Manager ratings

This is where ratings about performance over the last year are made. There are two ratings to decide. The first looks at how well values and behaviours have been demonstrated over the year. You can find a copy of these **HERE**, which have been updated in line with the manager habits. The second rating looks at overall performance during the year.

The overall performance rating relates to how well objectives, development plan and job standards have been delivered.

For each rating, you can make your choice from the drop down lists. Once you have done this, use the comments box to say why you have chosen these ratings. Performance rating guidance available **HERE**.

Rating - Overall Performance

Select ▾ ⓘ

✓ Select

Unsatisfactory Performance

Not meeting expectations, development need

Meeting expectations

Exceeding expectations

Font - Size - A- A







Rating - Behaviours

Select ▾ ⓘ


Please rate and comment: *

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-  Home
-  Completed
-  In progress
-  Error settings
-  Transfer settings
-  The year ahead

Janet XGreen
01/04/2017 - 31/03/2018





The year ahead

This section is for you to write about your strengths and development areas and what can be done to get the best from you in the year ahead.

What things you are good at, what you bring to the team? Are there things to work on, or get help and training around?

Comments: *

 **Janet XGreen** (Self) Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:02
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What things would help get the best from you at work? Things you'd like to get involved in? Important things that you want to share about you. Any blocks getting in the way? Ways to make the most of your strengths? Career ambitions?

Comments: *

 **Janet XGreen** (Self) Review: Test FYReview Twenty18 02 Time: 11/04/2018 10:02
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More

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Full Year Review 2018

Options ▼



Home



My objectives



Learning path



Self review ratings



Manager ratings



The year ahead



Janet XGreen

01/04/2017 - 31/03/2018

Attachments

Employee Details

View feedback

Print review

Print Reviewee Version

Thank you, your comments have been successfully submitted.

Please remember to agree and set new objectives and development plans in PAL as soon as you can.

You do this from the homepage when you are ready. Guidance is available on the PAL Toolkit.

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Report of the Director of Resources and Housing

Report to: Corporate Governance and Audit Committee

Date: 26th June 2018

Subject: Annual assurance report on corporate risk and performance management arrangements

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: N/A Appendix number: N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate risk and performance management arrangements: that they are up to date; fit for purpose; effectively communicated and routinely complied with. It explains the current arrangements and an update on work planned during 2018/19 to review the authority's Risk Management Policy, Performance Management Framework and Best Council Plan. The review will include consideration of key performance indicators and reporting as well as key themes around accountability, improved benchmarking and service/project value for money, together with latest guidance, updated standards and any changes in statutory / government requirements of risk and/or performance management in local authorities.
2. The report provides one of the sources of assurance the Committee is able to take into account when approving the Annual Governance Statement. It also enables the Committee to fulfil its role under the council's Risk Management Policy and the Committee's own Terms of Reference to review the 'adequacy of the council's Corporate Governance arrangements (including matters such as internal control and risk management)'.

Recommendations

Corporate Governance & Audit Committee is asked to receive this report on the council's corporate risk and performance arrangements and note the assurances in support of the Annual Governance Statement, due for consideration and approval by this Committee at today's meeting.

1 Purpose of this report

- 1.1 This annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate risk and performance management arrangements: that they are up to date; fit for purpose; effectively communicated and routinely complied with.

2 Background information

- 2.1 On 23rd June 2017 Corporate Governance & Audit Committee received the previous annual assurance report on the council's corporate risk and performance arrangements. This current report updates the Committee on arrangements during 2017/18 and summarises work planned for 2018/19.
- 2.2 In 2016/17 all intelligence-related functions, including risk and performance, were included within the scope of a broader review of the council's support services. This resulted in the formation of the Intelligence and Policy Service (IPS) on 1st April 2017, bringing together most of the staff from across the council working on risk management, performance management, data analysis, mapping (e.g. ward and locality profiles), policy development, business planning and strategy, and consultation and engagement.

3 Main issues

3.1 *Best Council Plan & Performance Management 2017/18*

- 3.1.1 For an organisation's risk and performance management arrangements to be effective, its strategic objectives and supporting key performance indicators (KPIs) must be up to date, effectively communicated and monitored and action taken as appropriate. During 2017/18, assurance on the adequacy of the performance management was demonstrated by the following:

- The strategic ambitions, outcomes and priorities of the council are set out in the Best Council Plan (BCP) which was updated in 2018 (covering the period 2018 to 2021) and was approved by Full Council on 21st February 2018. The updated BCP takes into account local and national developments, policy developments, the latest socio-economic analysis, local and regional partnership plans and the council's budget-setting processes. The BCP was developed through engagement with partners, officers, and members, including Scrutiny members.
- The updated BCP maintains the clear, strategic message around Best City - a strong economy in a compassionate city, articulating what the council and its partners are doing to work towards this ambition, thereby tackling poverty and reducing inequalities. The Best Council ambition of being an efficient and enterprising organisation supports this.
- Whilst there were no changes to the vision, ambitions, the population outcomes or the underpinning council values, some refinement was made to the Best City priorities. These updates reflect our key interconnected strategies: the Leeds Inclusive Growth Strategy and the Leeds Health and Wellbeing Strategy. Two new priorities on Housing and Culture have also been developed.
- The Best Council Plan 2018/19 – 2020/21 was published on the Best Council Plan webpages on the authority's Internet (leeds.gov.uk) and Intranet ('Insite')

sites and widely communicated through promotion on the front page of Insite and items in the 'Essentials' online newsletter sent to staff and members. Hard copies of the 'Plan on a Page' were distributed to elected members, senior officers and council buildings with the full 24-page document provided to Executive members, leaders of the political parties, group offices and the Corporate Leadership Team (comprising the council's directors and Chief Executive). In addition, following feedback from the Chairs of the Community Committees through the consultation process to develop this latest Best Council Plan, hard copies were distributed to the council's libraries and Community Hubs. At the time of writing, hard copies are also due to be shared with the trade unions through discussion at June's Corporate Joint Consultative Committee. Additional social media opportunities to promote and share the Best Council Plan priorities are further being explored.'

- At the time of writing, the Insite BCP page has been viewed around 1,300 times (with around 900 unique visitors) between late May and mid-June 2018; the leeds.gov BCP pages receiving 63 hits (46 unique visitors) for the same period.
- The updated BCP was developed in conjunction with the 2018/19 Budget with initial proposals for both considered by the Executive Board in December 2017, with final proposals and subsequent approved by Full Council in February 2018. This co-development helped ensure the alignment of the council's strategy with the allocation of resources.
- A one-page document is being prepared to illustrate the alignment of the 2018/19 net revenue budget with the BCP 2018/19 to 2020/21. This will be published on the authority's internet and intranet sites and communicated to staff and members through the internal Essentials online newsletter.
- Beyond the authority's financial plans, the BCP continues to draw on and link with a range of other supporting council and partnership plans. As well as the Leeds Inclusive Growth Strategy and the Leeds Health & Wellbeing Strategy, the updated BCP also makes full reference to other supporting plans including the Leeds Culture Strategy, Safer Leeds Plan; Children & Young People's Plan; Better Lives Strategy; Leeds Housing Strategy; Leeds Core Strategy and the Leeds Transport Strategy amongst others.
- The Executive Board, Scrutiny Boards, Community Committees and partnership boards (e.g. Children's Trust Board and Health and Wellbeing Board) receive relevant performance information on the delivery of these related and supporting plans.
- Scrutiny Boards consider additional performance reports on areas relevant to their portfolios, incorporating both BCP and wider operational performance. The content and frequency of the performance reports is determined by the requirements of each Board. IPS staff are involved in the production and reporting of performance information to Scrutiny Boards.
- The updated BCP incorporates the most relevant Key Performance Indicators (KPIs): a set of over 50 'Best City' KPIs to help measure progress over time against the 8 outcomes and 7 priorities set out in the BCP. The majority of these are taken from the supporting council and partnership plans, facilitating a consistent view of performance. The Best City KPIs are supplemented by an additional 16 'Best Council' KPIs that help measure progress against our Best Council ambition of being a more efficient and enterprising organisation. Other KPIs will be added as they are developed and agreed.

- Consideration of improvement both in outcomes and services is part of leadership and professional practice in directorates and services. This includes contributions to the BCP and associated city strategies. It includes: consideration of the voice of customers, clients and citizens; use of professional evaluation, including external challenge; and use of analysis and performance information. Engagement with partners in benchmarking and in sector-led improvement activity is part of this. This is underpinned by promoting a culture of high support and challenge and enabling this through promoting the service availability, ownership and application of performance information and shared people and place intelligence.
- Progress in delivering the BCP ambitions, outcomes, priorities and breakthrough projects, together with items raised by directors themselves, is reported quarterly to the council's Corporate Leadership Team (CLT) consisting of the Chief Executive and senior directors. This report facilitates cross-council ownership and discussion of specific areas and prompts follow up action as needed. Directors are also able to discuss relevant issues with Executive members.
- The quarterly report includes the 'BCP Scorecard': an appendix containing the KPIs that help measure progress on the BCP in delivering better outcomes for both the city and the organisation in-year and in the longer term. The BCP Scorecard shows the direction of travel against an appropriate comparator, thus providing directors with a clear insight into the council's overall performance against the BCP. The details in the scorecard were improved in 2017/18 with the inclusion of wider contextual information behind the indicators such as benchmarking against the results of other local authorities where available.
- The BCP scorecard is published quarterly on the council's website and the Leeds Observatory, alongside data relating to population, crime, deprivation, health, the economy and the environment. The Observatory helps make nationally and locally sourced anonymised information accessible by a range of areas and localities. This is in line with our commitments towards open data and is complimented by Leeds contribution to making data sets available on Data Mill North.
- The BCP is used to help inform appraisal objectives set for all council staff including senior officers and directors.
- The guidance and templates for Committee and Executive Board reports include sections for authors to evidence how the contents of their reports support the BCP.
- A year-end performance report that highlighted the progress made throughout 2016/17 in delivering the strategic objectives set out in the 2016/17 BCP was considered by Executive Board on the 17th July 2017. A similar report looking back on the 2017/18 BCP will be presented to Executive Board in July 2018.

3.2 Risk management 2017/18

3.2.1 During 2017/18, assurance on the adequacy of the council's risk management arrangements was demonstrated by the following:

- Corporate, directorate, programme and project registers continue to be maintained, with significant risks escalated to appropriate boards and management teams as required. This includes providing quarterly updates

on the risk status of all the council's programmes and complex projects to the Strategic Investment Board as part of the corporate risk register, and an opportunity for all directors to raise prospective risks through the quarterly BCP reports to CLT.

- Financial risks are included within both the corporate and directorate risk registers. An annual assurance report on the financial management and control arrangements was reviewed by this Committee on 16th March 2018, the report providing assurance that the council has robust arrangements in place for proper and effective financial control, governance and other financial management activities.
- The corporate risk register continues to house the most significant risks to the council including the seven 'standing' corporate risks that will always remain on the register, these being:
 - Safeguarding children
 - Safeguarding adults
 - Health and safety
 - City resilience (emergency planning)
 - Council resilience (business continuity management)
 - Finance (both the in-year budget risks and medium-term financial sustainability)
 - Information management and governance
- During 2017/18, two new corporate risks on Poverty (poverty in the city worsens) and Community Cohesion were agreed.
- The corporate risk map continues to be published on the council's internal intranet and externally through its website and on the Leeds Observatory.
- The risk management arrangements take into consideration the National Risk Assessment (NRA), published by the Cabinet Office. The NRA captures the changing risk landscape affecting the UK and is also used to inform the more local West Yorkshire Community Risk Register. A member of the council's Resilience and Emergencies Team attends the West Yorkshire Resilience Forum Risk & Capabilities Sub Group which provides an excellent conduit for horizon scanning of changes to risks and threats. Together the NRA, West Yorkshire Community Risk Register and the work of the West Yorkshire Resilience Forum informs the review and update of the council's corporate risks on City Resilience and Council Resilience. .
- The guidance and template for Committee and Executive Board reports include sections for authors on risk management.
- Council directorates continue to administer their corporate risks on the '4Risk' software.
- It is good practice to undertake periodic 'health checks' on risks to identify whether they are still risks, they are clearly articulated and their details are accurate and up to date. During early 2018, staff from the IPS undertook health check reviews on the directorate risk registers for Adults and Health, Children and Families and City Development.
- Quarterly meetings continued to take place between the Senior Risk Management Officer and Principal Officers from Internal Audit to share information on:

- Emerging themes from Internal Audit reviews and reports regarding control weaknesses / failures and risks arising;
 - Feedback to Internal Audit on any new risks/risk areas identified and any changes to existing risks; and
 - Risk management work undertaken across the council e.g. risk workshops and training delivered.
- During 2017/18 meetings commenced with the council's Principal Insurance & Claims Manager to share relevant information between the two services and to consider the insurance aspects of the corporate and directorate level risks.
 - Risk management workshops and training sessions continue to be offered to council services. In 2017/18, the Senior Risk Management Officer facilitated workshops on:
 - Information management and governance risks for Adults and Health and Children and Families directorates.
 - The General Data Protection Regulation (GDPR) project workstreams.
 - During 2017/18, risk management work was provided to Donisthorpe Hall care home, a registered charity run by a Board of Trustees that provides residential and nursing care for older people. The home has been part of the council's residential and nursing framework contract since 2012. As a result of a series of poor inspection results, since 2015 the home has been closely monitored by the Adults and Health Contracts Team and has been given a significant amount of assistance and advice by the council and other health partners to help with their improvement journey. At the request of the Head of Commissioning, Contracts and Business Development (Adults and Health), the Senior Risk Management Officer undertook risk management work at the home. This work contributed towards the home improving the 'Well-led' inspection area previously rated as 'inadequate' by the Care Quality Commission. A risk workshop was facilitated for members of the home's board to review and update their risk register and agree how the risks should be reported in the future. Risk management training was also delivered to staff at operational level within the home and the feedback from both the workshop and the training was overwhelmingly positive.
 - An annual report summarising how the council manages its most significant risks was reported to the Executive Board on the 17th July 2017 and then to Strategy and Resources Scrutiny Board on the 21st July. A similar report for 2017/18 is due to be considered by the Executive Board in July 2018.

