



Annual Governance Statement 2015

1. SCOPE OF RESPONSIBILITY

- 1.1 Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities like Leeds this also includes how we relate to the communities that we serve.
- 1.2 We must conduct a review, at least once a year, 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 annual governance statement for 2014.

Context

- 1.3 Our ambition is 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 local authority in 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.
- 1.4 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 the inequalities that exist in Leeds.
- 1.5 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 must ensure that governance arrangements support the effective delivery of services and management of risk.
- 1.6 By applying the principles in our Code of Corporate Governance (summarised below) and applying our 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.
- 1.7 Our Code of Corporate Governance outlines our governance principles:
- Focussing on the Council's purpose and community needs;
 - Having clear responsibilities and arrangements for accountability;
 - Good conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and risk management;
 - Developing the capacity and capability of members and officers to be effective;
 - Engaging with local people and other stakeholders.

2. THE GOVERNANCE FRAMEWORK

- 2.1 Our governance arrangements are designed to ensure that we take an appropriate and proportionate approach to managing risk. The governance framework has been in place for the year to the date of approval of this annual governance statement. 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 the systems and processes, and culture and values that allow us to achieve our strategic objectives and provide services in an appropriate and cost effective way and 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 Plan, Member Development Strategy, Values and codes of conduct which underpin how Members and employees work;
- 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;
- 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
 - Procurement
 - Information governance and data security
 - Health and safety
 - Decision making
 - Whistleblowing and complaints handling
 - Anti-fraud & corruption

3. REVIEW OF EFFECTIVENESS

- 3.1 We have a statutory responsibility for conducting, at least annually, a review of the effectiveness of our governance arrangements to ensure there is a sound system of governance and that those arrangements help enable us to secure continuous improvement in the way in which our functions are carried out. As part of this review, we consider a combination of economy, efficiency and effectiveness factors – with the aim being to ensure that we secure continuous improvement in the way we carry out our duties to the citizens of Leeds.
- 3.2 Our process of review is continuous and considers decisions taken and matters considered by Full Council and committees appointed by Full Council, the Executive Board, Corporate Leadership Team (and via consideration of this statement by our Corporate Leadership Team, Directors' knowledge of the operation of governance arrangements within their directorates), the work of the Corporate Governance and Audit Committee, internal auditors, service managers, work undertaken by external auditors and inspectorates and the opinion of the Local Government Ombudsman. This Annual Governance Statement draws together that work into one document.

A self-assessment of our effectiveness

Effective planning, risk and performance management arrangements

- 3.3 Our planning, risk and performance management arrangements have enabled members and senior management to **Focus effectively on the Council's purpose and community** needs. Internal Audit carried out reviews of the central control arrangements for 'achievement of strategic objectives' and 'corporate risk management' and judged these to provide substantial and good assurance respectively.
- 3.4 Through consultation with staff and elected members, the Best Council Plan was refreshed for 2015-16 and sets out our strategic objectives and priorities. In-year performance is reported to elected members and senior management quarterly against a Best Council Plan scorecard of the most significant key performance indicators (and subsequently published on the council's intranet and internet sites. Scrutiny Boards receive regular performance reports on services within their portfolios.
- 3.5 A year-end performance report, that highlights the progress made throughout 2014-15 in delivering the six strategic objectives set out in the Best Council Plan has been considered by our Executive Board. Producing this annual performance report is in line with best practice and the authority's performance management framework. The report draws on and links with a range of supporting council and partnership plans against which performance is regularly assessed and reported: these include the Annual Financial Plan; Children & Young People's Plan; Health & Wellbeing Strategy; Core Strategy; Adult Social Care Local Account and Citizens@Leeds Strategy.

