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Leeds
CITY COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds on
Tuesday, 25th June, 2019 at 10.00 am

MEMBERSHIP

Councillors

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

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Governance Services
Civic Hall

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A G E N D A

Item No	Ward	Item Not Open		Page No
1			**APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS** 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). (*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)	
2			**EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC** 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. 2 To consider whether or not to accept the officers recommendation in respect of the above information. 3 If so, to formally pass the following resolution:- **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:-	

Item No	Ward	Item Not Open		Page No
3			**LATE ITEMS** To identify items which have been admitted to the agenda by the Chair for consideration (The special circumstances shall be specified in the minutes)	
4			**DECLARATION OF DISCLOSABLE PECUNIARY AND OTHER INTERESTS'** 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.	
5			**APOLOGIES FOR ABSENCE** To receive apologies for absence (If any)	
6			**MINUTES OF THE PREVIOUS MEETING** To receive and approve the minutes of the previous meeting held on 22nd March 2019. (Copy attached)	1 - 14
7			**MATTERS ARISING FROM THE MINUTES** To consider any matters arising from the minutes.	
8			**ANNUAL DECISION MAKING ASSURANCE REPORT** To consider a joint report of the City Solicitor, Chief Officer Elections and Regulatory and Chief Planning Officer which presents the Annual Decision Making Assurance report which is one of the sources of assurance which the committee is able to take into account when considering the approval of the Annual Governance Statement. (Report attached)	15 - 48

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9			**ROLE OF THE CALDICOTT GUARDIAN** To consider a report by the Director of Adults and Health which sets out details of the role of the Caldicott Guardian and the organisational measures and assurances in place to support this role. (Report attached)	49 - 54
10			**APPLICATIONS PORTFOLIO PROGRAMME - UPDATE ON ACCESS PROJECT** To consider a report by the Director of Resources and Housing which provides an update on the current position on Access databases and compliance to PSN. (Report attached)	55 - 62
11			**ANNUAL ASSURANCE REPORT ON EMPLOYMENT POLICIES AND PROCEDURES AND EMPLOYEE CONDUCT.** To consider a report by the Acting Chief Officer Human Resources which presents the Annual Assurance Report on Employment Policies and Procedures and Employee Conduct and 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. (Report attached)	63 - 74

Item No	Ward	Item Not Open		Page No
12			**GRANT THORNTON AUDIT PROGRESS REPORT** To consider a report by the Chief Finance Officer which provides the outcome of Grant Thornton's IT audit and of progress in delivering their overall audit of the Council's accounts and value for money arrangements. (Report attached)	75 - 90
13			**PUBLICATION OF DRAFT STATEMENT OF ACCOUNTS 2018/19** To consider a report by the Chief Finance Officer which presents the 2018/19 Statement of Accounts prior to them being made available for public inspection. (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) (Report attached)	91 - 96
14			**INTERNAL AUDIT UPDATE REPORT MARCH TO MAY 2019** 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 2019 and highlight the incidence of any significant control failings or weaknesses. (Report attached)	97 - 118

Item No	Ward	Item Not Open		Page No
15			**INTERIM ANNUAL GOVERNANCE STATEMENT** To consider a report by the City Solicitor which presents the Interim Annual Governance Statement (AGS) 2019 for Members consideration. (Report attached)	119 - 156
16			**WORK PROGRAMME 2019/20** To receive a report by the City Solicitor which notifies Members of the Committee's draft Work Programme for 2019/20. (Report attached)	157 - 162
17			**DATE AND TIME OF NEXT MEETING** To note that the next meeting will take place on Friday, 26th July 2019 at 10.00am in the Civic Hall, Leeds.	

Third Party Recording

Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.

Use of Recordings by Third Parties– code of practice

a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.
b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.

Corporate Governance and Audit Committee

Friday, 22nd March, 2019

PRESENT: Councillor K Ritchie in the Chair

Councillors J Bentley, P Harrand, J Illingworth, P Grahame, M Harrison and A Scopes

64 Appeals Against Refusal of Inspection of Documents

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

65 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 confidential nature of the business to be considered.

66 Late Items

The Chair accepted the inclusion of a Late Item onto the agenda “Brexit – Resilience and Response”. This additional report was not available at the time of agenda publication/circulation and it was considered to be in the best interests of the Council and other parties concerned that the matter be considered without delay (Minute No. 71 referred)

67 Declaration of Disclosable Pecuniary and Other Interests’

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

68 Apologies for Absence

Apologies for absence were received from Councillors: B Garner, J Taylor and P Truswell

69 Minutes of the Previous Meeting

RESOLVED – That the minutes of the previous meeting held on 28th January 2019 were accepted as a true and correct record.

70 Matters Arising from the Minutes

The Head of Governance and Scrutiny Support reported that information requested by the Committee had been circulated to Members following the meeting in January 2019:

- Minute No. 53 – Differential call answering times for benefits calls when compared to other service areas – Members were informed that Scrutiny Board (Environment, Housing and Communities) was due to consider this matter again at their meeting in June (as part of their Performance Management Item).

- Minute 58 Resolution (iii) – It was confirmed that the Chair had written to the Executive Member and Scrutiny Board Chair responsible on the 4th March 2019 highlighting the weaknesses identified as a result of the Licensing of HMO IA report.

71 Brexit - Resilience and Response

The Chief Officer (Strategy and Improvement) submitted a report which provided an update on the preparations that Leeds City Council, working with partners, had been making to prepare for the UK's exit from the European Union legally scheduled to take place on 29 March 2019.

Members were informed that a strategic response plan had been put together to provide a framework to deal with the uncertainty in the build up to and the response phase after the UK's exit. The plan was structured around five key themes which had been identified following extensive engagement both internally within the council and across the wider city, much of which had been done as part of our business as usual engagement activity. The key themes were: infrastructure and supplies, business and economic impact, community, media and communications, and organisational impact.

Members queried the extent of the working relationship between the Government and the City Council on issues such as the supply of fuel and medicines.

Members were informed that good working relationships with Government Departments had been established through the use of Local Resilience Forums who were working with multi – agencies. It was also suggested that local government provide a key role in communicating with partners and businesses.

Concern was expressed about the supply of freight and the implications on the supply chain.

Officers reported that the situation remained unclear, there were many unanswered questions and the impact on the supply chain was not known.

The Chair queried if there would be any implications for Leeds / Bradford Airport

In responding the Chief Officer, Strategy and Improvement said only 3% of the business at LBA accounted for freight, other airports across the country had far higher rates. In respect of passenger numbers and potential delays in travelling, the peak period would be over the summer months and planning for this period had already taking place.

Members requested if further details on the implication for Leeds/ Bradford Airport as a result of the UK exiting the European Union could be prepared and circulated to Members of the Committee.

Members were assured the requested information would be provided.

A query was raised over possible implications for EU Funding, the Chief Officer Financial Services said the European Union would continue to honour schemes up to the 31st March 2019.

The Chair sought further details about Workforce Planning

Members were informed that the status of EU Nationals was unclear, many had chosen to leave the country due to uncertainty. It was reported that there were not significant numbers employed within the health or social care sectors in Leeds compared to other areas. It was also noted that an EU Citizens Settlement Scheme is being implemented.

The Chair thanked the Chief Officer (Strategy and Improvement) for her attendance and her insight on the preparations for Brexit.

RESOLVED –

(i) That the contents of the report by noted

(ii) That further details on the implication for Leeds/ Bradford Airport as a result of the UK exiting the European Union be prepared and circulated to Members of the Committee.

72 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 assurance of the adequacy of the business continuity management arrangements currently in place.

Members noted there were currently 79 Business Continuity Plan owned and maintained by services and functions across the 5 LCC directorates

The Chair queried what strategic lessons had been learnt about the vulnerabilities of significant infrastructure from past events.