3.3 Staffing

3.3.1 Two members of staff currently lead on the corporate arrangements for risk management, performance management and the Best Council Plan. Both staff members remain up to date with good practice in these areas through continuous professional development and networking, including:

- The Head of Business Planning and Risk is CIPFA-qualified and works closely with Finance colleagues to better integrate strategy and finance. She continues to serve on the ALARM (the Public Risk Management Association) North East & Yorkshire committee and served as a director to the national ALARM Board; is an ALARM Registered Risk Practitioner and represents the

council at regular meetings of the Core City local authority Heads of Performance Management.

- The Senior Risk Management Officer is also CIPFA-qualified; is a member of both ALARM and the Institute of Risk Management (IRM), is an ALARM Registered Risk Practitioner, holds a Risk Management Diploma and continues to serve on the IRM North East Regional Group.
- The formation of the IPS in April 2017 facilitated more effective cross-service working on risk and performance between staff responsible for the corporate arrangements and those who provide support for directorates.

3.4 2018/19

- 3.4.1 Following the updating of the new BCP in early 2018, work is underway to review and update the council's Risk Management Policy and Performance Management Framework to ensure they are properly aligned to the organisational ambitions, outcomes and priorities of the plan. The update will take into account the results of the most recent Internal Audit review of the council's corporate risk management arrangements. The Internal Audit review highlighted an opportunity for additional central guidance to be developed that will support the consistent and effective management of partnership risks across the authority. The update will also consider latest guidance, updated standards, and any changes in statutory / government requirements of risk management in local authorities.

3.5 Consultation and Engagement

- 3.5.1 Key stakeholders have been engaged in maintaining the council's corporate risk and performance arrangements. These include the Executive Board, Scrutiny Boards, the Corporate Leadership Team and Intelligence and Policy Service colleagues.
- 3.5.2 We will continue to widely consult and engage when reviewing the council's risk and performance management arrangements.

3.6 Equality and Diversity / Cohesion and Integration

- 3.6.1 This is an assurance report with no decision required. Due regard is therefore not directly relevant.

3.7 Council policies and the Best Council Plan

- 3.7.1 The risk management arrangements in place support compliance with the council's risk management policy and Code of Corporate Governance, through which, under Principle 4, the authority should take 'informed and transparent decisions which are subject to effective scrutiny and risk management'.
- 3.7.2 The performance management arrangements focus around the Best Council Plan: its annual refresh and ongoing review and monitoring of delivery of the Best Council outcomes and priorities form part of the council's budget and policy framework.

3.8 Resources and value for money

- 3.8.1 The council's risk and performance arrangements are managed within existing resources. The arrangements also help the council to target and prioritise resources to help achieve value for money

3.9 Legal Implications, Access to Information and Call In

- 3.9.1 The council's risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2011 to have 'a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.'
- 3.9.2 Performance information on the BCP KPIs is published on the council's website and the Leeds Observatory, as is the corporate risk map. The management of the council's most significant risks and performance related to delivering the 2017/18 Best Council Plan objectives and priorities will be published through annual reports due to be presented to the Executive Board in July 2018.
- 3.9.3 No decision is required; therefore this assurance report is not subject to call in.

3.10 Risk Management

- 3.10.1 There are no significant risks identified in the council's risk and performance management arrangements.

4 Conclusions

- 4.1 This report provides assurance on the council's corporate risk management and performance management arrangements. It provides one of the sources of assurance the Committee is able to take into account when considering approval of the Annual Governance Statement. It also enables the Committee to fulfil its role under the council's risk management policy and the Committee's own Terms of Reference to review the 'adequacy of the council's Corporate Governance arrangements (including matters such as internal control and risk management)'.

5 Recommendations

- 5.1 Corporate Governance & Audit Committee is asked to receive the annual report on the council's corporate risk and performance arrangements and note the assurances in support of the Annual Governance Statement, due for consideration and approval by this Committee at today's meeting.

6 Background documents

- 6.1 None



Report author: Sonya McDonald
Tel: 88693

Report of the Chief Officer (Financial Services)

Report to Corporate Governance and Audit Committee

Date: 26 June 2018

Subject: Internal Audit Update Report March to May 2018

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. This report provides a summary of the Internal Audit activity for the period from March to May 2018 and highlights the incidence of any significant control failings or weaknesses.

Recommendations

2. The Corporate Governance and Audit Committee is asked to receive the Internal Audit Update Report covering the period from March to May 2018 and note the work undertaken by Internal Audit during the period covered by the report. The Committee is also asked to note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period.

1 Purpose of this report

- 1.1 The purpose of this report is to provide a summary of the Internal Audit activity for the period March to May 2018 and highlight the incidence of any significant control failings or weaknesses.

2 Background information

- 2.1 The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the council's corporate governance arrangements, including matters such as internal control and risk management. The 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.
- 2.2 The reports issued by Internal Audit are directed by the Internal Audit Annual Plan. This has been developed in line with the Public Sector Internal Audit Standards (PSIAS) and has been reviewed and approved by the Committee.
- 2.3 This update report provides a summary of the Internal Audit activity for the period from March to May 2018.

3 Main issues

3.1 Audit Reports Issued

- 3.1.1 The title of the audit reports issued during the reporting period and level of assurance provided for each review is detailed in table 1. Depending on the type of audit review undertaken, an assurance opinion may be assigned for the control environment, compliance and organisational impact. The control environment opinion is the result of an assessment of the controls in place to mitigate the risk of the objectives of the system under review not being achieved. A compliance opinion provides assurance on the extent to which the controls are being complied with. Assurance opinion levels for the control environment and compliance are categorised as follows: substantial (highest level); good; acceptable; limited and no assurance.
- 3.1.2 Organisational impact is reported as either: major, moderate or minor. Any reports issued with a major organisational impact will be reported to the Corporate Leadership Team along with the relevant directorate's agreed action plan.

Table 1: Summary of Reports Issued March to May 2018

Report Title	Audit Opinion		
	Control Environment Assurance	Compliance Assurance	Organisational Impact
Key Financial Systems			
Central Purchasing Card Controls	Good	Substantial	Minor
Pension Fund Contributions	Memo issued – no issues identified		
FMS Creditor Purchase and Payments	Substantial	Substantial	Minor
Treasury Management and Bankline	Substantial	Substantial	Minor
CIS Payments (Community Care Finance Follow Up)	Good	Acceptable	Minor
City Development			
Flooding Grants	Good	Acceptable	Minor
External Advertising Income	Limited	Limited	Minor
Resources and Housing			
Financial Governance and Control Arrangements for Partnerships	Acceptable	N/A	Moderate
IR35 Legislation	Limited	Limited	Minor
Leeds Building Services – Out of Hours (Lifts)	Limited	No	Moderate
Procurement and Contracts			
Contract Monitoring Review: Homecare	Substantial	N/A	Minor
Contract Review: Joint Venture (NPS Leeds City Council) - Follow Up	Memo issued – further follow up review required		
ICT and Information Governance			
Business Application Audit – BACS payment system	Acceptable	N/A	Minor
Business Application Audit – Income Management System	Good	N/A	Moderate

Report Title	Audit Opinion		
	Control Environment Assurance	Compliance Assurance	Organisational Impact
Leeds Building Services – Information Governance (Records Management)	N/A	Limited	Moderate
Implementation of the Client Information System (CIS) Follow Up	Memo issued		
Children’s and Families			
Approval to commence care proceedings and payments to providers of external placements – Follow Up	Good	N/A	Minor
Governance Arrangements for One Adoption West Yorkshire	Substantial	N/A	Minor
Schools			
Primary School	Limited	N/A	N/A
Primary School	Acceptable	N/A	N/A
Primary School Follow Up	Good	Good	N/A
School Voluntary Funds x 5	Certification of balances		
Adults and Health			
Reablement	Substantial	Good	Minor
Data Quality in relation to Safeguarding	Good	N/A	Minor

3.1.3 In addition to the reports detailed in table 1 above, the following assurances have been finalised during the reporting period:

- West Yorkshire Combined Authority Treasury Management Assurance
- Families First Grant Claim (March)
- Disabled Facilities Grant Claim

3.2 Summary of Audit Activity and Key Issues

3.2.1 During the reporting period, there have been no limitations in scope and nothing has arisen to compromise our independence. We have finalised 31 audit reviews (excluding continuous audit, work for external clients and fraud and irregularity

work) and we have not identified any issues that would necessitate direct intervention by the Corporate Governance and Audit Committee.

Limited or No Assurance Opinions

- 3.2.2 Of the audit reviews finalised during the period, no weaknesses have been identified that would result in a 'major' organisational impact.
- 3.2.3 A relatively high number of the areas audited during the period have received a low assurance opinion. It should be noted that each of these audits were included within the audit plan as management had already identified that they were areas that would benefit from an independent review. Although the low assurance opinions show that there are control weaknesses that require attention, it is positive that management have highlighted these areas to us and it is indicative of a commitment to transparency and continuous improvement.
- 3.2.4 The following areas have received a limited or no assurance opinion for all or part of the audit coverage:

IR35 Legislation

- 3.2.5 From April 2017, HMRC brought in new legislation which placed the onus on public sector bodies to identify Personal Service Companies (where workers have set up their own limited company) and to ensure that payment to them is made by the correct method. The purpose of the legislation is that if the worker would be an employee if they were providing their services directly, then they should be paid via payroll with tax and national insurance being deducted. The council's taxation team had highlighted this as a risk to the Financial Services Group and our review was undertaken to gain assurance that the council is complying with these new responsibilities. The audit resulted in a limited assurance opinion as more needs to be done to improve awareness of the legislation amongst engaging officers.
- 3.2.6 At the time of the audit, the Financial Management team were working on developments to the Financial Management System to ensure that Personal Service Companies are identified and paid appropriately. The system development recognises the need to supplement the original communication of the legislation with a mechanism that prompts officers to check that they are complying for each engagement. The audit made recommendations that feed into the system development process and highlighted the need to provide effective communication to raise awareness of these changes.
- 3.2.7 Our findings have been presented to the Resources and Housing Senior Leadership Team at the request of the Director and, following this, plans are in place to hold targeted workshops to further raise awareness of the requirements with the officers who are most likely to be engaging with these types of suppliers. A follow-up audit will be completed to ensure that the improvements have resulted in increased compliance.

External Advertising Income

- 3.2.8 Management requested the audit to review existing processes for the management and collection of advertising income within the directorate. The review found that income is being received and monitored, and that there are recognised lines of accountability for the staff managing the external contracts. The audit resulted in a limited assurance opinion overall as the control arrangements were not configured in a manner that ensured that all income due to the council was being identified and collected. These issues are in the process of being addressed by the service.

Leeds Building Services (LBS)

- 3.2.9 LBS Lifts section are responsible for the maintenance and repair of all high and low rise lifts across the city as well as stair lifts, through floor lifts and hoists, within both domestic and commercial properties. This includes the provision of a call out service to undertake repairs outside normal working hours.
- 3.2.10 Our review found a number of weaknesses in the process for allocating and recording the work undertaken by LBS operatives. We were unable to provide assurance that all overtime hours paid is correct due to the gaps in the evidence held to support the work undertaken. The review also highlighted potential health and safety risks if the hours worked by individual operatives are excessive.
- 3.2.11 The review of Information Governance arrangements within LBS assessed compliance against the corporate Records Management Policy to gain assurance on the security of information held. The service is currently working with the Information Management and Governance Team to restructure their electronic records so the focus of our review was on the security and retention of non-electronic information assets held at the LBS base. The review resulted in recommendations that should ensure that the confidentiality, integrity and availability of information retained by the service is adequately protected.
- 3.2.12 It should be noted that the service was already aware of performance issues within these areas of LBS and had proactively asked Internal Audit to undertake these reviews. The service has been responsive to the recommendations contained within the reports and have advised us that they are in the process of undertaking a full review within these service areas that will include a performance and Value For Money review to assess a full range of options to ensure that the business makes the required changes to implement the audit recommendations.