- 3.6 An accompanying annual risk management report has also been considered by our Executive Board; the report summarises how the authority manages its most significant risks. As part of our decision making arrangements, all reports for key and major decisions consider risk management. This is a vital component of our governance arrangements as, to deliver our Best Council objectives, it is essential that we understand, manage and communicate the range of risks that could threaten the organisation and the vital services the council provides.
- 3.7 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 led a concerted effort to ensure that business continuity plans are in place for all our critical services. The committee has continued its focus in this area to ensure that services, identified as non-critical, but which would impact on human welfare, the environment or security in the event of disruption, have robust business continuity arrangements in place.
- 3.8 The Senior Information Risk Owner responsibility has changed during the year with the Deputy Chief Executive, Strategy & Resources now undertaking this role, which includes having overall ownership of information risk management across the council, and acting as champion at Board level with regard to information risk.
- 3.9 The work required to address the recommendations of the Information Commissioners Audit report has been completed or is underway and significant, strategic work on Information Management and Information Governance is being undertaken to strengthen management of information in support of the business of the council, to respond to external requirements and to identify opportunities for efficiency and other value gains in the management of information.
- 3.10 The council is compliant with the Department of Communities and Local Government's Transparency Code 2014, and continues to lead in proactively making datasets available for re-use, via the Leeds Data Mill, thereby providing continued commitment to the council's value of being open and transparent.
- 3.11 Our Annual Council meeting approved changes to the terms of reference for our Scrutiny Boards, aligning these to our officer delegation scheme.
- 3.12 Last year we revised our locality committee arrangements to include new ways of working that are aimed at getting services and partners to think more locally, for more decision making to be devolved to the local level and for budgets to be locally provided. The changes made have quickly become embedded including a regular report to our full Council meeting on the work of the committees and enhancement of the delegations to Community Committees by new delegations for Parks and Countryside being agreed by our Executive Board. Our vision remains to continually improve the relationship between the citizen and the state, and in so doing improve trust in public services and ensure the delivery of local integrated and responsive services for local people.

3.13 In October the Executive Board approved, following prior consideration by the Scrutiny Board (Sustainable Economy and Culture), our Asset Management Plan for the period to 2017. The plan, set against the significant financial landscape, aims to deliver £3.5m on the cost of operating our assets, primarily through an asset rationalisation programme and the delivery of our ambitions to:

- ensure the estate is fit for purpose, is in the right location for public services and efficiently run;
- rationalise the asset estate to make budget savings and develop partnerships with others to share assets for the public good;
- using our assets to support economic growth, housing growth and regeneration;
- using our assets to provide us with an additional income stream to support our service delivery objectives.

Effective financial planning and management

3.14 Despite the 2014/15 budget again including some challenging decisions and risks – effective financial management across the Council culminated with a surplus of £0.7m against the General Fund budget (after the creation of a number of earmarked reserves). The Section 151 Officer has continued to ensure that effective budget monitoring and reporting arrangements (involving the Executive Board and Scrutiny) are in place. The Council's arrangements around financial accountability and responsibility have also been strengthened with clearer accountability for budget holders to keep expenditure within the approved budget. In addition, simplified Financial Regulations have been introduced that establish principles and rules relating to our systems of financial control.

3.15 The Corporate Governance and Audit Committee reviewed these arrangements in September 2015, noting that there were appropriate systems and procedures in place to ensure sound financial planning and management and that the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The committee also noted that a new budget management accountability framework was introduced in May 2015 to ensure arrangements remained proportionate and fit for purpose. In addition the Corporate Governance and Audit Committee undertook an assessment of our Treasury Management arrangements (January 2015) – the committee being assured that the arrangements complied with updated CIPFA guidance notes for practitioners contained within the Prudential Code for Capital Finance in Local Authorities.

Effective arrangements for accountability

3.16 Our Constitution, including the delegation scheme for Council and Executive responsibilities, has been regularly reviewed and updated to reflect various legislative and organisational changes. Sub delegation arrangements are in place and provide a clear description of decision-making responsibilities below director level. The way in which services are delivered continues to evolve with more services being commissioned and delivered in partnership.