In responding the Principal Officer Resilience and Emergencies said a lot of lessons had been learnt following storm Eva and the subsequent flooding which had identified a number of vulnerabilities. It was suggested that lessons continued to be learnt on each occasion there was a national incident.

It was noted that O2 was a major supplier of mobile telephony services to the Council. Members queried what impact was there and lessons learned from the O2 outage in December 2018.

Members were informed that disruption to some services was considerable, however, a study undertaken afterwards concluded it was the right decision to have a single provider.

RESOLVED – To note and welcome the assurance provided in paragraph 10.1 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

73 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.

Members were informed that considerable progress had been made this year to resolve security issues. The Council regained its PSN certificate in June 2018. Work was currently on-going to ensure compliance, working towards re-submission for 2019 certification

It was noted that the Council continued to handle and process requests for information compliant with appropriate legislation such as the General Data Protection Regulation / Data Protection Act and Freedom of Information Act. A central requests team was now in place responsible for handling all requests for information.

Members noted that the Freedom of Information response times fell below the Council's Key Performance Indicator (KPI) of 96% in the third quarter of 2018-2019. The Council's KPI was higher than the regulatory requirement of 90%, therefore no enforcement action would be taken against the Council.

Reference was made to Security Incident Management, paragraph 3.3.4 of the submitted report. Members queried the timescale if a breach was considered to be not a risk.

Members were informed that an immediate response was provided on each occasion the team were made aware of an incident.

Referring to Freedom of Information requests, one Member said he found it frustrating that he had to resort to making requests under Freedom of Information provisions. The Head of Governance and Scrutiny Support clarified that Members should not need to make requests under these provisions as Members had a specific need to know within the Access to Information Procedure Rules.

The Chair undertook to raise the concerns by way of correspondence with the Director of Resources and Housing.

The Head of Information Management & Governance, added that all directorates were encouraged to publish more public information in an attempt to reduce the number of FOI requests.

Referring to records management, Members noted that within the HR Department alone there were over 200 boxes, containing 12,500 personal files.

Members were informed that HR records had different retention periods but in the main they were retained for 6 years after the pension period and could only be accessed by the Business Support Unit and the appropriate Line Manager.

Members requested if they could be provided with a breakdown as to how long in personal files were retained.

The Head of Information Management & Governance confirmed the requested information would be circulated to all Members of the Committee.

Members referred to the Caldicott Guardian Role (Paragraph 3.1.3 of the submitted report) and sought further assurances about how the role had been carried out during the year; (including commentary on any incidents that had needed to be escalated and how these have been dealt with).

It was requested that the Director Adults and Health prepares a report for the next meeting of this Committee which addresses the points raised above.

Members requested if further details could be provided on the communication and dissemination of the Mandatory E-Learning training referred to in Paragraph 3.3.9 and Paragraph 3.3.8 including how the uptake of training would be monitored and reported.

The Head of Information Management & Governance said the training was released via the PAL system on 4th February 2019, however, to date Members had not received the necessary information to logon to the system.

It was suggested that the Head of Information Management & Governance in consultation with the Head of Civic and Member Support supply to Members the necessary information to allow access to the PAL system

RESOLVED

(i) That the contents of the report by noted.

(ii) To note the assurances provided as to the Council's overall approach to information governance.

(iii) That the Chair, on behalf of the Committee writes to the Director of Resources and Housing to raise the concerns about the receipt of Freedom of Information requests from Members

(iv) That the Head of Information Management and Governance provide Members with the retention schedule for employee records

(v) That the Director Adults and Health be requested to prepare a report for the next meeting of this Committee on the Caldicott Guardian Role and assurance as to how the arrangements are operating

(vi) That all Members be provided with the necessary information to allow access to the PAL system in order to undertake the Mandatory E-Learning training

74 Applications Portfolio Programme - Update on Access Project

The Director of Resources and Housing submitted a report which provided an update on the current position on Access databases and compliance to PSN.

Members were informed that the report followed on from an initial request from this committee in July 2018 for further details and reassurances regarding the progress in dealing with legacy Access 2003 databases and subsequent reports to Committee in November 2018 and January 2019.

Members were informed that the project team are currently working with service areas to identify solutions that will replace 83 databases. The project team had engaged with all service areas to identify where new solutions are already in the pipeline to replace Access databases and are focussing on those that haven't, whilst still keeping a view of those that are due to be replaced; in case their timescales slip. So far, the project had confirmed that 19 databases could be deleted once they were delivered by another programme/project.

Referring to paragraph 3.4.1 of the submitted report Members queried how other authorities had approached access issues and how did Leeds compare.

Members were informed that no engagement had taken place with other authorities because the scale of usage was not the same as it was with Leeds.

It was the wish of Members that the requested information be gathered and reported back to Committee

Members sought further details about the engagement with the Cabinet Office and their views on the Council's remediation programme.

Members were advised that a meeting had recently taken place, the meeting was very positive and representatives from the Cabinet Office appeared to be satisfied with the plan in place. A written response was currently awaited.

Members questioned if there were any further core systems or other applications that may be vulnerable re PSN requirements

It was reported that there remained a number of systems/ applications which required further investigation. Officers were relatively confident these issues would be addressed on an individual basis.

RESOLVED –

(i) That the contents of the report be noted

(ii) To note the assurances provided around the Council's approach to maintaining PSN compliance and where progress had been made

(iii) That regular updates on progress continue to be brought to future meetings of this Committee, the next update report to include comparisons with other Local Authorities about PSN compliance and a summary of the engagement with the Cabinet Office

75 Procurement Assurance Report - 2018/19

The Chief Officer Financial Services submitted a report which presents the Annual Procurement Assurance Report 2018/19 for the City Council's Procurement function.

The Chief Officer provided assurance that, overall, procurement systems were operating effectively and that there were no fundamental weaknesses.

Members were concerned to learn that compliance remains an issue in some areas, notably around justification in reports for waivers. Members noted that process changes and amendments to Contract Procedure Rules are anticipated to support improvements in this respect

New Procurement Strategy was being presented to Executive Board on 17th April 2019 with a recommendation for its adoption. The launch of the New Procurement Strategy would be accompanied by a refresh of the Council's procurement documentation and the Contract Procedure Rules (CPRs).

It was noted that Social Value from procurement was a key element of the Council's wider aspirations for inclusive growth in conjunction with local communities and businesses.

Members were informed that Social Value outcomes were monitored around some key areas of activity, beneficial outcomes included: expenditure with local suppliers, the commissioning of projects on the learning programme through either the YORbuild framework or existing Leeds Local Education Partnership (LLEP) arrangements. It was also noted that prompt payments provided discounts

Members asked if contract terms and conditions exist which aim to ensure adherence to the Council's ethical framework

Members were informed that the Council was committed to the Unison Ethical Care Charter and had been working towards compliance with its principles in relation to externally commissioned home care services.

Members questioned what learning and improved cross team working had taken place as a result of recent high profile company collapses e.g. Carillion.

Members were informed that a draft Briefing Note had been prepared for inclusion in the new Procurement Strategy and new contracts would include robust milestone payments.

RESOLVED **–**

(i) To note the assurances provided in this report

(ii) To note and support the introduction of the draft New Procurement Strategy.

76 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 sought to provide assurance that the Council had in place appropriate systems and procedures to ensure that there were sound financial management and control across the Authority.

Members were informed that the Council has established an effective financial control environment and specifically robust arrangements for strategic financial planning combined with effective financial management and control.

It was also noted that the Council had a sound framework for reviewing and challenging financial performance, and had realistic plans in place to make the necessary savings in the 2019/2020 financial year, and was taking the appropriate steps to deliver them. Directorates had contingency plans in place to help to manage unforeseen variations against the budget.