Primary School Reviews

- 3.2.13 During the reporting period, we have audited the financial management arrangements at two primary schools. One of the reviews resulted in a limited assurance opinion overall and the other received a limited assurance opinion for part of the audit coverage. This was due to improvements being required in relation to the receipt and banking of income and the operation of the school voluntary fund at both schools. All recommendations made during the course of the audits were agreed with the schools and follow up reviews will be undertaken to confirm that the required improvements have been made.

Follow Up Reviews

- 3.2.14 Our protocols specify that we undertake a follow up review where we have previously reported 'limited' or 'no' assurance for the audited area. Our audit reports include an assurance opinion for each objective reviewed within the audited area. Follow up audits are undertaken for those areas where a specific objective within the review resulted in limited or no assurance in addition to those where the limited or no assurance opinion was provided for the review overall.
- 3.2.15 During this reporting period we have finalised five follow up reviews:
- Approval to commence care proceedings and payments to providers of external placements*
- 3.2.16 We have previously reported limited assurance that value for money was being obtained when external providers of residential care and independent fostering agencies were being commissioned. This is a significant area of expenditure and limited assurance was provided because evidence was not being retained to confirm that the provider offering the best value was selected from the available suitable matches (suitable matches are providers that meet the care needs of the child or young person). We have completed two follow up reviews since the original audit and can provide assurance that the service now retains appropriate supporting records. These records provide evidence to confirm that once a suitable match has been identified, the correct process is followed in respect of the financial considerations of external placements. Audit testing on a sample of external placements confirmed the use of non-framework providers only where there were no suitable matches with in-house or framework providers.
- Contract Review: Joint Venture (NPS Leeds City Council)*
- 3.2.17 We have previously reported that limited assurance has been provided in relation to the performance management of the relationship with the professional property and building services joint venture. We have carried out two follow up reviews since the original audit and found that whilst some steps had been taken towards implementing the recommendations made, these actions have not progressed and in practice formal performance management of the relationship is not taking place.
- 3.2.18 The service has agreed to implement an appropriate mechanism for the performance management of the contract, including formalising reporting and monitoring requirements and clarifying responsibilities within the Authority in respect of contract management. We will undertake a further follow up review later in the year to confirm that this recommendation has been implemented and working in practice.
- Implementation of the Client Information System (CIS) Follow Up and CIS Payments (Community Care Finance Follow Up)*
- 3.2.19 Adult Social Care implemented a new customer record and finance system, CIS, in August 2015. The CIS payments system (formerly Community Care Finance) is

used to make payments to care homes for users in receipt of residential or nursing care and for payments to individuals in receipt of direct payments.

- 3.2.20 At the Corporate Governance and Audit Committee meeting in April 2017, we reported limited assurance in respect of Community Care Finance and issues in relation to the implementation of CIS. The original review found that processes required strengthening to ensure that all changes in circumstances and all deferred and statutory charges are identified. Opportunities were also identified to improve the efficiency of the process in respect of recovering overpayments due from providers. A number of these issues followed the introduction of the new customer record and finance system.
- 3.2.21 Our follow up review has found that good progress has been made to address the weaknesses identified and the increased assurance opinion levels reflect the improvements made. An outstanding issue remains in respect of the lessons learnt review that we recommended following the implementation of CIS. A formal end of project / lessons learnt report has not been completed, with the team citing a lack of resource and funding and relevant individuals being moved on to other projects. No further audit recommendations are being made in relation to this, as at this point it would be difficult to undertake a lessons learnt exercise given the length of time since the completion of the project. We will review the benefits realisation process in relation to IT projects as a whole as part of our planned audit work later in the year.

Primary School Follow Up

- 3.2.22 During the reporting period, we have followed up the issues reported to the Corporate Governance and Audit Committee at the September 2017 meeting in relation to the financial management arrangements at one of our primary schools. The original review found some administration issues and we could not provide assurance that all income received was banked by the school, as supporting documentation was not retained for all strands of income (for example, school trips). This resulted in a limited assurance opinion for part of the audit coverage. The follow up review has concluded that the school has made improvements in these areas and an overall opinion of good has been given, recognising the progress made since the original review.

Counter Fraud and Corruption

- 3.2.23 The counter fraud and corruption assurance block within the Internal Audit Plan includes both the reactive and proactive approaches to the council's zero tolerance to fraud and corruption.

Review of the Whistleblowing and Raising Concerns Policies

- 3.2.24 The updated Whistleblowing and Raising Concerns Policies were presented in draft to the Corporate Governance and Audit Committee at the meeting in March 2018. Following this, the revised policies have now been approved by the Chief Officer (Financial Services) and published on the council's intranet and internet sites.

Proactive Anti-Fraud Work

- 3.2.25 During the reporting period, we have continued to raise awareness of fraud risks and preventative action through communications with senior managers and reviews of the anti-fraud and corruption measures in place in key areas across the organisation.

Reactive Anti-Fraud Work

- 3.2.26 During the reporting period we have received 17 potential irregularity referrals. Of these, 13 were classified under the remit of the Whistleblowing or Raising Concerns policies. All reported irregularities were risk assessed by Internal Audit and are either being investigated by ourselves, the relevant directorate or HR colleagues, as appropriate.
- 3.2.27 One of the referrals received during the reporting period related to high levels of expenditure being incurred at one of the council's establishments. The Internal Audit investigation has resulted in a referral to the police due to potential fraudulent activity in relation to the use of petty cash at the establishment.
- 3.2.28 During the reporting period 13 referrals have been closed. There are 20 referrals that are currently open and being investigated.

Internal Audit Performance

- 3.2.29 The Corporate Governance and Audit Committee has responsibility for monitoring the performance of Internal Audit. The information provided below in respect of our quality assurance and improvement programme provides the Committee with assurances in this area.
- 3.2.30 All our work is undertaken in accordance with our quality management system and we have been ISO certified since 1998.
- 3.2.31 We actively monitor our performance in a number of areas and encourage feedback. A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditee's opinion on a range of issues and asks for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are presented as an average of the scores received for each question.
- 3.2.32 The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff.
- 3.2.33 For the period from 1 April 2017 to 31 March 2018, 46 Customer Satisfaction Questionnaires were received. A summary of the scores from these questionnaires will be included in the Internal Audit Annual Report which is due to be presented to the Committee at the next meeting. During the period 1 March to 31 May 2018, 9 completed Customer Satisfaction Questionnaires have been received. A summary of the scores is presented in table 2.

Table 2: Results from Customer Satisfaction Questionnaires for the period 1 March to 31 May 2018

Question	Average Score (out of 5)
Sufficient notice was given	5
Level of consultation on scope	5
Auditor's understanding of systems	4.67
Audit was undertaken efficiently	4.89
Level of consultation during the audit	4.89
Audit carried out professionally and objectively	5
Accuracy of draft report	4.89
Opportunity to comment on audit findings	5
Clarity and conciseness of final report	4.78
Prompt issue of final report	4.67
Audit recommendations will improve control	4.63
The audit was constructive and added value	4.89
Overall Average Score	4.86

3.2.34 During the period, our resources have been focussed on completing the audit assignments in the Audit Plan for 2017/18. The Internal Audit Plan for 2018/19 was approved by the Committee at the meeting in March 2018. A summarised version of the Audit Plan and the progress against each review is appended to this report. The number of audits planned and delivered during the year will increase as the blocks of time allocated for areas of work (such as contract reviews and schools) are broken down to specific audit assignments and to address emerging issues and follow up audit work that arises during the year.

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 Best Council Plan

4.3.1 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. The Internal Audit Plan has links with the council's strategic objectives and has close links with the council's value of spending money wisely.

4.4 Resources and value for money

4.4.1 The Internal Audit Plan includes a number of reviews that evaluate the effectiveness of financial governance, risk management and internal control arrangements that contribute towards the council's value of spending money wisely.

4.4.2 The Internal Audit Quality Assurance and Improvement Programme and service development work that is reported to the Committee demonstrates a commitment to continuous improvement in respect of efficiency and effectiveness.

4.5 Legal Implications, Access to Information and Call In

4.5.1 None.

4.6 Risk Management

4.6.1 The Internal Audit Plan has been and will continue to be 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.

4.6.2 The risks relating to the achievement of the Internal Audit Plan are managed through ongoing monitoring of performance and resource levels. This information is reported to the Committee.

5 Conclusions

5.1 There are no issues identified by Internal Audit in the March to May 2018 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

6 Recommendations

6.1 The Corporate Governance and Audit Committee is asked to receive the Internal Audit Update Report covering the period from March to May 2018 and note the work undertaken by Internal Audit during the period covered by the report. The Committee is also asked to note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period.

7 Background documents

7.1 None.

Appendix A – Planned Audits from the 2018/19 Audit Plan and Follow Up Reviews

Audit Area	Overview of Assurance	Status
Grants and Head of Audit Assurances		
Grants and Head of Audit Assurances arising during the year	Independent examination of accounts and / or assurance that the grant claim has been spent in accordance with the grant determination.	Planned
ICT and Information Governance		
General Data Protection Regulation (GDPR)	To gain assurance that appropriate arrangements are in place to manage the risks associated with the new legal framework for data protection.	In progress
Acceptable Use Proactive Monitoring Framework	With reference to the Corporate Governance and Audit Committee meeting in September 2017, the audit will review the framework in place to monitor the use of LCC ICT equipment in line with the council's Acceptable Use Policy and test a sample of LCC owned devices.	In progress
ICT Projects - Benefits Realisation Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	Planned
Password Configuration	Deferred from 2017/18 pending the implementation of a new council Password Policy, the audit will test whether systems enforce the password requirements in line with the new policy.	Planned
ICT Projects	Time reserved to provide internal audit support for ICT related projects.	Planned
Externally Hosted Software	To provide assurance that there are adequate contractual arrangements in place where software is hosted by an external supplier.	Planned
Essential Services Programme	To provide assurance over the processes in place to develop and monitor the essential services programme.	Planned
Management of the Cyber Incident Risk	To review how the Cyber Incident risk is being managed, including the effectiveness of	Planned

Audit Area	Overview of Assurance	Status
	the controls in place, back up processes and the assurance reporting arrangements.	
Business Applications	Individual reviews of a sample of key computer applications, including system access and administration, input, processing and output controls.	Planned
Key Financial Systems		
Benefits Reconciliations	A review of the reconciliation processes between Orchard, Academy and FMS for Housing Benefit and Council Tax Support.	Planned
Benefits: Assessment and Payments	To gain assurance over the processes and performance within the Benefits Assessment Unit, including ensuring that Housing Benefit and Council Tax Support payments are accurately processed and paid.	Planned
Council Tax	To gain assurance over the council tax processes for billing, income collection, recovery action, refunds and write offs.	Planned
Business Rates	To gain assurance over the business rates processes for billing, income collection, recovery action, refunds and write offs.	Planned
Capital Programme Central Controls	To gain assurance that expenditure in the capital programme is appropriately approved, controlled and monitored and that the accounting system provides accurate and timely information.	Planned
Financial Management Central Controls	To provide assurance over the central budget setting and budget monitoring arrangements.	Planned
Treasury Management and Bankline	To provide assurance that treasury management transactions are authorised, correct, appropriately recorded and reported, and are in line with relevant strategies and guidelines.	Planned
Housing Rents	To gain assurance over the housing rents processes for charging, income collection, amendments and write offs.	Planned
Sundry Income Central Controls	To provide assurance over the central management of income collection for sundry charges raised within the council, including recovery procedures and write offs.	Planned

Audit Area	Overview of Assurance	Status
Sundry Income Directorate Reviews	To provide assurance that all income is identified and requests for sundry income accounts are promptly and accurately raised for a sample of service areas.	Planned
Income Management System	To provide assurance over the systems that ensure all sources of income have been identified and accurately processed through the Income Management System.	Planned
Payroll Central Controls	To provide assurance over the integrity of central payroll functions, including the accuracy of payments made and the authorisation and processing of new starters and leavers.	Planned
FMS Creditor Purchase and Payment; Central and Directorate Processes	A review of the system through which orders are raised and payments are made to suppliers for goods and services.	Planned
Central Purchasing Card Controls	To provide assurance over the central purchasing card functions performed by the Central Payment Services Purchasing Card Management Unit.	Planned
Bank Reconciliation and Cash Book	The audit assesses the accuracy and timeliness of the reconciliations performed on the cashbook and the authority's main accounts.	Planned
Total Repairs	To provide assurance that there are adequate systems in place to ensure that payments made through the Total Repairs system are made to the correct creditor for goods / services which have been provided to the council and that the payments are accurately recorded within the council's accounting system.	Planned
Procurement and Contracts		
Contract Specification and Management Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the June 2017 meeting.	In progress
Non and Off Contract Spend Follow Up	To review the root causes for non and off contract expenditure and the processes for identifying and addressing non-compliant spend.	In progress
Leeds Building Services Subcontractors Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the September 2017 meeting.	In progress
Contract Review: Electricity Follow Up	To review progress in implementing the recommendations made in the previous audit,	Planned