- 3.17 Our Health and Wellbeing Board has completed its second year of work and has provided an open and transparent forum through which joint work on improving health and wellbeing is progressed. Our full Council meeting has now introduced a new defined element of business to consider the minutes of the Board.
- 3.18 Our Corporate Governance and Audit Committee has also considered the governance arrangements in Public Health. As part of those considerations the Committee sought assurances that arrangements to deal with serious untoward incidents are working as intended. The Director reported that regrettably during the last 12 months there had been one serious untoward incident reported arising from commissioned public health services. The Director of Public Health provided assurances that the arrangements for reporting such incidents and ensuring lessons are learned from them are though operating as intended. Our Corporate Leadership Team is scheduled to further consider the wider corporate serious untoward incident reporting arrangements in the early autumn.
- 3.19 This year we have embedded new arrangements for housing management. As part of these arrangements we have enhanced tenant involvement – both through membership of a newly established **Housing Advisory Board** and through a bolstered **Tenant Scrutiny** role – supported by our dedicated Scrutiny team.
- 3.20 We have fully participated in the work of the **West Yorkshire Combined Authority**, and, in doing so, we have, with neighbouring local authorities, reviewed and streamlined other aspects of regional governance, including the winding up of the Leeds City Region Leaders Board, and the establishment of a Business Rate Pool Joint Committee.
- 3.21 Our Executive Board has concluded a review of the governance and financial position of the **Leeds Grand Theatre and Opera House Trust Ltd** – with the Board agreeing that the Trust be restructured to become a fully independent charitable trust.
- 3.22 In February our Executive Board gave approval to proceed with proposals to establish 'Aspire' - a staff led mutual (a social enterprise Community Benefit Society with a wholly owned trading subsidiary) to deliver learning disability community support services. In advance of establishing the arrangements our Health and Wellbeing Scrutiny Board gave consideration to the proposals, with the board being reassured by the detail of the arrangements presented to them. In addition, a cross political group working group also reviewed the original proposals and were supportive of the direction of travel to establish the staff led mutual form of governance.
- 3.23 Effective whistleblowing procedures are a key part of good governance, establishing a culture of openness, probity and accountability across all aspects of the Council's work. Ensuring that employees, workers (agents and contractors), Members and the wider public are able to raise concerns through the correct channels allows the Council to address any risks as early as possible.

- 3.24 The Council has two policies that set out the means by which serious concerns can be brought to the attention of Internal Audit. The 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.
- 3.25 Changes to Public Interest Disclosure legislation prompted the need to review and update the Council's existing Whistleblowing Policy during 2014/15. To ensure consistency in approach across all whistleblowing channels, the Raising Concerns Policy was reviewed and updated alongside the Whistleblowing Policy. The Enterprise and Regulatory Reform Act 2013 has resulted in amendments to the whistleblowing provisions contained within the Employment Rights Act 1996. As such, Public Interest Disclosure legislation now restricts the definition of a protected disclosure to disclosures which, in the reasonable belief of the worker, are made in the public interest. The legislation also provides specific protection if an employee is subjected to detrimental treatment by colleagues as a result of making a protected disclosure. The policies have been updated to reflect these changes and to provide clear, consistent guidance and direction in accordance with best practice.
- 3.26 Assurances that the policies are routinely complied with are gained through regular reporting of the policy outcomes delivered through the regular Internal Audit Update reports provided to Corporate Governance and Audit Committee.
- 3.27 We have, through our General Purposes Committee, undertaken a review of our polling districts and polling places to ensure that these continue to meet community needs. We have also completed, in accordance with statutory requirements, Community Governance Reviews, when we have received valid petitions to do so.
- 3.28 The Leeds Safeguarding Children Board has commissioned and received a report to draw attention of the Board to the implications of the Louise Casey Report of February 2015, the Prime Minister's announcements in relation to tackling Child Sexual Exploitation (CSE), the further report published by Louise Casey of March 2015, and the findings of Ofsted in relation to the work being undertaken in Leeds to tackle the challenges of CSE and related issues.
- 3.29 In addition, our Assistant Chief Executive (Citizens and Communities) is leading a group looking at the issue of taxi licencing; as part of this exercise Leeds City Council has benchmarked Leeds against other local authorities. The Head of Vehicle Licensing is also working with colleagues across West Yorkshire developing a protocol on the issue. Similarly, the Directors of Children's Services are working on a protocol for information sharing in cases where children and young people may be crossing into other local authority boundaries.

Effective Conduct Arrangements

- 3.30 Registers of Interest for elected members and employees have been maintained and arrangements are in place for the declaration of appropriate interests when decisions are taken. Following a review of the central control arrangements for employees by Internal Audit (which provided good assurance), an annual report is now 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 has been considered by our Corporate Governance and Audit Committee (September 2015).
- 3.31 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 2013. No Leeds City Councillor, nor any Parish or Town Councillor (in the Leeds area), has been found to have failed to comply with the Code of Conduct adopted.
- 3.32 Arrangements are also in place for councillors and officers to register interests and resolve any conflicts of interest that might arise. These arrangements are being further enhanced in 2015 by way of work to explore mechanisms for officers to declare relevant interests at committee meetings. The proposal being that this be done in a similar way as arrangements required of elected members.