Members noted the financial management and control framework was subject to a number of independent assessments, including the Council's Internal Audit function which had reviewed and given substantial assurance that there were robust controls in place to support the central co-ordination of the setting and monitoring of the Council's budget.

It was reported that the financial management and control framework was continually being assessed and reviewed to ensure that it remained fit for purpose. This would continue and any issues and developments would be reported back to this Committee.

The Chair queried who had responsibility for any pooled financial arrangements that the Council had with Health organisations.

In responding the Chief Officer Financial Services said the City Council had a number of pooled financial arrangements, the responsibility for who had control would be set out in the appropriate organisations financial arrangements.

RESOLVED – To note the assurances provided that the appropriate systems and procedures are in place to ensure that the Council delivers sound financial management and planning.

77 Annual Treasury Management Governance Report

The Chief Officer Financial Services submitted a report which presents the Annual Treasury Management Governance Report and outlines the governance framework for the management of the Council's Treasury Management function.

The report also reviews compliance with updated CIPFA guidance notes for practitioners on the Prudential Code for Capital Finance in Local Authorities issued in 2018.

Reference was made to the Commercial Property Investment Strategy with Members querying if social value could be applied to investments as it was to be with procurement

In responding the Chief Officer Financial Services said that commercial property investment could only be carried out in accordance with the approved strategy, the strategy could be adapted / changed if that was the view of the Council.

RESOLVED -

(i) To note that Treasury Management continues to adhere to its governance framework including the CIPFA Code of Practice, the Prudential Codes 2011 and revised CIPFA guidance notes issued in 2013. All borrowing and investments undertaken had been compliant with the governance framework.

(ii) To note that Treasury Management had ensured that it fully complied with the updated CIPFA Code of Practice 2017 and the MHCLG investment and MRP Guidance for the financial year 2018/19 onwards.

(iii) That the Head of Governance and Scrutiny Support informs the Director of City Development of Members views in respect of social value in investments

78 Grant Thornton Audit Progress Report

The Chair welcomed Perminder Sethi and Gareth Mills (Representing Grant Thornton)

The Chief Finance Officer submitted a report which set out details of Grant Thornton's progress in delivering the audit of the Council's accounts and value for money arrangements.

Members were informed that the audit had two key objectives, to give an opinion on the council's financial statements (including confirming whether the annual governance statement was consistent with their understanding), and to review and report on the council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

It was reported that Grant Thornton had carried out interim audit work during February, and were due to undertake further work in late March. The report now presented represents an update on the work which they have carried out so far, outlining the areas covered and the conclusions reached.

The report also identified some current issues in the field of local authority audit and governance which may be of interest to the committee.

Members queried as to when the results of the Interim Audit work would be reported to Committee. In responding Members were informed that an Interim Audit Position would be subject of a report to the next meeting in June.

RESOLVED –

(i) To receive and note the audit progress report presented by Grant Thornton

(ii) To note that an Interim Audit Position would be subject of a report to the next meeting in June.

79 Internal Audit Plan 2019-20

The Chief Finance Officer submitted a report which presents the proposed Internal Audit Plan for 2019 - 20 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 queried if sufficient resources were available to the Head of Internal Audit to complete the Internal Audit Plan for next year.

The Head of Internal Audit said that by using modern audit techniques to deliver audit coverage as efficiently and effective as possible, it was her opinion that there would be sufficient resources available to enable the issuing of an evidenced based opinion and report.

Members queried if appropriate measures were in place to support staff if the need arose.

The Head of Internal Audit confirmed that adequate time had been built into the plan to support staff, sickness levels were low and the Team were motivated.

RESOLVED – That the Internal Audit Plan for 2019 - 20 be approved

80 Internal Audit Update Report January to February 2019

The Chief Finance Officer submitted a report which provided a summary of the Internal Audit activity for the period January to February 2019 and to highlight any significant failings or weaknesses.

Commenting on the audit of Waivers of Contract Procedure Rules (CPRs) it was noted that not all expenditure was being incurred in accordance with the terms set out in the waiver decision.

Members queried if further monitoring would be undertaken.

In responding the Head of Internal Audit said a follow up on progress within the waivers audit had been incorporated within the 2019/20 audit plan.

RESOLVED –

(i) To receive the Internal Audit Update Report covering the period from January to February 2019 and note the work undertaken by Internal Audit during the period covered by the report.

(ii) 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.

(iii) To note the information provided by the Head of Service (Legal) about the recent use of the Council's surveillance powers under RIPA

81 Annual Report 2018/19

Members were supportive of the preparation of an Annual Report of the Committee and requested the Head of Governance and Scrutiny Support to prepare a draft Annual Report reflecting the work of the Committee in the 2018/19 Municipal year for Members consideration.

RESOLVED –

(i) That the draft Annual Report for 2018/19 be approved

(ii) That the report be referred to Full Council for consideration.

82 Independent Member Appointment to Audit Committees

Further to Minute No. 61 of the meeting held in January, the Head of Governance and Scrutiny Support presented a report with further details of guidance from CIPFA on the appointment of Independent Members and details of arrangements in core cities and other Yorkshire authorities.

In the discussion that followed the Committee recognised the wide range of skills already evident on the Committee and the Independent minded approach Members bring to the business considered. On the basis of this the Committee would not unilaterally be seeking to supplement committee membership with an independent member. However, the committee noted the Best Practice requirements set out by CIPFA and the legal requirements in order public sector bodies, particularly the audit arrangements for combined Authorities that require that an Independent Member be appointed.

The committee noted the views of the Leader of Council, Deputy Leader and the Leader of the Opposition and the intention for this matter to be considered by the General Purposes Committee.

Should any Independent Member appointments be subsequently supported, Members asked that the recruitment process be Member led with cross party involvement in any search and selection exercise, including representation from the Audit Committee membership. The Committee asked that the observations made be reported to the General Purposes Committee as part of that Committee's consideration of the question of independent membership of the Corporate Governance and Audit Committee.

RESOLVED –

(i) To note the additional background information provided

(ii) That the views/ observations of Members, as referred to above, be incorporated into the report to be considered by the General Purposes Committee for consideration

83 Work Programme 2019

The Head of Governance and Scrutiny Support presented a report of the City Solicitor which set out the ongoing Work Programme for 2019.

Following discussion at today's meeting it was agreed that the following items be added to the Work Programme:

- Interim Audit Position from Grant Thornton (June 2019)
- The Caldicott Guardian Role and Assurance as to how the arrangements are operating (June 2019)

RESOLVED – That, with the inclusion of the above, approval be given to the draft work programme as set out in the Appendix of the submitted report and indicative meeting dates for 2019/20

84 Date and Time of Next Meeting

RESOLVED – To note that the next meeting will take place on Tuesday, 25th June 2019 at 10.00am in the Civic Hall, Leeds.

85 Retirement of Doug Meeson - Chief Officer Financial Services

The Chair reported that Doug Meeson, Chief Officer – Financial Services and the City Council's Section 151 officer was retiring from the Council after a long and distinguished career.

Members joined the Chair in expressing their thanks, appreciation and best wishes to Doug on his forthcoming retirement.

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Agenda Item 8

Leeds CITY COUNCIL

Report authors:- Kate Sadler 0113 3788663, Mark Turnbull 3789151 John Mulcahy 3785345, Helen Cerroti 3788039

Report of City Solicitor, Chief Officer Elections and Regulatory, and Chief Planning Officer

Report to Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Annual Decision Making Assurance Report

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Is the decision eligible for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

Summary of main issues

1. This is the annual report to the committee concerning the Council's decision making arrangements.
2. The report provides assurances that the Council's arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.
3. The assurances contained within this report will feature in the Annual Governance Statement when reported to the committee in July for approval.

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 Chief Officer Elections and Regulatory.

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.