Audit Area	Overview of Assurance	Status
	reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	
Procurement Maturity Review	This audit will review organisational procurement arrangements against best practice, including the assessment and management of contracting risk.	Planned
Contract Management	Individual reviews of contract management arrangements on a sample of contracts to gain assurance that they are being managed to deliver their intended outcomes, incorporating open book review where necessary.	Planned
Procurement Category Actions	To review the effectiveness of the Category Management process in supporting the delivery of strategic procurement objectives.	Planned
Waivers of Contract Procedure Rules (CPRs)	To review the governance arrangements in place for the approval and management of waivers of CPRs.	Planned
Contract Review: Joint Venture Follow Up	To review progress in implementing the recommendations made in the previous audits, as referenced above at 3.2.17.	Planned
Adult Social Care and Health		
Payments to Providers of Homecare Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	Planned
Deprivation of Liberties Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the March 2018 meeting.	Planned
Customer Information System (CIS) Payments	To provide assurance over the accuracy and legitimacy of direct payments and residential and nursing care payments made through CIS.	Planned
Learning Disabilities Pooled Budget	To provide assurance over the governance arrangements in place for the pooled budget.	In progress
Mental Capacity Act	A review of the controls in place that ensure the council is compliant with the requirements of the Mental Capacity Act.	Planned

Audit Area	Overview of Assurance	Status
Safeguarding Clients Personal Assets	To provide assurance that there are appropriate arrangements in place to safeguard the assets of the service user where the authority acts as a Deputy or Receiver.	In progress
Unannounced Visits	Individual establishment visits to provide assurance on cash handling arrangements, including the safeguarding of service users monies.	Planned
Children's and Families		
In-House Fostering, Special Guardianship Orders and Leaving Care Payments Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the June 2017 meeting.	In progress
Direct Payments Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the June 2017 meeting.	Planned
Governance Arrangements	To review the directorate's governance arrangements around decision making, reporting and assurance.	Planned
OfSTED Inspections	To gain assurance that there are effective arrangements in place for self-evaluation and ensuring that any recommendations arising from OfSTED inspections are monitored and implemented.	Planned
Children Looked After Services	To gain assurance that there are effective arrangements in place to manage and monitor the safe reduction of the numbers of children looked after.	Planned
Payments to Providers of Residential Care and Independent Fostering Agencies	To provide assurance over the efficiency and effectiveness of financial controls.	Planned
Cluster Model and Area Inclusion Partnerships (AIP)	A review of the arrangements in place to ensure that funding is spent effectively on intervention and inclusion, in support of the intended outcomes of the Cluster Model and AIPs.	Planned
Unannounced Visits	Individual establishment visits to provide assurance on cash handling arrangements, including the safeguarding of service user monies.	Planned
Schools		
Schools Audits	Individual audits of LCC maintained schools undertaken on a risk basis and audits of	Planned

Audit Area	Overview of Assurance	Status
	year end school voluntary fund accounts.	
Primary School Follow Ups	To review progress in implementing the recommendations made in the previous audits, as referenced above at 3.2.13.	Planned
Resources and Housing		
Leeds Building Services Tools and Equipment Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the September 2016 meeting.	In progress
Leeds Building Services Stores Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the April 2017 meeting.	In progress
Lettings Enforcement Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	Planned
Belle Isle Tenant Management Organisation (BITMO) Assurance	Time set aside to provide assurance that the BITMO is managing the key risks that have been delegated under the Modular Management Agreement. Outline of specific assurance to be confirmed.	Planned
Annual Home Visits	A review of the Annual Home Visit process to ensure that outcomes from the visits are actioned and monitored appropriately.	Planned
Leeds Building Services Assurances	Time set aside to provide assurance that key risks relating to Leeds Building Services are appropriately managed. Outline of specific assurance to be confirmed.	Planned
Fire Safety	To provide assurance over the controls in place to mitigate the risk of fire in council properties.	In progress
Electrical Inspections	To provide assurance over the controls in place to mitigate the health and safety risks of electrical fault incidents in council properties.	Planned
Homelessness and Temporary Accommodation	A review of the arrangements in place for preventing and managing homelessness in the city.	Planned

Audit Area	Overview of Assurance	Status
Private Sector Regulation	A review of the processes in place for ensuring that Homes of Multiple Occupancy are licenced and inspected as appropriate.	Planned
Responsive Repairs	A review of the responsive repairs contract, focussing on charging, quality and performance monitoring.	Planned
Financial Management Maturity Review	A review of organisational financial management arrangements against best practice.	Planned
Apprentice Levy	A review of the arrangements in place to ensure that the Apprentice Levy is utilised effectively.	Planned
Right to Buy	A review of the processes in place to assess and manage Right to Buy applications.	Planned
Performance	Time set aside to provide assurance over performance reporting. Outline of specific assurance to be confirmed.	Planned
Civic Enterprise Leeds – Income Collection	To provide assurance that all external income is identified and collected.	Planned
LCC Vehicle Fleet Clean Air Zone Standards	Time set aside to support the directorate in ensuring that appropriate plans are in place to mitigate environmental risks relating to LCC's vehicle fleet.	Planned
Application of HR Policies	To gain assurance that a sample of HR policies are consistently and properly applied across the authority.	Planned
Financial Due Diligence	A review of the arrangements in place to ensure that due diligence is consistently and appropriately applied before entering into an agreement or financial transaction with another party.	Planned
Passenger Transport	A value for money review of the in-house provision by the internal fleet and the external provision through the use of taxis and private hire vehicles.	Planned
Invest to Save – Benefits Realisation	To review how the benefits realisation process has been implemented for a sample of Invest to Save projects.	Planned
IR 35 Legislation Follow Up	To review progress in implementing the recommendations made in the recent audit as reported above at 3.2.5.	Planned

Audit Area	Overview of Assurance	Status
Communities and Environments		
Parking Services	To review the systems in place for issuing parking permits and parking tickets, collecting income and managing appeals.	Planned
Child Poverty	A review of the arrangements in place to tackle child poverty across the city.	Planned
Recycling Strategy	To provide assurance that the council's recycling strategy is being effectively implemented.	Planned
Customer Satisfaction	A review of the processes that support continual improvement in respect of the customer experience.	Planned
Unannounced visits	Individual establishment visits to provide assurance over cash handling arrangements.	Planned
City Development		
Community Infrastructure Levy Follow Up and Section 106 Monies	To review progress in implementing the recommendations made in respect of Community Infrastructure Levy made in the previous audit, reported to the Corporate Governance and Audit Committee at the September 2017 meeting and to provide assurance that Community Infrastructure Levy and Section 106 Monies are collected, recorded and spent appropriately.	Planned
Income collection	To provide assurance that all external income is identified and collected.	Planned
External Advertising Income – Follow Up	To review progress in implementing the recommendations made in the recent audit as reported above at 3.2.8.	Planned



Report author: Mary Hasnip

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Report of the Chief Finance Officer

Report to Corporate Governance and Audit Committee

Date: 26th June 2018

Subject: Publication of Draft Statement of Accounts 2017/18

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 Chief Finance Officer has reviewed the 2017/18 accounts and certified that they are a true and fair view of the Council's financial position.
- 2 The accounts have been drawn up based on proper accounting practice as required by the Accounts and Audit Regulations 2015.
- 3 The accounts were made available for public inspection for thirty working days commencing 1st June 2018.
- 4 Despite the continuing financial pressures impacting on local government, the Council continues to manage its financial affairs in an effective manner. The final outturn position for the general fund was an underspend of £7.0m.
- 5 The draft Annual Governance Statement, which has been authorised by the City Solicitor and the Chief Finance Officer, is attached as an appendix to this report.

Recommendations

- 6 Members are asked to:
 - Note the 2017/18 unaudited Statement of Accounts as certified by the Responsible Financial Officer, which are now available for public inspection.
 - Note the draft Annual Governance Statement which has been published alongside the draft Statement of Accounts for public inspection

1 **Purpose of this report**

- 1.1 The purpose of this report is to present to the Committee the draft 2017/18 Statement of Accounts and the draft Annual Governance Statement, both of which were published on 1st June for the statutory public inspection period. The Statement of Accounts is included with the agenda as a separate document for Committee members and will be published on the Council's internet site. The draft Annual Governance Statement is attached as an appendix to this report.
- 1.2 The report also provides an update on the outstanding elector objection arising from the 2016/17 statement of accounts public inspection period.

2 **Background information**

- 2.1 Whilst it is not a statutory requirement for members to formally approve these unaudited accounts, members of this Committee requested that they receive the draft accounts for information, prior to the final audited accounts being submitted to the committee for approval in July.
- 2.2 The council is required to publish its draft Annual Governance Statement alongside its draft accounts. As is the case for the accounts, the final version of the Annual Governance Statement will be submitted to the Committee for approval in July.

3 **Main issues**

3.1 **Main Financial Issues**

- 3.1.1 The following is a summary of the main financial issues raised by the 2017/18 unaudited accounts:
- The final outturn position for the year was a £5.6m contribution to the General Fund Reserve, which represented a £7.0m underspend in comparison to the figure budgeted for. The most significant factor in this was a one-off £7.3m receipt from HMRC in settlement of the council's claim to recover VAT previously accounted for on sports admission charges.
 - The Housing Revenue Account outturn position was a use of HRA revenue reserves of £4m, in comparison to the approved budget of £4.2m. This position incorporated an underspend of £0.9m in net expenditure and a reduction of £0.5m in the planned use of revenue reserves, resulting in an additional £0.7m contribution to the Major Repairs Reserve and a further £0.7m contribution to revenue reserves.
 - The Council's net worth has increased by £323.6m, and as at 31st March 2018 stands at £1,545m. Within this increase in net worth there has been an increase of £532m in the value of tangible fixed assets, partly offset by an increase in the net pensions liability of £142m. Net borrowing for capital and treasury management purposes has increased by £104m, reflecting an increase of £101m in the capital financing requirement.
 - The council's level of usable reserves have risen by £6m to £280m. The majority of this increase relates to usable capital reserves, within which the level of capital receipts unapplied has increased by £9m. Total usable

revenue reserves have increased by £0.6m, including an increase of £13m in unringfenced revenue reserves.

- The position for business rates within the Collection Fund has again improved, with the closing deficit position standing at £31.7m, a reduction of £20.3m in comparison to 2016/17. The 2018/19 budget was set on the basis of an assumed deficit of £27.2m, and thus there is an additional deficit of £4.5m to take into account for 2019/20, of which 49% (£2.2m) will be borne by the council.

A full analysis of these and other financial issues is included in the Foreword of the Chief Finance Officer which can be found at the front of the accounts.

3.2 Responsibilities and Timeframes for Approving the Statement of Accounts

3.2.1 The Accounts and Audit Regulations 2015 determine the roles and responsibilities for approving local government accounts. Under these regulations it is the responsibility of the Responsible Financial Officer to certify that the draft accounts are a true and fair view of the Council's financial position before the 31st May. The accounts must then be available for public inspection for thirty working days, which must include the first ten working days of June. This Committee is charged with approving the final audited accounts by 31st July. The committee will be aware from previous reports that 2017/18 is the first year to which these earlier statutory deadlines apply.

3.2.2 To enable members to discharge their responsibilities for approving the accounts at the July meeting of the committee, the following assurances can already be given, or will be given within the approval process:

- On 31st May 2018 the Chief Finance Officer in his capacity as the Responsible Financial Officer signed the draft 2017/18 accounts, confirming that he is satisfied that they present a true and fair view of the Council's financial position.
- The accounts have been drawn up in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, which represents proper accounting practice for local authorities, as required by the Accounts and Audit Regulations 2015.
- KPMG are currently undertaking a detailed audit of the accounts to ascertain that, in their view, the accounts show a true and fair of the Council's financial position. They will report any significant issues back to this Committee in July.
- Stakeholders have thirty working days while the accounts are on deposit to look through the accounts and supporting documentation and raise any questions with the auditors or to object to the accounts. If considered an eligible objection the auditors would pursue the complaint or questions and determine if the accounts need amendment. Any significant issues raised in this way would be reported back to this Committee in July. For 2017/18, the public inspection period commenced on 1st June.
- Members have the opportunity to question officers on any aspect of the accounts at this Committee or in the July Committee prior to approving the accounts.