Effective decision making arrangements

- 3.33 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. The annual report to our Corporate Governance and Audit Committee (July 2015) in relation to our principle decision making processes provided substantial assurance that the arrangements are up-to date, fit for purpose and are functioning well. This was also supported by two targeted reports in two directorates (Children's Services and City Development) where substantial assurance was received on compliance with our decision making arrangements.
- 3.34 The City Solicitor has provided assurance to our Corporate Governance and Audit Committee (July 2015) concerning our compliance 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.
- 3.35 In addition the Scrutiny Officer has reported to full council (July 2015) in relation to the Council's Overview and Scrutiny arrangements. The Council sees Scrutiny as a key performance tool in ensuring that the Council meets its best city ambitions. The proportion of work undertaken by Scrutiny Boards that relates to pre-decision Scrutiny and the development of new policy is testament to the trust 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 cross cutting issues.

Effectively developing skills and capacity

- 3.36 Our Best Council Plan sets out our ambitions to become a more efficient and enterprising council. We are progressing this by improving our organisational design, developing our people and working with partners to effect change. Key strands of our work are to simplify and standardise our internal processes and develop an agile, skilled and diverse workforce with the ability to work flexibly.
- 3.37 We have recognised that this programme of change can only be delivered with colleagues and so we have invested in a number of initiatives, such as the Manager Challenge and Leadership Development programmes, to help create the flexibility, capacity and skills necessary to continue to meet our statutory responsibilities and provide front line services in a time of significant budget restraint. We also recognise the importance of undertaking 'quality' appraisals with colleagues. For the last two years over 97% of staff received an annual appraisal.
- 3.38 As community leaders, it is vital that our Councillors are supported to be as effective as possible. A variety of learning programmes is in place and is continually monitored and evaluated. Where needed, new learning programmes are developed and implemented quickly and effectively.

Effective Engagement

- 3.39 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. 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.
- 3.40 The council has a well-established equality impact assessment process, designed to ensure that the council is both compliant with the legal requirement to show 'due regard' to equality and that we live up to the council's own ambitions to achieve equality. This being evidenced by an assessment undertaken by our Corporate Leadership Team that concluded the arrangements:
- are easily and effectively applied to decisions relating to existing and/or proposed functions, services, employment, policies, practices and strategies;
 - facilitate full consideration including all protected equality characteristics;
 - enable communities and interested groups to be involved appropriately in considering the impact of any proposals;
 - provide flexibility to apply the methodology to different types of decisions at different scales.
- 3.41 We have also further strengthened these areas to align with the council's wider priorities:
- Poverty, inequality and deprivation
 - Locality working
 - New communities and changing demographics

3.42 Our Scrutiny Board (Resources and Council Services) has also undertaken its own assessment of the equality impact assessment process. Scrutiny concluded the council has a well-established and effective equality impact assessment process both in its design and application. One of the key recommendations being that the Equality Team reports, by exception, those cases where an Executive Board Member has been advised that due regard has not been adequately considered during the decision making process.

3.43 Leeds has applied for reaccreditation at 'excellence level' of the Equality Framework for Local Government, by doing so it affirms the council's commitment to equality and diversity, recognises good practise, and areas to develop in relation to the following 5 performance areas:

- Knowing your communities;
- Leadership, partnership and organisational commitment;
- Involving your communities;
- Responsive services and customer care;
- A skilled and committed workforce.

Peer assessors will visit Leeds in November 2015 to consider our reaccreditation and will provide an opportunity to reflect on our approach to equality and diversity and achieving outcomes.

3.44 There has been increased effort in using digital channels to reach audiences with an improved website and a greater use of social media by a growing number of colleagues. Work is on-going to ensure that there are sufficient policy and technological safeguards to protect both employees and the council's reputation as social media use continues to grow.

3.45 We have embraced these new opportunities by webcasting our full council meetings and opening up meetings of our committees, boards and panels by enabling third party recording. Since introducing this engagement tool there has been in excess of 25,000 views of our full Council meeting – work is taking place to explore the scope of extending this coverage to our Executive Board and City Plans Panel meetings.