1.3 In giving their assurance statement in respect of the Council's decision making arrangements the authors of this report consider four aspects. This report sets out evidence to confirm the positive assurances given that decision making arrangements are:-

- up to date,
- fit for purpose,
- effectively communicated; and
- routinely complied with.

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 receives an annual assurance report 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 26th June 2018 covering the period to 31st March 2018.

2.3 The information set out in this report 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 2018.

3. Main issues – Executive Decision Making

Up to Date and Fit for Purpose

Review of Constitution

3.1 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.

3.2 Article 15 further sets out which person or body has authority to amend each document within the Constitution.

3.3 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.

3.4 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.

3.5 In 2018 changes recommended as a result of the annual review were given effect in a series of delegated and committee decisions:-

- On 23rd May the Leader approved the Council's executive arrangements with effect from 25th May;
- On 24th May Full Council approved Committee Terms of Reference and Officer Delegations, whilst also approving minor amendments to Articles 5, 6 and 15, the Council Procedure Rules and the Planning Code of Good Practice and Protocol for Public Speaking at Plans Panels;
- On 25th May Licensing Committee approved delegations to Licensing Sub-committee and to the Director of Communities and Environment, whilst also confirming the Licensing Committee Procedure Rules and the Code of Practice for Determining Licensing Matters;
- On 25th May the City Solicitor approved amendments to Article 12, Functions of Full Council, Committee Membership, the Officer Delegation Scheme Executive Functions, and the Council Procedure Rules consequential upon the decisions of Full Council on 24th May, or to reflect legislative provisions.

3.6 The Council's Constitution for 2018/19 was published following the annual review.

3.7 Since this time a number of decisions have been taken during the reporting period to ensure that the constitution remains up to date and fit for purpose. These decisions included:-

- The annual review and refresh of the Contracts Procedure Rules;
- Minor corrections to the Code of Practice for Determining Licensing Matters, Functions of Full Council, Corporate Governance and Audit Committee Terms of Reference and Joint arrangements
- 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;
- The introduction of arrangements through the Executive and Decision Making Procedure Rules to provide for officer decisions made at short notice.

Executive Arrangements

3.8 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

3.9 As detailed above, the Leader's Executive arrangements were set out in a delegated decision dated 23rd May 2018. They were reported to the annual meeting of Council on 24th May 2018. The Leader has made one subsequent change to her appointment of deputy and support executive members during the reporting period.

Delegation of Functions

3.10 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 Directors[1]. 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.

3.11 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.

3.12 All directors had their sub delegation schemes in place by the 1st June 2018.

3.13 Since this time all Directors have kept their sub-delegation schemes under review. In the reporting period four[2] Directors have updated their scheme. Amendments ensure that the sub-delegation schemes remain up to date and fit for purpose.

[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.

[2] Chief Planning Officer, Director of Communities and Environment, Director of Resources and Housing and City Solicitor

Routinely Complied With

Decision Monitoring

3.14 Members are familiar with the categorisation of decisions as key[3], significant operational[4] or administrative[5]. 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.

3.15 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.

3.16 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.

3.17 Over the course of the reporting period a total of 727 significant operational decisions have been taken by individuals; 725 taken by officers and 2 by the Leader. A further 81 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.

3.18 Over the course of the reporting period a total of 244 key decisions were taken; 171 by officers and 73 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] >£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

	Significant operational decisions		Key decisions	
Officer/Executive board	taken 2017/18	taken 2018/19	taken 2017/18	taken 2018/19
Chief Executive	6	5	1	0
Resources and Housing	170	151	35	65
Chief Officer (Financial Services)	2	2	3	1
City Solicitor	13	20	0	0
Communities and Environment	117	89	15	11
City Development	219	225	23	44
Chief Planning Officer	27	18	0	0
Children and Families	205	165	35	24
Adults and Health	36	42	26	20
Public Health	10	8	7	6
Leader	6	2	0	0
Executive Board	74	81	75	73
Total	885	809	220	244

3.19 Members will note:-

3.19.1 the concentration of decisions published in the Children and Families directorate noted in the last annual report, and considered further by this Committee during the course of the municipal year has not been repeated;

3.19.2 although they have delegated authority to do so neither the Chief Executive, 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 Chief Executive maintains an overview of decision making, 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;

3.19.3 the increase in key decisions taken by the Director of Resources and Housing. These can be accounted for by:-

- decisions to develop staffing resource, infrastructure and supply chain to enable delivery of £10M additional works through the council's internal service provider;
- decisions taken in accordance with the directorate's procurement strategy following a review of need to ensure contractual arrangements in place are of adequate scope and value;
- decisions to deliver the clean air zone and district heating network; and
- the routine cycle of renewal and extension of contracts.

3.20 The Head of Governance Services believes that the distribution of key decisions taken accurately reflects the distribution of functions across directorates and the way in which these functions are operationally discharged.

3.21 The charts below shows the comparative distribution of decisions between directors and Executive Board by month.

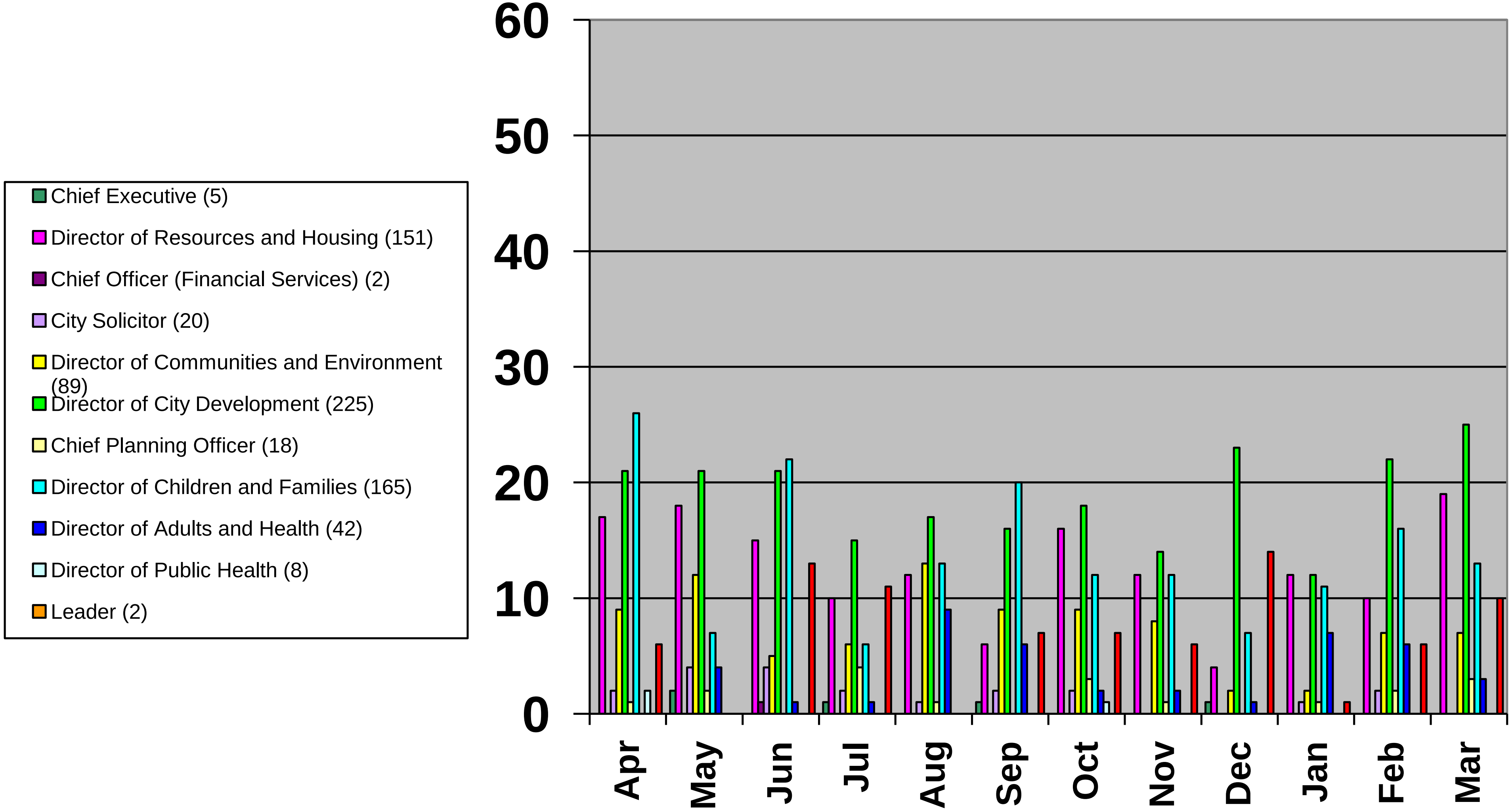


Table Showing Number of Significant Operational Decisions Taken by Directors, Leader and Executive Board