3.3 Accounting Issues Impacting on the Financial statements

3.3.1 There have been no significant changes in accounting policy affecting the 2017/18 accounts.

3.4 External Audit Issues

3.4.1 In September 2017, KPMG reported back to this Committee its main audit findings in respect of the 2016/17 accounts and any recommendations or risks for the following year's accounts. The report made one recommendation, relating to the documentation of the process of challenge to the asset valuation assumptions, and progress on this will be reported at the July committee. In their annual audit plan which was presented to the Committee in January 2018, KPMG identified three key areas of audit risk for the 2017/18 accounts, due to the materiality of the figures involved. These were the valuation of property, plant and equipment, the valuation of net pension liabilities, and the possible renegotiation of a particular lease.

3.5 2016/17 Elector objection

3.5.2 The committee will recall that although the 2016/17 statement of accounts were certified in September 2017 by KPMG as presenting a true and fair view, the audit for that year remained open due to an unresolved elector objection relating to the council's use of LOBO loans to meet part of its borrowing requirement. KPMG issued a provisional response to the elector on 2nd May 2018. The elector has responded to this with further comments which KPMG are considering prior to issuing a final response to the objection. Once the final response has been received from KPMG it will be reported to the next available meeting of the Committee.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This is a factual report from the Chief Finance Officer on the Council's 2017/18 financial accounts and consequently no public, ward member or councillor consultation or engagement has been sought.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no issues regarding equality, diversity, cohesion and integration.

4.3 Council policies and City Priorities

4.3.1 The Statement of Accounts is an audited publication which provides all stakeholders with the confidence that public money has been properly accounted for and that the financial standing of the Council is on a secure basis.

4.3.2 As required by the Accounts and Audit Regulations 2015, the accounts are to be made available for public inspection for thirty working days. Local electors and taxpayers have the right to look through the accounts and supporting documentation as well as the right to object to the accounts and question the auditors.

4.4 Resources and value for money

- 4.4.1 This is a factual report of the Chief Finance Officer on the financial accounts of the Council for 2017/18. There are no additional financial or value for money implications.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The accounts are required to be certified as a true and fair view of the Council's financial position by the Responsible Financial Officer before the end of May. This report does not require a key 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 accounts process as part of their annual audit plan, which was presented at the previous meeting of this Committee. The specific areas identified as audit risks will be covered as part of their audit work, and any issues arising will be reported at the July meeting of this committee.

5 Conclusions

- 5.1 Despite the continuing financial pressures impacting on local government, the Council continues to manage its financial affairs in an effective manner and has maintained the level of general reserves at a prudent level. The Council's net worth has increased, reflecting an increase in the value of its fixed assets, partly offset by an increase in the pensions deficit recognised in the accounts. Overall the Council continues to balance its finances and has a proven process for managing future budget pressures.
- 5.2 The Responsible Financial Officer has certified that the accounts are a true and fair view of the council's financial position.

6 Recommendations

- 6.1 Members are asked to:
- Note the 2017/18 unaudited Statement of Accounts as certified by the Responsible Financial Officer, and that they have been released for public inspection.
 - Note the draft Annual Governance Statement which has been published alongside the draft Statement of Accounts for public inspection

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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Draft

Annual Governance

Statement

2018

**Draft released by Chief Finance Officer and City Solicitor:
To accompany the Draft Accounts being placed on deposit
May 2018**

1. SCOPE OF RESPONSIBILITY

- 1.1 We must conduct a review of the effectiveness of our system of internal control and report our findings in an annual governance statement. The statement must be prepared in accordance with proper practices and be reported to a committee of Councillors. This document comprises our draft Annual Governance Statement (AGS) for 2018. This is needed to be published alongside our draft Statement of Accounts. The final (AGS) will be approved by the end of July 2018.

Context

- 1.2 Our ambition continues to be for us to be at the forefront of those local authorities that are able to demonstrate that they have the necessary corporate governance to excel in the public sector. We aspire to be the best council in the UK, for Leeds to have a strong economy and be a compassionate, caring city that helps all its residents benefit from the effects of the city's economic growth.
- 1.3 We will focus on creating the right conditions for the economy in Leeds to prosper and, hand in hand with that, ensure a consequence of that growth is a reduction in poverty and inequalities that exist in Leeds.
- 1.4 The changing needs of our citizens and communities, ongoing significant reductions in resources and central government reforms continue to present a challenge to all councils. In addressing these challenges we will ensure that governance arrangements support the effective delivery of services, whether this be by direct service provision, in partnership, by alternative innovative service delivery mechanisms or simply by exerting our influence.
- 1.5 By applying our values and local codes of conduct for Members and employees, we commit to devising and delivering services to the citizens of Leeds in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity.

2. THE GOVERNANCE FRAMEWORK

- 2.1 Our governance arrangements are designed to ensure that we take an appropriate and proportionate approach to managing risk whilst ensuring that our outcomes are defined and delivered. The arrangements are not designed to eliminate all risks but rather provide a reasonable degree of assurance of our effectiveness.
- 2.2 Our governance framework in Leeds comprises of our policies, plans, systems and processes and culture and values that allow us to achieve our strategic outcomes and provide services in a cost effective way and in the public interest. The arrangements can be summarised as:
- **Our vision** - that is our shared priorities and intended outcomes for citizens and service users documented in the Vision for Leeds, Best Council Plan and other documents contained in our Budget and Policy Framework;
 - The **committees, boards and panels** we have established to ensure democratic engagement and accountability is central to our decision making;
 - Our arrangements for the **oversight and scrutiny** of decisions and policy development by councillors;
 - **Delegation and sub delegation arrangements** which document the roles and responsibilities of executive and non-executive councillors and our statutory (and other senior) officer functions;
 - Our **risk management** arrangements that help us mitigate threats and make the most of opportunities which present themselves;
 - Our **performance and accountability** arrangements that help us analyse and act on performance information as a means of improving services and delivering better outcomes for the citizens of Leeds;
 - Our **People and Culture Strategy, Member Development Strategy, Values and codes of conduct** which underpin how Members and employees work;
 - Being open, honest and trusted
 - Treating people fairly
 - Spending money wisely
 - Working as a team for Leeds
 - Working with communities
 - Our arrangements for **consultation and engagement** with the community, particularly focussed to help ensure inclusivity;
 - Our arrangements to **safeguard** our most **vulnerable citizens** including fully embracing the role of independent chairs of safeguarding boards for children and adults and our Community Safety Partnership;
 - A high performing and independent **Internal Audit** service that is well regarded by our External Auditors;
 - Independent oversight and challenge provided by our **External Auditors, Government Inspectorates and the Local Government Ombudsman**;
 - Our **procedure rules and internal management processes** for:
 - Financial management and Procurement
 - Business Continuity and resilience
 - Information governance and data security
 - Health and safety
 - Decision making
 - Whistleblowing and complaints handling
 - Anti-fraud & corruption

3. REVIEW OF EFFECTIVENESS

3.1 Our process of review is continuous and considers decisions taken and matters considered by:

- Full Council and committees appointed by Full Council, including the specific assurance work of the Corporate Governance and Audit Committee;
- the Executive Board;
- Directors under their delegated authority and with the knowledge of the operation of governance arrangements within their directorates;
- Corporate Leadership Team (and via consideration of this statement by our Corporate Leadership Team);
- Internal Audit;
- External Audit and Inspectorates.

This Annual Governance Statement draws on that work and presents a conclusion in relation to our governance arrangements.

A self-assessment of our effectiveness

Behave lawfully, with integrity and in the public interest and demonstrating this through our conduct and behaviour.

- 3.2 Our council values provide a framework within which our organisational culture has become embedded. Our values are at the heart of our organisation. In a period of immense change and real challenge we must be both confident and decisive about what we do and how we do it.
- 3.3 An annual report is compiled by the Chief Officer HR to give assurance that key policies and procedures are fit for purpose, effectively communicated, working as intended and have been regularly reviewed. This report is due to be considered by our Corporate Governance and Audit Committee in June 2018.
- 3.4 The Standards and Conduct Committee has operated in accordance with the terms of reference approved by full Council and reported on its activities by way of an annual report in March 2018. No Leeds City Councillor, nor any Parish or Town Councillor (in the Leeds area), has been found by a Stage 3 Hearing to have failed to comply with the Code of Conduct adopted.
- 3.5 The Monitoring Officer has supported members of the authority (and of Parish and Town Councils) in meeting their obligations to notify disclosable pecuniary interests. These requirements have been met during the year with quarterly reminders being issued to elected members and Clerks at Parish and Town Councils for registers of interests to be reviewed. Guidance has also been provided to support the registration of Gifts and Hospitality.

- 3.6 An important element of our arrangements relates to the independence brought to the consideration of Members' Allowances (through our Independent Remuneration Panel) and issues relating to Member Conduct (through our appointed Independent Person) . During the year a refresh of the Remuneration Panel has taken place with three new Members being recruited through an open advert and appointed by full Council. The authority, rather than making a direct appointment, has left the decision of who chairs the panel to the Independent Members themselves – this being to provide further assurance that the Panel is independently minded.
- 3.7 Our Whistleblowing Policy sets out the correct channels through which serious issues can be appropriately escalated from within the organisation and the Raising Concerns Policy provides guidance and direction to the wider public. Both policies have been reviewed during the year by the Corporate Governance and Audit Committee and assurances that these policies are routinely complied with are gained by Internal Audit reporting to each meeting of the committee on issues raised.
- 3.8 In-house lawyers provide comprehensive legal advice, training, and support to members, member bodies, and all directorates, as well as managing the provision, where necessary, of external legal advice. The in-house lawyers have effective relationships with services which facilitates a high support, high challenge environment, leading to better and more robust outcomes. In sum, the ready access by members and officers to high quality lawyers, specialised in local government work and having a clear understanding of the council's vision and values, plays an important part in helping to ensure that the council adheres to the principle of behaving lawfully.

Focus our resources on outcomes and ensure council tax payers and service users receive excellent value for money.

- 3.9 Our business planning and performance management arrangements have enabled members and senior management to focus our resources on outcomes and ensure value for money. The arrangements are centred on our 'Best Council Plan' which is updated each year.
- 3.10 Following consultation with staff and elected members, the refreshed Best Council Plan 2018/19 was approved by Full Council in February 2018. The Plan is aligned with the Medium-Term Financial Strategy (2018/19- 2020/21) and sets out 8 outcomes, priority areas of work and a range of supporting key performance indicators (KPIs) to help monitor progress as well as being clear on our values and how we will work as an organisation.
- 3.11 The Best Council Plan KPIs are reviewed quarterly with performance scorecards published. This is supplemented by an annual performance report that looks back on progress in delivering the Best Council Plan over the previous year. Both the scorecard and annual reports are publicly available on the leeds.gov website and the Leeds Observatory.
- 3.12 In addition a range of supporting plans and strategies (for example, the Children and Young People's Plan; Leeds Housing Strategy; Better Lives Strategy; Safer Leeds Plan and Joint Health and Wellbeing Strategy), sit alongside the Best Council Plan each with their own performance management arrangements, including Scrutiny Boards and partnership boards. Operational performance management arrangements are in place at service level.

- 3.13 An annual assurance report is provided to the Corporate Governance and Audit Committee on the council's Corporate Risk and Performance Management arrangements. The Committee are due to consider this report in June 2018.
- 3.14 Our Corporate Governance and Audit Committee considered the Annual Assurance report of the Chief Officer Projects, Programmes and Procurement Unit in relation to procurement policies and practices. The committee received assurance that these arrangements are compliant with legislation, are up to date, fit for purpose and effectively communicated with no procurement challenges being brought against the council in-year. Social Value has continued to be a key theme in procurement activities with details of spend with local suppliers being monitored and reported to Executive Board.
- 3.15 From the review, assessment and ongoing monitoring carried out the Chief Officer PPPU has reached the opinion that, overall, systems are operating effectively, that there are no fundamental control weaknesses but there remain areas for improvement.

Be open and engage with local communities, service users and our other stakeholders.

- 3.16 The delivery of our Best Council Plan recognises the importance of effective engagement with the public, partners and staff and taking account of this in decisions that we take. These approaches are embedded in our Values – these are at the heart of everything we do. They inform the way we design and deliver our services and the way we all work and behave. A central theme running throughout our Best Council Plan is to tackle inequalities and so we also recognise the importance of taking account of equality considerations in the decisions we take.
- 3.17 The work that our Staff Networks have delivered and supported within the organisation has been recognised with our placement this year in the top 50 employers by LGBT+ charity Stonewall. The ranking is against organisations of all sizes, including large multinational companies, government departments and universities. Our Executive Board also receives regular reports and updates on our Equality Improvement Priorities.
- 3.18 Our Equality Hubs have continued to thrive. Our partnership with Voluntary Action Leeds delivering our BME Hub is continuing to develop and improve our engagement with BME communities across the city. Our Disability Hub and Access and Useability Group provide the authority with regular challenge on making our services and developments across the city as accessible as possible. Our LGBT+ Hub was awarded Best Community Organisation at the city's annual LGBT+ awards on February 2018. Our Religion or Belief Hub is extending its engagement across all faith communities in the city, meeting quarterly to address issues that affect faith communities in the delivery of services by the Council and partners. The Women's hub also assisted the council in securing funding from Government Equalities Office to deliver a programme of activities to commemorate 100 years of votes for Women.