3.46 The council has worked with the trade unions to make significant reductions in staffing costs through: changing employment terms and conditions; a pause on agency, overtime and external recruitment; more flexible movement of staff across the council; and challenging spend as appropriate. In addition we have introduced the Manager Challenge programme to help embed excellent manager habits. Our staff survey results also tell us that we show continue with good levels of staff engagement, with the council having retained our status as an 'Investors in People' employer and with over 7000 colleagues (45% of the workforce) sharing their views in our annual employee engagement survey. By way of example we scored 7.2 out of 10 for our key engagement measure, which is 'If a friend asked you to give a score working for Leeds City Council from 1-10 (with 10 being the best), what would it be?'

Internal Audit Opinion

- 3.47 The annual report, from the Acting Head of Internal Audit, objectively examined, evaluated and reported on the control environment within the council and provided an opinion about the adequacy of the systems and processes in place.
- 3.48 On the basis of the audit work undertaken during the 2014/15 financial year, there are no outstanding significant issues arising from the work undertaken by Internal Audit. Furthermore, on the basis of the audit work undertaken during the 2014/15 financial year, the internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice.

An Independent opinion of effectiveness

- 3.49 The local authority has roles as provider, commissioner and sector leader. Inspection outcomes, both through the Office for Standards in Education (**Ofsted**) and the **Care Quality Commission** have been routinely monitored and appropriate action/intervention measures put in place. Of particular significance has been the outcome of an unannounced Ofsted inspection that was conducted between 20th January and 11th February 2014.
- 3.50 The outcome from that inspection was that Ofsted rated Children's Services in Leeds 'good' overall. The report outlined the five key areas that contributed to this overall judgement and on four of these: children who need help and protection; children looked after and achieving permanence; adoption performance; and experience and progress of care leavers, Leeds was rated as 'good'. In the fifth area, 'leadership, management and governance' Leeds had been rated as 'outstanding'. Alongside this, the Leeds Safeguarding Children Board (LSCB) was also found to be 'good'.
- 3.51 Ofsted also formally acknowledged the role of Scrutiny in Leeds, stating 'Scrutiny activity and oversight of children's services is impressive, with strong prioritisation and a comprehensive understanding of the needs of children, young people and their families. Robust challenge is achieved through a range of pertinent inquiries and a strong corporate parenting ethos that extends beyond looked after children'
- 3.52 A number of areas for improvement were identified by Ofsted which were in line with Leeds' own awareness and aspirations to take the service forward. A post inspection action plan was presented to our Executive Board in June 2015, alongside our proposed new Children and Young People's Plan, prior to submission to the Secretary of State and Her Majesty's Chief Inspector. Both these documents set the framework for this vital part of the council's safeguarding and leadership role in the community.

3.53 The Committee was advised of KPMG’s opinion in July 2015:

Aspect	Assessment
<i>Organisational controls:</i>	
Management’s philosophy and operating style	3
Culture of honesty and ethical behaviour	3
Oversight by those charged with governance	3
Risk assessment process	3
Monitoring of controls	3
<i>IT controls:</i>	
Access to systems and data	3

Key

- | | |
|---|--|
| 1 | Significant gaps in the control environment |
| 2 | Deficiencies in respect of individual controls |
| 3 | Generally sound control environment |

KPMG also commented that:-

- *“Your organisational and IT control environment is effective overall”*
- *“The controls over all of the key financial systems are sound”*
- *“Following our review of Internal Audit’s work on core systems we did not identify any issues which would cause us to change our audit approach”*
- *“The Authority’s overall process for the preparation of the financial statement is adequate”*
- *“The Authority has a good understanding of the key audit risk areas we identified and is making progress in addressing them”*
- *“We have not identified any specific value for money risks through our risk assessment”*

3.54 The external auditor’s annual report to those charged with governance, received in September, confirmed that in KPMG’s view the statement complies with the requirements contained in ‘Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE’ (the relevant proper practices) and it is not misleading or inconsistent with other information that KPMG are aware of from their audit of the financial statements.