April 2018 to March 2019

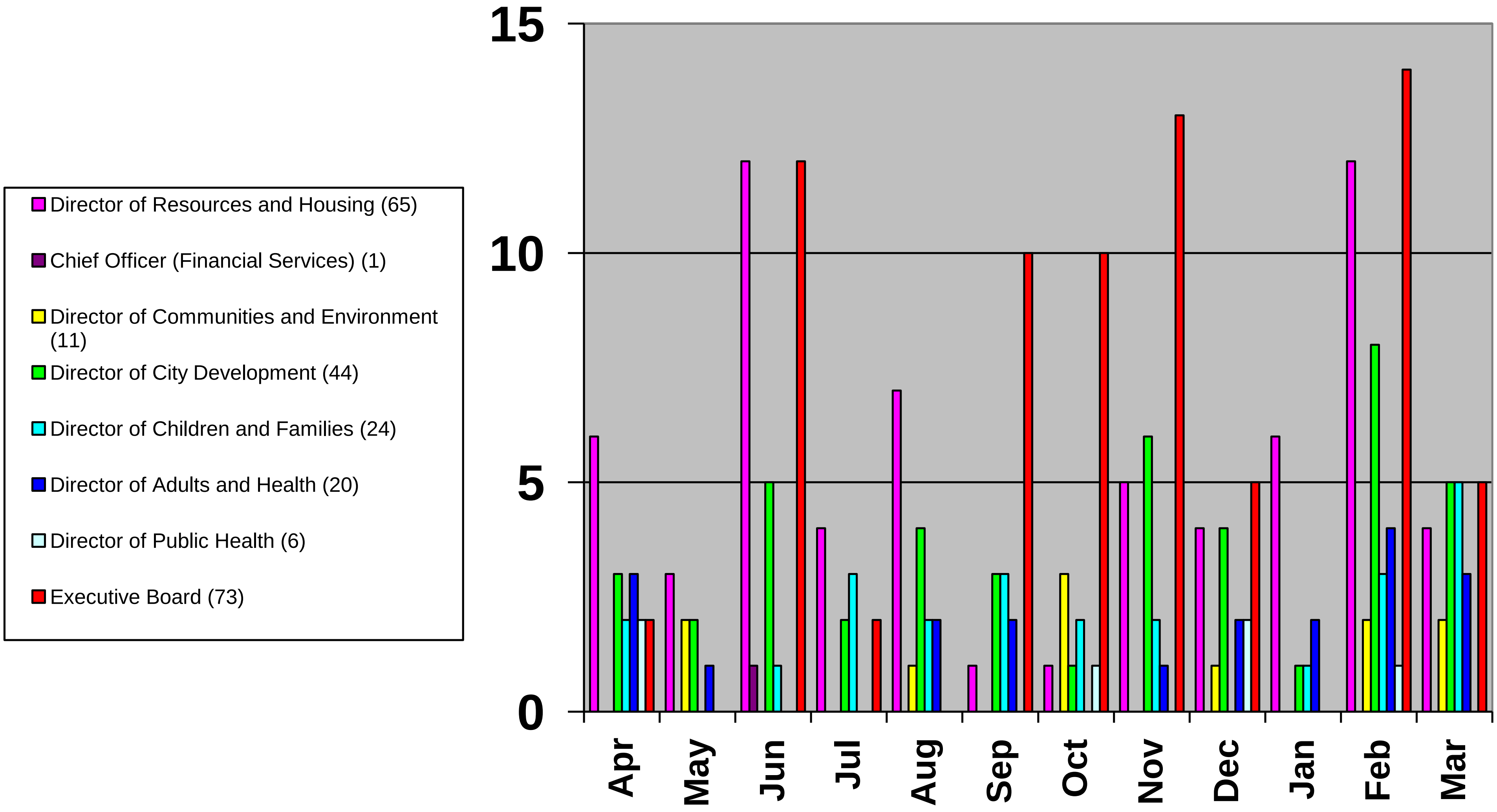


Table Showing Number of Key Decisions taken by Directors and Executive Board

April 2018 to March 2019

Performance Indicators

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

List of Forthcoming Key Decisions

3.23 Regulations[6] 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.

3.24 Following feedback from this committee, officers have reviewed and amended the form by which officers request the addition of an issue to the list of forthcoming key decisions. A decision was taken to pause implementation of the amended process pending the outcome of the review of governance thresholds[7]. New arrangements will be in place from 1st July 2019.

3.25 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.

3.26 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.

3.27 During the reporting period of 171 Key decisions taken by officers 168 (98%) were included in the List of Forthcoming Key Decisions. For the same period of 73 Key decisions taken by Executive Board, 72 (99%) were included in the List of Forthcoming Key Decisions. In combination 98% of Key decisions were published to the List 28 clear calendar days before those decisions were taken.

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

[7] More detail on the review of thresholds can be found in the 'Looking Forward' section from paragraph 3.86 below.

3.28 The table below sets out comparative figures for this and the previous two reporting periods:-

Reporting Period	1st April 2016 to 31st March 2017	1st April 2017 to 31st March 2018	1st April 2018 to 31st March 2019
Key decisions on List	200	212	240
Percentage Key decisions on list (target 89%)	97%	96%	98%

General Exception

3.29 The General Exception is a legislative provision[8] 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.

3.30 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.

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

3.32 All of the 4 Key decisions which were not included in the List of Forthcoming Key Decisions for 28 clear calendar days prior to those decisions being taken were taken under the General Exception. The reasons given in each case are set out in the tables below:-

<table>
<tr><td colspan="3">Officer Decisions</td></tr>
<tr><td>D48328
Feb 19</td><td>Director of Resources and Housing</td><td>The decision relates to a funding agreement between the Council and Homes England to be approved following protracted legal negotiations. The decision could not have been subject to publicity any earlier as the details of the agreement continued to evolve.</td></tr>
<tr><td>D48422
Feb 19</td><td>Director of Resources and Housing</td><td rowspan="2">Both decisions relate to the implementation of the Clean Air Zone which must be delivered in January 2020 in order to comply with Ministerial Direction. Delay in taking these decisions would prevent the Council meeting deadlines set out in the Government's grant agreement and consequently failure to meet the CAZ requirement.</td></tr>
<tr><td>D48429
March 19</td><td>Director of Resources and Housing</td></tr>
</table>

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

Executive Board Decisions		
Minute 109 Nov 19	Director of City Development	The decision related to the relocation of Channel 4 to Leeds. The announcement was made too late for inclusion in the List prior to the next meeting of Executive Board and could not be deferred as there was a need to progress proposals with Channel 4 as soon as possible.