- 3.19 The shaping of our services in the present financial climate is challenging, particularly where those services are provided to vulnerable people. Our Executive Board has worked to balance need, service provision and available resources in difficult financial circumstances. Consultation on our budget proposals was extensive with detailed annexes summarising contributions from the Public, Scrutiny Boards and other Organisations included in our budget setting reports to Executive Board and full Council
- 3.20 Working with communities and with partners particularly in the third sector, we are building further resilience through improving community capacity and leadership, helping communities become more enterprising through citizen led approaches, supporting people to grow more financially resilient and carrying out a range of community safety actions through the Safer Leeds Partnership. We strive to continually improve the relationship between the council and the citizens of Leeds, and in so doing improve trust in public services and ensure the delivery of local integrated and responsive services for local people. Our Community Committees are an integral part of that vision.
- 3.21 The committees have a crucial role in improving the way we work locally and form a vital part of our commitment to involving our residents more closely with the priorities for their local area and decision-making on funding and services. The committees have played an important part in meeting our ambition to bring place, people and resources together by:
- ensuring that we spend money and work more intelligently and flexibly than before;
 - making it easier for people to do business with us; and
 - improving the way we make decisions locally with residents.
- 3.22 Following a review of locality arrangements our Executive Board has placed greater emphasis on a new place-based integrated approach to service delivery to tackle poverty and reduce inequality in some of our poorest neighbourhoods. The Board has also agreed the next phase of a community hub programme.
- 3.23 In addition the Executive Board receives a number of significant annual reports concerning;
- The local social care account (providing an explanation of the responsibilities placed upon councils and the contribution made towards enhancing local accountability to the public and as a tool to support sector led service improvement);
 - The Quality of Care across Leeds;
 - Public Health – the Annual report 'Nobody Left Behind: Good Health and A Strong Economy' of the Director of Public Health - provided a commentary on the reasons behind current life expectancy levels in Leeds and demonstrates how the Leeds Inclusive Growth Strategy is supporting the drive to reduce health inequalities;

- 3.24 Corporate Governance and Audit Committee has reviewed the council's processes and procedures around customer access and satisfaction. Whilst noting the assurances received the committee wished for further consideration to be given to the top complaint issues and to establishing a mechanism for measuring and reporting the overall satisfaction of citizens with the services provided by the council. There has been increased effort in using digital channels to reach audiences with an improved website and a greater use of social media.
- 3.25 Internal Audit will devote time to review arrangements customer access and satisfaction as part of audit coverage in 2018/19.
- 3.26 Significant engagement activities have taken place during the year relating to the Core Strategy and site allocations, school places, a bid to be designated as European Capital of Culture, the South Bank and Station Masterplan and on Air Quality.

Ensure that we have robust and effective audit, scrutiny, information governance, risk and financial management controls.

Finance Management

- 3.27 Between the 2010/11 and 2017/18 budgets, our core funding from Government has reduced by around £239m, and will reduce by a further £14.1m in 2018/19. Additionally we have faced significant demand-led cost pressures, especially within the Adults & Health and Children & Families directorates.
- 3.28 We have responded successfully to that challenge through a combination of stimulating good economic growth, creatively managing service demand, increasing traded and commercial income, growing council tax from new properties and a significant programme of organisational efficiencies, including reducing staffing levels.
- 3.29 The Section 151 Officer has continued to ensure that effective budget monitoring and reporting arrangements (involving the Executive Board, the Corporate Governance and Audit Committee and Scrutiny) are in place.
- 3.30 Our Executive Board reviews the budget outturn position at the end of each financial year. Our 2017/18 general fund revenue budget identified a variety of actions to reduce net spend through the delivery of £64m of budget action plans by March 2018. At the stage of the year at which this Statement is provided, it is clear that the majority of the actions were delivered, and where there are variations, compensating savings have been identified. The provisional outturn for General Fund services is projecting an underspend of £7.9m and the Housing Revenue Account is projected to underspend by £1.5m.
- 3.31 The Council's arrangements around financial accountability and responsibility have been further refined in light of the streamlining of senior officer arrangements.

- 3.32 The Responsible Financial Officer has established an effective overall financial control environment framework to discharge both his statutory responsibilities and ensure consistency with the Chief Financial Officer protocol (which forms part of the Council's constitution).
- 3.33 The basis for the assurance opinion which the Corporate Governance and Audit Committee received was a number of rigorous reviews and assessments undertaken during the year, including;
- Internal Audit annual assurances on the major financial systems and controls.
 - Member scrutiny via Scrutiny Boards, Executive Board and Full Council ensures that the budget continues to meet the council's priorities and objectives. In addition, Corporate Governance & Audit Committee approves the Council's accounts.
 - Officer review of the financial strategy, annual budget and in-year budget management and monitoring processes through the Financial Strategy Group, Finance Performance Group, Directorate leadership teams and the Corporate Leadership Team.
 - Officer review of the adequacy of the control arrangements through the corporate Financial Integrity Forum.
 - External Audit evaluation of the council's key financial systems as part of their audit work in respect of the 2017/18 accounts, work that will be repeated again as part of the 2018/19 audit.

Business Continuity and Risk Management

- 3.34 Of vital importance to us, is ensuring that we have arrangements in place to ensure our critical services can recover quickly from serious untoward incidents. Our Corporate Governance and Audit Committee has received assurance that our business continuity plans are in place for all our critical services and that these are subject to continuous review.
- 3.35 The review process and continued heightened awareness of the impact of incidents on communities and local businesses, allows us to learn from recent events and incidents and inform the development of business continuity and emergency planning arrangements both at a service level and through our multi-agency response and recovery plans.

- 3.37 The council's Risk Management Policy¹ sets out our commitment to a risk management framework that enables staff and elected members to identify, understand, manage and report on strategic and operational risks that could impact upon delivery of the Best Council Plan. As part of our decision-making arrangements, all reports for key and Significant Operational decisions consider risk management. The council's most significant risks are captured in a corporate risk register. An annual report is provided to the Executive Board and published on the leeds.gov.uk website explaining the corporate risks and how they are managed – this will be considered by our Executive Board in July 2018. A corporate risk map is updated and published each quarter and senior politicians continue to be briefed on key risks.
- 3.38 An annual assurance report is also provided to the Corporate Governance and Audit Committee on the council's risk management arrangements. This will be considered by the committee in June 2018.

Information Governance

- 3.39 Significant work on information management and information governance has been undertaken to strengthen management of our information assets, to respond to external requirements and to identify opportunities for efficiency and other value gains in the management of information.
- 3.40 As regards information access and compliance our Corporate Governance and Audit Committee has been assured that processes and procedures are in place regarding upholding citizen rights to request information and that we operate within the Information Commissioners Office thresholds for response times. Assurance has also been received that we are compliant with current Data Protection legislation and that work has been completed or is on track to ensure we will be compliant with the General Data Protection Regulations.
- 3.41 Significant work has been undertaken to enable the Council to become compliant with the more stringent compliance control arrangements to meet the Public Services Network (PSN) certification requirements. Our Corporate Governance and Audit Committee has regularly reviewed these activities. We recognise that whilst we still have some unresolved issues, we do have comprehensive plans in place to deal with outstanding issues. The Head of Information Management and Governance has provided assurance that, at this time, this will not present problems with regards to connecting to other government services and that a reapplication for PSN certification for the authority will soon be made.
- 3.42 Through our Open Data approach, we continue to proactively publish datasets over and beyond that required by the Local Government Transparency Code 2015 and make data available in response to FOI requests. This means that we are one of the most open and transparent local authorities in the country and ensures we are compliant with the EU Public Sector Information Re-Use Directive focusing on making data from public authorities available for re-use.

¹ The policy will be reviewed in 2018 following the publication of the refreshed Best Council Plan.

- 3.43 In respect of the INSPIRE standards it is still unclear which direction the UK Government will take with this Directive and no information has been forthcoming from DEFRA. A full review and consultation of how the council should move forwards with a strategy for GIS (Geographic Information System) is being undertaken for the council by SOCITM Advisory, and the statement of requirements for this review include providing recommendations about how the council should proceed with implementing INSPIRE data standards. No further work is being undertaken in relation to INSPIRE until these recommendations are received.
- 3.44 With regards to records management our Corporate Governance and Audit Committee has received reasonable assurance from the Information Management and Governance Team that processes and procedures are in place and delivering data protection compliance in this regard. Arrangements are in place to ensure continuous improvement and ensure that changes to retention schedules are sufficiently challenged and simplified.

Ensure we have clear responsibilities and arrangements for transparent and effective accountability.

Electoral Arrangements

- 3.45 As a consequence of the recent Boundary Commission Review (which altered some of our electoral divisions), we have been required to undertake both a Community Governance Review and a Review of Polling districts and places. This work was completed in time for the All-out Elections in May 2018.
- 3.46 Executive leadership were reported to our Annual Meeting where committee governance and membership and outside body appointments were also approved.
- 3.47 Our Constitution, including the delegation scheme for Council and Executive responsibilities, has also been regularly reviewed and updated to reflect various legislative (including the new Leeds Electoral Order following the Boundary Commission Review) and other organisational changes.

Partnership Arrangements

- 3.48 Partnerships and other joint working arrangements with external bodies form an increasing element of our activities, providing challenges in terms of transparency, demonstrating accountability and managing risk.
- 3.49 The delivery of the Best Council Plan priorities is dependent on effective partnership working and an enabling approach which encourages all partners to play an active role and make maximum impact in the city. Maintaining and developing the range, reach, capacity and skill of the third sector is critical to the delivery of the Best Council Plan. Leeds has a large and diverse third sector with over 3500 organisations from the smallest neighbourhood community group to major providers of services and we are recognised as a centre for best practice for its partnership working with the third sector.

- 3.50 The Compact for Leeds and the supporting codes are a part of the strategic infrastructure which creates the conditions for the thriving third sector that the city needs and benefits from, providing a framework to strengthen and guide working relationships. Leeds launched its first Compact in 2003 and it has been revised every 2 or 3 years in order to reflect the changing operating context and to drive best practice. The Compact 2017 has been developed and approved by the Third Sector Partnership, an umbrella organisation including Leeds City Council, NHS Leeds Clinical Commissioning Group, University of Leeds, Leeds Beckett University and Third Sector Leeds and was endorsed in late January 2018. The Compact provides an invaluable framework which enables commissioners to manage challenging commissioning and decommissioning decisions, with clear expectations around practice, timelines and communication. This reduces conflict and risks to reputation and working relationships that are key to delivering on the best city ambitions and the compassionate city agenda.
- 3.51 The Corporate Governance and Audit Committee received assurances from the Chief Finance Officer that the Corporate Financial Integrity Forum has the oversight of the financial governance risk of partnerships and other joint working arrangements within its remit.
- 3.52 The City Council as a member of the West Yorkshire Combined Authority and the Transport for the North Board has supported the establishment of Transport for the North (TfN) as a statutory body. This newly established body will seek to deliver strategic transport improvements, which are needed to support transformational economic growth. This will allow the North to increase its productivity, create more job opportunities and make a greater contribution to the UK economy through delivery of a sustained investment programme across the North to build infrastructure, strengthen skills, harness innovation, and encourage smart technology.
- 3.53 We have also fully participated in the work of the West Yorkshire Combined Authority, and in doing so have, with our neighbouring local authorities, reviewed and streamlined other aspects of regional governance. Collaborative working is taking place across the region to support progressive negotiations with HM Government for a devolution deal for the region. Given the importance of this, full Council receives a regular update report on the devolved matters; allowing cross party engagement and debate on this evolving area.
- 3.54 Our Health and Wellbeing Board has provided an open and transparent forum through which joint work on improving health and wellbeing is progressed. The Health and Wellbeing Board has considered and provided an opinion on whether to NHS Leeds Clinical Commissioning Groups takes proper account of the outcomes set out in the Leeds Health and Wellbeing Strategy and has agreed an approach to review the operational plans during 2018-2019. Our full Council meeting has considered the minutes of the Board to enable wider member engagement.