4. SIGNIFICANT GOVERNANCE ISSUES

- 4.1 The independent opinion from our External Auditors provides considerable assurance in respect of the Council's governance arrangements. The External Auditor's recent Interim Audit assessed our organisational control environment as effective overall, with no significant issues or areas for improvement.
- 4.2 The wider context for local government remains challenging with the toughest financial settlement for decades; the uneven road to economic recovery; major policy reforms in welfare, education and health; a growing city and increasing demands for services.
- 4.3 We have a clear vision based on civic enterprise, an ambitious and positive vision of the future of local democracy, with ward councillors at its heart as community champions.
- 4.4 The Commission on the Future of Local Government recognised that there is a need to continue to seek more powers from Whitehall to enable us to shape our own destiny, both through our own authority and the collective voice of the West Yorkshire Combined Authority. The impetus around the devolution agenda continues apace and will be a catalyst to the continued review of the governance framework for not just the city but also for the wider region. Leeds will continue to be an enthusiastic and committed partner in the region, a loud voice for increased devolved power to cities, and a strong advocate for sharing power at a local level.
- 4.5 In this challenging and evolving environment we remain outcome-focused with plans which set out our ambitions that Leeds will become the UK's best council and best city.

The Best Council Plan sets out our aim for Leeds to be a compassionate, caring city that helps all its residents benefit from the effects of the city's economic growth, reducing inequalities that exist in the city. To support these ambitions, our six strategic objectives for 2015-16 are:

- Supporting communities and tackling poverty
 - Promoting sustainable and inclusive economic growth
 - Building a child-friendly city
 - Delivering the better lives programme
 - Dealing effectively with the city's waste
 - Becoming a more efficient and enterprising council
- 4.6 Underpinning these objectives, we have detailed outcomes, priorities and key performance indicators, using the performance management methodology 'outcomes based accountability'. Also to accelerate pace, we have established a new way of working that will break through traditional boundaries and engage partners and communities differently with a clear focus on outcomes.

The seven breakthrough projects are:

- Cutting carbon in Leeds
- Domestic violence and abuse
- Hosting world class events on a global stage as a smart city
- Housing growth, and jobs for young people
- Making Leeds the best city to grow old
- Reducing health inequalities through healthier lifestyles
- Rethinking the city centre

- 4.7 Our values will continue to underpin how we work: Working as a team for Leeds; being Open, honest and trusted; Working with communities; Treating people fairly & Spending money wisely. Action plans have been drawn up to address recommendations arising from external and internal audit reports, findings from inspectorates and issues identified and reported by the Local Government Ombudsman.
- 4.8 As our organisation changes so our engagement with partners (to deliver services to meet need and improve the well-being of our citizens) becomes more extensive. Ensuring that our values and good governance are rooted in those arrangements, particularly in how we commission services and monitor outcomes, will continue to be a challenge in the years ahead.
- 4.9 The pace of change and the opportunities provided by devolution are significant. Our full Council meeting will continue its oversight of this agenda providing locally elected members the opportunity to debate and influence the direction of travel and the progress being made.
- 4.10 Of crucial importance is ensuring that meaningful powers and resources are devolved from Westminster and Whitehall to enable local decisions to be taken and provide the catalyst for a step change in the pace of economic growth, such as improvements to transport infrastructure that benefit the wellbeing and prosperity of our communities.
- 4.11 As we reported last year, whilst the reforms set out in the Care Act are welcomed, the new burdens and responsibilities present significant challenges and risks as well as opportunities for the Council. They consist of financial risks, the scale and pace of the implementation and additional demand through new carers and assessment responsibilities.
- 4.12 This means that that the implementation will continue to be highly sensitive and dynamic. We will continue to use 'Health Act Flexibilities' to commission care using a budget pooled between ourselves and the NHS and we will continue to ensure that our governance arrangements remain fit for purpose for decisions financed through the Better Care Fund.
- 4.13 We have a statutory responsibility to ensure that the provision of good quality learning places and to secure an appropriate balance between education supply, demand, choice and diversity. Our relationships with individual schools are crucial and it is vital that those relationships remain strong and effective in what continues to be a rapidly evolving governance and accountability landscape.

5. ASSURANCE SUMMARY

- 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 statement provides an accurate and fair view.

Signed

Signed

Date

Date

Councillor Judith Blake
Leader of the Council

Councillor Ghulam Hussain
Chair, Corporate Governance and
Audit Committee

Signed

Signed

Date

Date

Tom Riordan
Chief Executive

Alan Gay
Deputy Chief Executive and
Section 151 Officer

Signed

Date

Catherine Witham
City Solicitor & Monitoring Officer