3.33 Members will note that good and cogent reasons were given on each occasion that the general exception was relied on during the reporting period.

Special Urgency

3.34 Special Urgency is a legislative provision[9] permitting urgent decisions which have not been included on the List of Forthcoming Key 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.

3.35 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.

3.36 In accordance with Rule 2.6.2 of the Executive and Decision Making Procedure Rules[10], the Head of Governance and Scrutiny Support, on behalf of the Leader, is able to confirm that, of the 4 Key Decisions which were not on the List of Forthcoming Key Decisions for the required 28 day period, none were taken under Special Urgency.

3.37 The table below sets out comparative figures for the use of general exception and special urgency provisions over this and the previous two reporting periods:-

Reporting Period	1st April 2016 to 31st March 2017	1st April 2017 to 31st March 2018	1st April 2018 to 31st March 2019
General Exception	5	6	4
Special Urgency	1	2	0

Short Notice Decisions

3.38 Members will recall that at their meeting in November 2018 they considered a report relating to a decision taken at short notice by the Director of Children and Families in August that year. Whilst the decision had been included in the List of Forthcoming Key Decisions for the required 28 day period, the report supporting the decision had not been published for five days before the decision was taken. In the absence of alternative constitutional provision the Director of Children and Families

[9] Regulation 11 Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012
[10] Regulation 19 Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012

used the special urgency procedure and obtained the approval of the relevant Scrutiny Chair that the matter was urgent and could not be delayed. Members received assurance that no children had been put at risk as a result of this administrative error.

3.39 Following consideration of the report this committee recommended amendments to the Council's constitution and new short notice provisions are now included in the Executive and Decision Making Procedure Rules requiring that the relevant Executive Member agrees that the decision maker may proceed with the decision without giving the required notice of the report.

3.40 As required by Executive and Decision Making Procedure Rule 3.1.4 the Head of Governance and Scrutiny Support is able to confirm that there have been no other occasions in the reporting period on which the procedure set out in this new rule has been used.

Availability for Call In

3.41 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 committee[11]. The provision of Call is an important element of democratic accountability arrangements as it allows Members to hold the executive to account.

3.42 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.

3.43 The 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.

3.44 All decisions of the Executive Board, Executive Decisions of the Health and Wellbeing Board and Key decisions of officers are eligible and will be open for call in unless exempted.

3.45 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.

3.46 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.

3.47 Availability of eligible decisions for call in is one of the 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.

3.48 During the reporting period all of the 171 Key decisions were taken by officers were eligible for call in. 10 of these were exempted from call in. 161 decisions (94%) were available for call in.

[11] S9F Local Government Act 2000

3.49 The table below sets out the reasons given for exempting decisions taken by officers from call in during the reporting period.

Decision Number	Director	Reason for exemption from call in.
D47431	Director of Children and Families	Urgent decision to provide schooling for 160 pupils without school places following inward migration, delay in undertaking works would seriously prejudice pupils.
D47634	Director of Resources and Housing	Approval expedited to enable retrofitting of buses to meet air quality standards in compliance with strict DEFRA funding deadlines.
D47881 August 18	Director of Children and Families	Administrative error lead to urgency. (see 3.38 above for further information)
D48328 Feb 2018	Director of Resources and Housing	Homes England delayed indicative approval for Housing Investment Fund Bid. Urgent need to action scheme or risk it becoming financially unviable and consequent loss of grant funding if scheme not delivered.
D48372	Director of City Development	Decision urgent to ensure sale of property at price negotiated on basis of contract exchange by agreed date.
D48422	Director of Resources and Housing	Decisions formalise spend of grant funding for Clean Air Zone as considered previously by Executive Board. Decisions could not be taken earlier as dependent on government timescales. Projects must be delivered in line with deadlines specified in grant funding agreements for delivery of the Clean Air Zone.
D48429	Director of Resources and Housing	
D48487	Director of Communities and Environment	Decision could not be taken until equipment evaluated following winter maintenance regime, but urgent need to procure identified machinery for start of summer season.
D48491	Director of City Development	Terms and cost for acquisition of property dependent on completion within negotiated timescale.
D48513	Director of City Development	Terms for sale of property dependent on completion within negotiated timescale. Failure to complete would lose capital receipt.

3.50 During the reporting period of the 154 decisions taken by Executive Board, 143 were eligible for call in. 11 decisions were ineligible for call in as they were taken as part of the process set out for approving or amending the budget and policy framework which has separate arrangements for scrutiny in place.

3.51 Of the 143 decisions taken by Executive Board which were eligible for call in 9 were exempted from call in leaving 134 (94%) of eligible decisions available for call in.

3.52 The table below sets out the reasons given for exempting executive board decisions from call in during the reporting period.

Minute Number	Director	Reason for exemption from call in.
Minute 15	Director of City Development	Ministerial direction requires submission of full business case within deadline, therefore implementation of decision to commence formal statutory consultation urgent.
Minute 16	Director of City Development	Negotiated contract price for Leeds Playhouse refurbishment requires immediate commencement of works, delay in implementation would risk renegotiation of contract terms.
Minute 28	Director of Children and Families	Need to implement decision by publishing statutory notice to ensure notice period falls within term time allowing maximum opportunity for stakeholder comment without risking delay in provision of school places.
Minute 58	Director of City Development	Grant funding subject to strict timescales on delivery of grant objectives which may not be met if implementation delayed.
Minute 123	Director of Children and Families	Decisions related to school expansion and required immediate implementation to meet contract requirements and enable construction works aligned to school shut down periods.
Minute 150	Director of Children and Families	
Minute 180	Director of City Development	Immediate implementation of decision through acceptance of funding agreements required to allow timely delivery of partner agreements and associated employment contracts.
Minute 182	Director of City Development	Bid framework established by government permitted short timescale. Delay in implementation would risk missing opportunity to bid for funding from the Future High Street Fund.
Minute 184	Director of City Development	Need to complete purchase during short period of exclusivity in strong industrial market.

3.53 The Head of Governance and Scrutiny Support notes that 7 of the 19 decisions which were exempt from call in related to grant funding arrangements, and a further 4 related to acquisition and disposal of property, and that both are areas of decision making where tight timescales are often imposed over which the Council has little if any influence.

3.54 The Head of Governance and Scrutiny Support is mindful that the precise details of a key decision do not need to be known in order to include the future intention to take a decision in relation to the matter on the List of Forthcoming Key Decisions. However, the full detail of the decision is required in order to develop the supporting report and seek approval from the relevant decision maker. It is only at the point of the report being complete, and the decision being taken that the decision can be opened for call in, so in circumstances where the timescales are imposed externally exemption from call in can often not be avoided.