- 3.55 We have implemented, in collaboration with other Local Authorities and Voluntary adoption agencies (VAA's), a new model of service delivery for adoption services in line with the government's agenda. A new Joint Committee - The West Yorkshire Adoption Joint Committee – has been appointed by the five West Yorkshire authorities to have oversight of the regional adoption agency "One Adoption West Yorkshire". The Committee is responsible for ensuring that the adoption services (including the recruitment and approval of potential adopters; identification of potential matches between children and adopters; and the provision of adoption support services) are carried out safely, effectively and efficiently. Our Executive Board has reviewed the successful operation of the new arrangements.
- 3.56 To accelerate the reforms in Children's Social Care, the Department for Education has invested an additional £9.6m in Leeds as part of their Partner's in Practice programme. The funding supports expansion of restorative social work practice and improved leadership in local authorities and also is enabling early support teams to develop practitioner's existing skills (using restorative practices) to improve early interventions with children and families and establish an integrated restorative adolescent service that will work with families, based around reformed residential homes.
- 3.57 In addition, the Council has entered into a Partnership arrangement with Kirklees Metropolitan District Council and the Department for Education to support Kirklees's improvement journey over the coming three years.
- 3.58 We have also played a central role in the development of the Leeds Health and Care Academy. This innovative approach has brought together our Universities and NHS bodies into a close partnership with the City Council to help strategically plan a long term approach to the workforce challenges faced by the City. It is designed to make Leeds the destination of choice for health and care staff as well as ensuring partners focus on social mobility and ensuring the workforce reflects the diversity of the Leeds population as outlined in the Health and Wellbeing Strategy.
- 3.59 Unfortunately despite working collaboratively and with the support of local authorities across Yorkshire, the core cities from the North of England, each of the Further and Higher Education institutions in the City and securing private sector sponsorship, our bid to be European Capital of Culture did not progress as we had hoped. However the strength of partnership has endured and extended since the late announcement from Europe of the ineligibility of UK cities to bid for this designation (post the decision to leave the EU). Further work is taking place with partners, including with the other UK bidding cities, to harness the enthusiasm and commitment that the bidding process had been a catalyst for.

Safeguarding

- 3.60 Our Executive Board considers regular reports on our safeguarding arrangements. The reports consider whether systems and practices are in place to safeguard adults and children at risk. A Cross Council Safeguarding Board also works with representatives from the Leeds Safeguarding Children Partnership, Safer Leeds Executive and Leeds Safeguarding Adults Board to promote and embed safeguarding awareness and training across the council. The board oversees the network of Safeguarding Lead Officers; nominated individuals from within directorates who have a specific focus on helping the directorate to continually think about how to keep colleagues and members of the public safe from harm.

Scrutiny

- 3.61 Scrutiny arrangements are operating in accordance with the terms of reference and procedures agreed by full council with inquiries both adding value to the delivery of the council's outcomes and providing challenge to the Executive. An annual report relating to the Council's activities will be presented to the full Council in July 2018. The Council sees Scrutiny as a key performance tool in ensuring that the Council meets its best city ambitions.
- 3.62 The proportion of work undertaken by Scrutiny Boards that relates to pre-decision Scrutiny and the development of new policy is testament to the value placed upon Scrutiny Boards by the Executive to help inform what are often high profile and sensitive decisions to be made. Scrutiny Boards have also continued to demonstrate their unique strength in bringing together a wide range of sectors and service users to identify solutions in addressing complex and often challenging cross cutting issues. Notable inquiries completed during the year have been on Business Rates, Prisoner Health and Social Care needs, Child Poverty and the production of an Information Advice and Guidance (IAG) Charter for Young People in Leeds.
- 3.63 Work undertaken by Scrutiny is a key element in the continuous review of our governance arrangements and assists in ensuring that they are up-to-date, fit for purpose, that they focus resources on outcomes and ensure council tax payers and service users receive excellent value for money.

Take informed and transparent decisions.

- 3.64 Our decision-making arrangements are one of our key governance controls, linking to all the governance principles that are set out in our Code of Corporate Governance.
- 3.65 An annual report to our Corporate Governance and Audit Committee (June 2018) will consider assurances that the arrangements are up-to date, fit for purpose and are functioning well. In particular assurance will be sought that that systems and processes exist and are used to review and maintain the framework, that requirements in relation to publication of decisions are embedded and routinely complied with, that key performance indicators are regularly monitored and that steps are taken to work positively and transparently.

3.66 Our report template helps to ensure that governance considerations form a key element of our decision making processes. Key to this is the need to specifically address:

- Consultation and Engagement
- Equality and Diversity / Cohesion and Integration
- Council policies and the Best Council Plan
- Resources and value for money
- Legal Implications, Access to Information and Call In
- Risk Management

3.67 The City Solicitor has provided ongoing assurance (via a commentary included in regular Internal Audit reports) to our Corporate Governance and Audit Committee that the council has complied with the requirements of the Regulation of Investigatory Powers Act 2000 – both as regards directed surveillance and the use of covert surveillance sources and also as regards the acquisition and disclosure of communications data.

Develop our capacity and capability to be effective.

Elected Members

3.68 As community leaders, it is vital that our councillors are supported to be as effective as possible. This being particularly important during 2018 with a large number of new councillors likely to be elected at the all-out elections. An induction programme and a variety of learning programmes are in place and are continually monitored and evaluated by our Member Management Committee. Where needed, new learning programmes are developed and implemented quickly and effectively.

3.69 Our Standards and Conduct Committee has reported on their work to full Council to promote and maintain high standards of conduct by members and co-opted members of the authority.

Employees

3.70 We make a significant investment in staff training and development with, in 2017/18 a corporate training budget of £1.5m. The vast majority of these funds is held at a service level with the responsibility for planning, organising and delivery being tailored locally to service specific needs including developing resilience and succession planning.

3.71 An annual assurance is scheduled for consideration by our Corporate Governance and Audit Committee in June 2018 to the committee concerning the Council's employment policies and employee conduct.

An Independent opinion of effectiveness

- 3.72 The Corporate Governance and Audit Committee receive updates on audit activity and progress in meeting the audit plan at each of their meetings. The annual report, from the Head of Internal Audit, is to be presented in July 2018. This will examine, evaluate and report on the control environment within the council and provided an opinion about the adequacy of the systems and processes in place.
- 3.73 In January 2018 Ofsted conducted a two day visit to look at our arrangements for the quality of matching, placement and decision making for children in care, including the quality of planning and the identification and management of risk and vulnerability. Inspectors also evaluated the effectiveness of performance management, management oversight, supervision, quality assurance and the continuous professional development of the workforce.
- 3.74 The outcome of the Inspection was that most children are being cared for in 3stable family placements that meet their needs. Social workers know the children well. Practice is child-centred. Social work assessments reflect the wishes and feelings of children and young people. Children's plans are clear and coherent. There is evidence of a strong focus on achieving permanence for children and young people. Regular reviews and effective management oversight help to ensure minimum drift or delay in meeting children's needs. The Inspectors also identified that we clearly understand our strengths and areas for development and that we take our corporate parenting responsibilities very seriously. Other observations were that our senior leaders have created an environment in which social work is flourishing; Children, young people and their carers are benefiting from an increasingly stable workforce and that our commitment to continuous improvement is tangible. Areas for development were identified around performance management and the varied quality of Personal Education Plans. Details of the inspection outcome can be accessed [here](#).
- 3.75 The Care Quality Commission (CQC) is the independent regulator of health and adult social care services across England – aiming to ensure health and social care services provide people with safe, effective, compassionate and high-quality care, and encouraging care services to improve where necessary. As the regulator, the CQC produce reports based on their inspection process for care providers in a range of settings, including residential and nursing homes across the city. Our Scrutiny Board Adults and Health continues to monitor the quality of care across the city and support the drive in care quality. Council Officers and CQC officials have attended the Scrutiny Board to answer questions from its members, and provide assurance on improvement actions and processes
- 3.76 At the time of publication of this draft document no statement has been received from our External Auditors relating to their evaluation of our Annual Governance Statement and whether it reflects compliance with Delivering Good Governance in Local Government: a Framework ((CIPFA/SOLACE 2016 edition) or whether the statements of accounts give a true and fair view of the council's financial position or concerning our arrangements for securing value for money.

- 3.77 Although KPMG issued an audit opinion for our 2016/17 accounts confirming that they presented a true and fair position, the audit for that year has not yet been closed pending resolution of an objection made by a local elector. The objection concerned the lawfulness of the council's borrowing via LOBO loan instruments. At the time of writing, KPMG have issued a draft response to the elector and to the council. The elector has a period of 21 days to make objections to KPMG's provisional findings if they wish.
- 3.78 As has been the case in previous years, KPMG have qualified the Housing Benefit Subsidy claim due to minor errors. The net impact on the value of the claim was to increase it by £288 in a claim of £268 million. As a result of the errors found, KPMG have re-iterated their recommendation from 2015/16 that training for staff should focus on earned income classification. Officers in the Welfare and Benefits service will address this in order to try to minimise future errors. In addition to the above, audit of a number of other grants not covered by the appointed auditor role have also taken place. To date, all such completed audits have been certified without adjustment.
- 3.79 As part of their work on the Council's overall control environment each year, the External Auditor's IT specialists carry out audit work on the council's IT controls. Due to the revised reporting timescales for the Annual Governance Statement the 2017/18 audit will not yet be concluded in time for inclusion in the 2018 Statement.

Appointment of our External Auditor 2018/19

- 3.80 The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and also established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. The Act allowed authorities to consider three broad options in respect of External Audit appointment:
- Option 1 – to make a stand alone appointment;
 - Option 2 – set-up a joint Auditor Panel/local joint procurement arrangements;
 - Option 3 – opt-in to a sector led body.
- 3.81 The Local Government Association established the sector-led body referred to in Option 3 which the Council opted into. Through that body, from 2018/19, Grant Thornton has been appointed as our external auditor.

4. SIGNIFICANT GOVERNANCE CHALLENGES

- 4.1 Our control environment is effective overall, with no significant issues or areas for improvement. We do though face a number of significant and ongoing challenges which will impact upon our governance arrangements and how we operate as a provider of public services.

Our Best City / Best Council Ambitions

- 4.2 Our journey to become a more efficient and enterprising organisation centres on an ongoing programme of organisational cultural change aimed at making the best use of the resources within the council and strengthening our leverage, influence and partnerships across the city, the region, and nationally.
- 4.3 To date, we have responded to the financial challenges facing local government and been able to balance the budget each year, protecting front-line services, avoiding large-scale compulsory redundancies and targeting resources into preventative services, helping manage the implications of demand and demographic pressures. This has been achieved by stimulating good economic growth, creatively managing demand for services, increasing trading and commercial income, growing council tax from new properties and a significant range of organisational efficiencies, including reducing staffing levels by over 3,200 'FTEs' (full-time equivalent members of staff) between 2010/11 and 2017/18. These efforts will continue as set out in our annual Budget with our Medium-Term Financial Strategy updated to reflect the latest financial and economic conditions. For 2018/19, this includes the introduction of 100% business rates retention, the Leeds City Region Business Rates Pool (of which Leeds City Council is a member local authority) having successfully applied to take part in government's pilot programme.
- 4.4 Though we have fewer people employed by the council, we remain confident we can deliver our Best Council Plan priorities through investing in our staff's wellbeing, helping them perform at their very best. We continue to encourage a 'can do' culture across the organisation where people feel more confident and empowered, and maintain our focus on inclusion and diversity, aiming to raise awareness, eliminate barriers, celebrate differences and create a workforce more representative of our communities. The 'breakthrough' approach that has served us well in bringing together multi-disciplinary teams from across council services, partners and communities to tackle key challenges also continues, with a specific 'task and finish' focus on programmes and projects that support our strategic priorities and help address future financial challenges.
- 4.5 With the reopening of a refurbished Merrion House in 2018, many of our front-line council services are in one place, improving customer access in the city; the ongoing rollout of Community Hubs serving as focal points for members of the public in other parts of Leeds. While face-to-face customer contact remains important, we are using technology and training to grow people's digital skills, making it easier for staff and citizens to self-serve online and enabling a quicker, more streamlined response to customers who can access services at times that best suit them.

- 4.6 This is supported by our work to improve the quality and availability of information provided to customers, staff and elected members based on a range of insight, including stakeholder engagement and data analysis; we remain committed to 'open data' where possible and in compliance with the General Data Protection Regulations in effect from May 2018. This insight informs our decision-making, enabling us to better prioritise interventions and resources to where they are most needed.
- 4.6 Underpinning everything we do – our policies, strategies, processes, communications and resilience – and how we work are our values. They will continue to provide a reference point for staff on how they are expected to behave and what they, and our customers and partners, can expect from Leeds City Council: a council which is honest, fair, good with money, joined up and proud to make a difference – the Best Council in the UK.

Workforce Development and Training

- 4.7 We are undertaking a review of workforce development and training to explore current practice and ensure that all our colleagues have fair and full access to learning so we can meet our statutory, mandatory and essential training needs in the most effective and cost efficient way and enable effective succession planning.

Financial Pressures

- 4.8 Inevitably, managing the large reduction in government funding and increasing cost pressures has meant that the Council has had to make some difficult decisions around the level and quality of services. However, it will become increasingly difficult over the coming years to identify further financial savings without significant changes in what the Council does and how it does it. This will have significant implications for the services provided directly and those commissioned by the local authority, impacting upon staff, partners and service users.
- 4.9 In order to continue delivering the Council's ambitions of tackling poverty and reducing inequalities, consideration may have to be given to stopping, delivering differently or charging for those services that are no longer affordable and are a lesser priority than others. This will be achieved through a continuing process of policy and service reviews across the Council's functions and ongoing consultation, engagement and scrutiny.
- 4.10 The Council has commenced upon the process of updating its medium term financial strategy 2019/20 to 2021/22. This will be impacted upon by a combination of the outcome of the next Government spending review, the implications of the Government's proposals in respect of business rate retention and the outcome of the Government's Fair Funding review which won't be known until the autumn of 2019.
- 4.11 In the context of reduced budgets across the public sector we are keen to ensure the strategic and leadership role of local government continues to be recognised. The UK continues to face a challenging 'productivity puzzle' and around 40% of low productivity in the UK's Core Cities linked to deprivation, low skills, inappropriate housing and poor health. These are issues that can only be dealt with effectively by high quality public services, many of which are delivered by or in partnership with local government.

- 4.12 In the upcoming Comprehensive Spending Review there is a clear case for both protecting and investing in quality public services which are aligned with local need, to both tackle deprivation and boost productivity. We have already delivered substantial savings at scale, we would now welcome a shift in mind-set away from seeing council spending as a deficit to be cut back and instead towards recognising the wider value that quality council services can bring.

Demand and Demography

- 4.13 Looking ahead (specifically to the next spending review period), our options for reducing expenditure without seeing basic services being very adversely affected are limited:
- Our estimates are that Adult Social Care faces annual pressures of £12m just to “stand still”. Therefore with a rising ageing population and the impacts of pay pressures including national living wage in the sector these costs will inevitably rise. This by itself is equivalent to a 4% increase in Council Tax.
 - Our Children and Families budget rose by nearly 8% in 2018/19 (£8.7m). Of this £4m has specifically been added to the Children Looked After budget.
- 4.14 We face increasing demography and consequential demand pressures for services in Adults and Health and Children and Families. Within Adults and Health the population growth forecast assumes a steady increase in the number of people aged 85-89 during 2018 (1.87%). This will result in additional costs of £0.8m for domiciliary care and placements and increasing cash personal budgets. The learning disability demography is expected to grow by £0.5m per annum, this includes an anticipated growth in numbers of 0.6% (based on ONS data) over the period and is coupled with increasingly complex (and costly) packages for those entering adult care, as well as meeting the costs of the increasing need for existing clients whose packages may last a lifetime.
- 4.15 Services to Children and Families continue to face demographic and demand pressures. These pressures reflect relatively high birth rates (particularly within the most deprived clusters within the city), increasing inward migration into the city (particularly from BME groups from outside the UK), the increasing population of children & young people with special and very complex needs, greater awareness of the risks of child sexual exploitation, growing expectations of families and carers in terms of services offered and changes in government legislation, including ‘staying put’ arrangements that enable young people to remain with their carers up to the age of 21.
- 4.16 The demography for clients with a Mental Health need and those with a Physical Impairment are expected to grow by 2.6% and 2.1% respectively. In addition, demand over that anticipated in 2017/18 is calculated to cost across all client groups in 2018/19.

Business rates 100% Retention Pilot 2018/19

- 4.17 We are a member of the Leeds City Region Business Rates Pool along with the other four West Yorkshire Authorities, Harrogate and York. In December 2017, Government notified us that the Leeds City Region Business Rates Pool bid to pilot 100% Business Rates Retention in 2018/19 had been successful. This is an expansion of the existing 100% pilot programme and is intended to help Government and the local government sector to explore options for the design of future increased business rate retention.
- 4.18 The pilot scheme is for one year only and allows the Leeds City Region to retain all additional growth in business rates above business rate baselines determined by Government and associated Section 31 grants, whereas currently 50% of that growth is remitted to Government.
- 4.19 For the Leeds City Region Pilot this additional income is estimated to be in the region of £40m, with the Pool retaining 50% (£20m) to continue to support and enable regional economic growth. The other 50% (£20m) will be allocated to the member authorities themselves to improve financial stability within their authorities. Of the 50% allocated to member authorities, half will be based on each authority's actual additional growth and half will be redistributed by population. For us, the estimated gain as a result of the Pilot is estimated to be in the order of £9m.
- 4.20 A significant benefit of the Leeds City Region Business Rates Pool pooling arrangement is that additional growth above the Government determined baselines is retained in the region rather than being paid over to the Government. However, income from business rates has proved to be volatile and there remains uncertainty as to how Brexit may impact upon the economy. The adequacy of resources to meet Best Council Plan objectives in a sustainable way is identified as one of the Council's corporate risks. The management of business rates risks will continue to be a key element of this and will be subject to regular review through detailed monitoring through our Financial Performance Group and the Executive Board.

Care Quality

- 4.21 A programme of work will be further progressed with the older people's care sector by adopting a partnership approach to ensure implementation of a One City approach to achieving higher quality care within the independent older people's care home sector. Our action plan, coproduced with a wide range of stakeholders, identifies where improvements can be made, clarified where accountable rests with organisations and the timescales for improvements necessary to bring benefits to the citizens of Leeds who either reside or work within the independent sector older peoples care homes.
- 4.22 This initiative will be supported by a Quality Team (working alongside existing Adult Social Care commissioners) who will ensure that care homes get the support that they require which will lead to better CQC ratings within the sector. In addition we will develop a Leadership Academy for Registered Managers of Care Homes to assist with developing further skills and knowledge which can then be enhanced by sector led peer to peer support.

Devolution

- 4.23 We are an integral member of the West Yorkshire Combined Authority and are fully engaged at Leader and Chief Executive level through to project delivery in specific areas such as economic development, housing, skills and transport. Leeds is represented in Northern Powerhouse discussions and as a member of Transport for the North, as well as our Leader recently becoming the Chair of the Core Cities UK group. Whilst Leeds has not been able so far to secure a new devolution deal as other city regions have, the Leaders and Chief Executives in the region are in dialogue with central government on the geography and powers of a deal that would bring further powers and resources to the city. This recently culminated in a devolution proposal being sent Secretary of State for Housing, Communities and Local Government by the leaders of 18 of Yorkshire's 20 councils.

Community Hubs

- 4.24 In order to build upon the positive progress made so far, and to achieve our long-term aims around delivering integrated and accessible services which meet the increasingly complex needs of the citizens and communities of Leeds, it is important that we continue our commitment to Community Hubs through our Phase 3 programme. Through this programme we will ensure all sites are refurbished and furnished to provide a modern safe environment that treats our customers with respect and encourages contact with us as an organisation that can offer help and assistance.

Information Governance

- 4.25 We will need to be able to demonstrate that we have put in place appropriate technical and organisational measures, to ensure and to demonstrate compliance with all aspects of the General Data Protection Regulation. All of these processes will be monitored and audited to ensure on-going effectiveness. These more exacting requirements mean we will need to review our approach to governance, and how data protection compliance is managed as a corporate issue.
- 4.26 Whilst no longer in 'Escalation' measures work to further progress from 'Remediation' and regain PSN certification is the highest priority for the forthcoming year.

Procurement

- 4.27 We remain concerned about the impact on local government services arising when private sector companies, such as the various Carillion group companies, enter into a 'compulsory liquidation' insolvency process. Our Scrutiny Board (Strategy and Resources) will maintain a watching brief on this including reviewing the longer-term implications of compulsory liquidation and any relevant outcomes from the parliamentary select committee inquiry.

4.28 In addition to planned Internal Audit work, arrangements for strengthening Procurement Assurance will be progressed with the following actions already identified for 2018/19;

- Refresh of the Procurement Strategy, including a review of the reliance upon the current Category Management Methodology
- Review of Contract Procedure Rules in line with changes in legislation and Council policy.
- Continued focus on compliance, notably around justification in reports considering waivers and off contract spend.

Ethical Framework

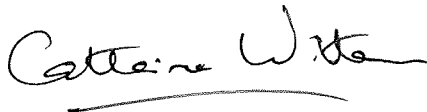
4.29 We will review any findings emerging from the Committee on Standards in Public Life's consideration of the national framework governing elected member conduct.

Partnerships

4.30 The council's risk management policy and risk framework are currently being updated and will include details of how partnership risks should be identified and recorded. The review will consider best practice available and examples of good practice of partnership risk management from other local authorities. It is anticipated that central guidance will be developed to help ensure there is a consistent and effective approach across the authority for managing risk with partners.

5. ASSURANCE CONCLUSION

- 5.1 Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making - collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services that meet all local people's needs. It is fundamental to showing public money is well spent. Without good governance councils will struggle to improve services.
- 5.2 From the review, assessment and on-going monitoring work undertaken and supported by the ongoing work of Internal Audit, we have reached the opinion that, overall, key systems are operating soundly and that there are no fundamental control weaknesses.
- 5.3 We can confirm, to the best of our knowledge and belief, and there having been appropriate enquiries made, that this draft statement, produced to accompany the Accounts being placed on public deposit, provides an accurate and fair view.
- 5.4 The final Statement will be approved elected members of our Corporate Governance and Audit Committee in time to accompany the publication of our final accounts,



Catherine Witham
City Solicitor & Monitoring Officer



Doug Meeson
Chief Officer Financial Services &
Section 151 Officer



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Report of City Solicitor

Report to Corporate Governance and Audit Committee

Date: 26th June 2018

Subject: Draft 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

1 Purpose of this report

1.1 The Purpose of this report is to notify Members of the Committee’s draft work programme for the forthcoming Municipal Year. 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 the draft work programme attached at Appendix 1 and determine whether any additional items need to be added to the work programme.

3.2 Members are asked to consider and note the dates for meetings of the Committee (agreed in March 2018) in the Municipal Year; these have been set out in such a way as to enable the Committee to fulfil its functions and responsibilities in a reasonable and proportionate way.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This report consults seeks Members views on the content of the work programme of the Committee, so that it might meet the responsibilities set out in the committee's terms of reference.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no equality and diversity or cohesion and integration issues arising from this report.

4.3 Council Policies and City Priorities

4.3.1 The work programme provides a balanced number of reports and assurances upon which the committee can assess the adequacy of the council's corporate governance arrangements.

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 requested to consider the draft work programme and meeting dates at Appendix 1 and determine whether any additional items need to be added to the work programme.

**CORPORATE GOVERNANCE AND AUDIT COMMITTEE
DRAFT WORK PROGRAMME**

30th July 2018		
Internal Audit Report and Opinion	To receive the annual Internal Audit report and opinion	Sonya McDonald Acting Head Of Internal Audit
KPMG – Audit Report and ISA 260 Report	To receive the annual report from the External Auditor to those charged with governance.	Doug Meeson Chief Officer (Financial Services)
The Draft Annual Governance Statement	To note and comment upon the draft Annual Governance Statement published with the draft Accounts	Andy Hodson Head of Governance and Scrutiny Support
Approval of the Leeds City Council Accounts	To approve the accounts	Doug Meeson Chief Officer (Financial Services)

23rd November 2018

Transition to new External Auditor	To receive a report setting out arrangements for the transfer of External Audit responsibilities from KPMG to Grant Thornton	Doug Meeson Chief Officer (Financial Services)
Annual Audit Letter 2017/18	To receive the Annual Audit letter from the External Auditor	Doug Meeson Chief Officer (Financial Services)
Customer Contact and Satisfaction Annual Report	To receive the annual assurance report concerning customer contact and satisfaction	Lee Hemsworth Chief Officer (Customer Access)
Internal Audit Update Report	To receive an update report on Internal Audit's work.	Sonya McDonald Acting Head Of Internal Audit
Treasury Management Annual Report	To receive the annually Treasury Management Report providing assurance on the processes used by the department	Doug Meeson Chief Officer (Financial Services)

22nd March 2019		
Certification of Grant Claims and Returns	To receive a report from the External Auditor certifying grants and returns.	Doug Meeson Chief Officer (Financial Services)
Internal Audit Plan	To receive a report seeking views on the Internal Audit Plan for 2018/19	Sonya McDonald Acting Head Of Internal Audit
External Audit Plan	To receive a report from the External Auditor presenting the external audit plan	Doug Meeson Chief Officer (Financial Services)
Internal Audit Update Report	To receive an update report on Internal Audit's work.	Sonya McDonald Acting Head Of Internal Audit
Annual Business Continuity Report	To receive the annual assurance report concerning the Council's Business Continuity arrangements.	Mariana Pexton (Chief Officer Strategy and Improvement)
Annual Assurance Report on the Procurement, Policies and Practices	To receive the annual assurance report concerning Procurement, Policies and Practices	Doug Meeson Chief Officer (Financial Services)
Annual Financial Management Report (Incorporating Capital) 2016/17	To receive the annual assurance report concerning Financial Planning and Management Arrangements at the Council	Richard Ellis (Head of Finance)
Information Governance Annual Report	To receive an annual Assurance report on the Council's Information Governance arrangements.	Louise Whitworth, Chief Head of Information Management and Governance

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