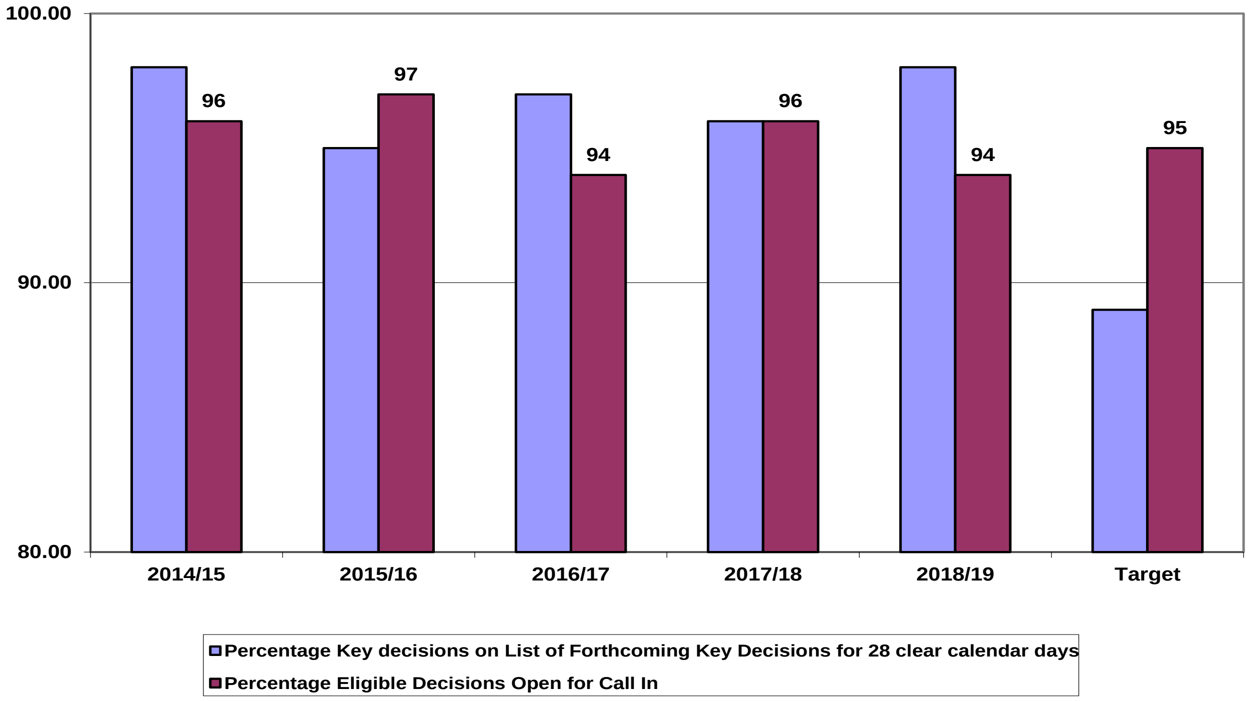
3.55 The table below sets out comparative figures for eligibility and exemption from call in together with figures for use and outcome of the call in process over this and the previous two reporting periods:-

Reporting Period	1st April 2016 to 31st March 2017	1st April 2017 to 31st March 2018	1st April 2018 to 31st March 2019
Decisions eligible for call in	285	282	314
Decisions available for call in	267	271	295
Percentage eligible decisions available for call in (target 95%)	94%	96%	94%
Decisions called in	2	0	2
Decisions released for implementation following Call In	1	NA	2
Recommendations made following Call In	1	NA	0

3.56 There were two call in requests received during the reporting period. Both related to Executive Board decisions. The first which related to the increase in primary places at Moor Allerton Primary School was released for implementation following a meeting of the Scrutiny Board (Children and Families) on 10th October. The second related to the decision to disband the School Organisation Advisory Board and was also released for implementation following a meeting of the same Scrutiny Board on 8th April 2019.

Overall Performance Trends

3.57 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 four reporting periods.



3.58 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%) has improved. Performance monitoring has however shown that availability of eligible decisions for Call In (95%) has marginally (by 1% or 4 decisions) slipped below target.

3.59 From a qualitative perspective the Head of Governance and Scrutiny Support has noted that in the majority of cases where the publicity and call in requirements have not been met (General Exception, Special Urgency and Exemption from Call In) appropriate advice was sought and in all cases the reasons given have been set out in a public report.

3.60 Training provided by the Head of Governance and Scrutiny Support will continue to emphasise the importance of call in to enable democratic oversight of decision making and that decisions should only be exempted from call in in extremis.

<u>Decisions Not Treated as Key</u>

3.61 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

3.62 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

Publication of agendas and minutes

3.63 The Head of Governance and Scrutiny Support monitors local performance indicators in relation to the publication of agendas and minutes for Council, Executive Board and their committees. Performance in respect of those committees monitored is set out below.

Agendas

3.64 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.

3.65 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.

3.66 Of 172 meetings which took place within the reporting period covered by this report, 167 agendas were issued in accordance with the 5 clear day deadline.

3.67 Of the five agendas which were not published 5 clear working days in advance of the meeting during the reporting period, one[12] related to a meeting called at short notice; the remaining four[13] were all late as a result of administrative delay in publishing the agenda (On each occasion Members did receive their agenda packs as per their indicated preference).

3.68 Taking the short notice decision into account this gives a performance of 98% agendas issued and published within the five day statutory deadline.

Minutes

3.69 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.

3.70 In addition the Executive and Decision Making Procedure Rules require 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. Members should note that there has been 100% compliance with this requirement.

3.71 Of 172 committee meetings which have taken place within the period covered by this report, 165 sets of draft minutes were published within this locally established target. This gives a performance of 96% draft minutes published within the specified target period.

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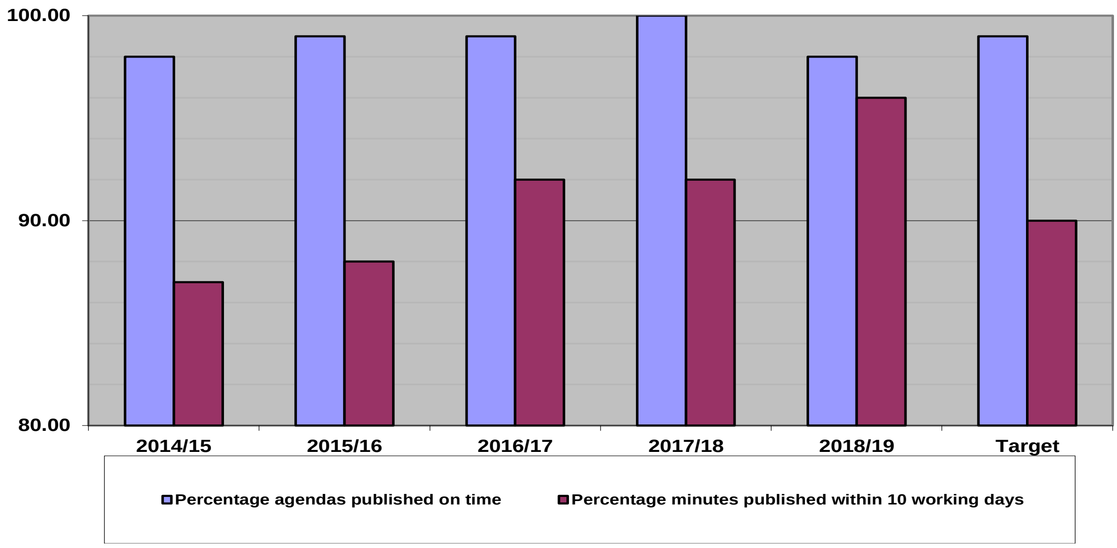
[12] General Purposes Committee 16th May 2018

[13] City Plans Panel 31st May, Inner North East Community Committee 3rd September, Development Plan Panel 16th October & Inner North East Community Committee 4th March.

3.72 Of the seven sets of minutes which were not published within 10 working days of the meeting during the reporting period, six were published within 15 working days of the meeting, and one was published 18 working days after the meeting. All late minutes were published before the next meeting of the relevant committee.

3.73 The table below shows performance indicators for agenda and minute publication for the previous four reporting periods, compared to this period and against target. Members will see that the rate of agenda publication has dipped slightly, however there has been a significant improvement in relation to the publication of minutes.



Committees outside monitoring arrangements

3.74 There are a number of committees for which the Head of Governance and Scrutiny Support does not collate agenda and minute publication statistics.

3.75 In particular 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.

Effectively Communicated

Support for the Decision Making Framework

3.76 Effective support in relation to the governance framework will continue to seek to encourage compliance, improve governance administration, and enhance organisational effectiveness.

Training and Awareness

3.77 Appropriate and timely provision of training will

- 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; showing how systems and processes 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 application of the framework to organisational reality, sharing best practice and developing application of framework and procedures to continuously improve efficient decision making practice whilst enhancing the transparency and quality of decisions taken.

3.78 Within the communication plan developed to implement the amended governance framework the Head of Governance and Scrutiny Support has provided a series of training and awareness events including:-

- Attendance at directorate leadership teams to outline changes and seek support in embedding a culture of good governance in line with the refreshed framework;
- Training for colleagues in finance; internal audit; legal and democratic; and procurement and commercial services to ensure that up to date advice is available from a range of officers involved in the governance of decision making;
- Ten face to face training sessions (two for each directorate), accommodating up to 30 officers each setting out the legislative and political context in which decisions are taken and giving detailed information on the thresholds and controls in place;
- Inclusion of a one off decision making module appropriate to each of the apprenticeship courses supported by Leeds City Council;

3.79 In addition it is planned to develop an e-learning module which will both support the delivery of face to face training and provide a mechanism to monitor and evaluate understanding of the council's decision making framework.

Advice and Guidance

3.80 The Head of Governance Services maintains the Decision Making Toolkit on the Council's insite pages which is available to all officers. In addition to links to public facing pages containing the Council's constitution, officer delegation schemes, committee records, the list of forthcoming key decisions, and records of officer decisions; the toolkit contains a variety of information and advice including frequently asked questions and how to guides. The information contained in the toolkit has been reviewed and refreshed to ensure that it continues to be up to date and fit for purpose.

3.81 In addition advice is provided by a network of professionals with specialist knowledge relating to the law, finance and procurement. The Head of Governance and Scrutiny Support works closely with colleagues from all disciplines, sharing information and expertise, ensuring that colleagues are able to obtain the right information at the right time, and that responsibility for ensuring compliance with the governance framework is shared across all disciplines whilst providing appropriate advice and expertise where necessary.

Performance Monitoring

3.82 Performance Monitoring ensures that key performance indicators are monitored monthly together with general patterns of decision publishing. Any anomalies or emerging trends are shared with directorates via the directorate support officers.

3.83 Performance Monitoring will continue with regular reviews on the numbers of key and significant operational decisions taken, and use of general exception, special urgency and exemptions from call in providing indicators as to the impact of the change in thresholds on decision making governance.

Audit

3.84 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.

Decision Making Governance Assurance Statement

3.85 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.

Looking Forward

3.86 The Head of Governance and Scrutiny Support has undertaken a review of the thresholds applying to finance, procurement and decision making governance. Following detailed consultation with Members (including the former chair of this committee) Full Council approved changes to the thresholds for decision making governance as set out in Article 13 of the Constitution together with amending the revenue virements limits at the annual meeting in May 2019. These will be effective from 1st July 2019. Alongside this the Chief Officer (Financial Services) made amendments to the capital approval tables.

3.87 The review sought to ensure that arrangements in place secure compliance with relevant legislation; support the democratic oversight provided by members through defined constitutional arrangements to 'check and challenge'; secure openness, accountability and engagement with Members (and the public); and allow the authority to be agile and responsive in how it conducts its business.

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 2018, and March 2019 meetings. It is confirmed that there have been no applications for directed surveillance or CHIS authorisations, since the June 2018 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 given also that approval by a JP is now also required for directed surveillance, use of a CHIS or obtaining communications data , it is unlikely that the use of these powers will increase.

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 no 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.

RIPA Assurance Statement

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 5th March 2019 and received by Council on 27th March 2019. The information set out in the annual licensing report reflects decision making arrangements from 1st January to 31st December 2018.

5.2 The Annual Licensing Report can be found at https://democracy.leeds.gov.uk/documents/s185907/Licensing%20Committee%20Annual%20Report%20Appendix%20A%20080319.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.

Licensing Assurance Statement

5.4 From the review, assessment and on-going monitoring carried out, the Chief Officer Elections and Regulatory 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

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. The Leeds adopted Local Plan sets out the council's vision and strategy for planning the area until 2028.

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 24 May 2018.

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 9 January 2019.

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 2018-19, officers made 98.4% of the decisions. This is necessarily high due to the sheer volume of applications received in Leeds, in order to maintain expeditious decision making. The scheme of delegation provides for members to request Panel consideration of items and for particularly sensitive items to be considered by Panel.

Re 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 was identified and collected. Internal Audit produced a report in June 2017 providing an opinion of limited assurance for the control environment and acceptable assurance for compliance with actual controls. An action plan was agreed in order to address the weaknesses identified in the Audit.

6.9 Internal Audit returned in January and February 2019 to assess the progress made against the action plan. Following the appointment of the CIL Officer in March 2018, significant progress has been made ensuring that processes are now robust and routinely complied with and ensuring that the appropriate assurances and control measures are in place. Internal Audit issued their report in March 2019 and now provides an opinion of good assurance for the control environment.

Planning performance 2018-19

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 performance twice a year, in a half year and end of year performance report to the Joint Plans Panels.

6.11 In 2018-19, the service received 4,741 applications, a 7.6% reduction from those received the previous year. This is the first time in a seven years that application numbers have fallen. Nationally, for the period April to December 2018, applications have reduced by 4.6%.

6.12 There were also 4,711 decisions made in the reporting period, a 5.5% decrease 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
2018-19	84.6%	83.2%	83.0%
2017-18	91%	84.3%	88.2%
2016-17	93.1%	89.4%	93%

6.14 The lower performance this year can be accounted for by the number of staff vacancies and sickness levels (average 12.6 days per FTE compared to City Development average of 7.1 days) There were also a number of staff who left the service due taking posts externally to the council or as a result of promotion to other areas of the Council; this had an impact on the time taken to determine applications. However, since the start of quarter 4 when many of the staff resourcing issues had been resolved, performance increased markedly to 86.6% of majors, 87.5% of minors and 86.2% of others being determined in time.

6.15 The latest national figures[14] for applications determined in time show that Local Planning Authorities decided 89% of major applications within 13 weeks or the agreed time. Therefore, Leeds' performance is slightly below the national average. However as mentioned above the service faced a number of challenges at the start

[14] Ministry of Housing, Communities and Local Government Statistical release Planning Applications in England: October to December 2018.

of the year but now has the additional staff recruited as a result of the 20% uplift in planning fees and recruitment continues to take place to fill vacant posts.

6.16 It is important for the LPA to maintain high performance. Members have heard previously about the Government's approach to measuring the performance of authorities which was introduced by the Growth and Infrastructure Act 2013; it is based on assessing local planning authorities' performance on the speed and quality of their decisions on applications for majors and in 2018 the regime was broadened to include non-major development. Where an authority is designated as underperforming, applicants have the option of submitting their applications for major and non-major development (and connected applications) directly to the Planning Inspectorate (who act on behalf of the Secretary of State) for determination. The Government's current assessment period is October 2016 to September 2018 and have already announced the next assessment period and thresholds, this is shown in the table below.

Measure and type of Application	Threshold and assessment period October 2016 to September 2018	Threshold and assessment period October 2017 to September 2019
Speed of major Development (District and County)	60%	60%
Speed of non-major Development	70%	70%

6.17 Based on the current assessment period, Leeds' performance for determining major applications stands at 92.3% and 86.9%[15] for non-major applications, well above the designation thresholds for both application types.

6.18 There is often a time lag in government statistics being published, but the table below shows Leeds performance in comparison with the Core Cities using the latest dataset available, covering the period calendar year 2018 and ending December 2018[16]. The table shows the performance against the three types of applications, majors, minor and others as well as the comparative workloads across the Core Cities. Whilst this does not fully cover the reporting period, it provides further assurance that Leeds performance in determining applications in time is good in comparison with the Core Cities.

[15] Ministry of Housing, Communities and Local Government Tables 152 and 153 https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics#historical-live-tables

[16]Ministry of Housing, Communities and Local Government Table P132 and Table P134: district planning authorities - planning applications decided, granted, performance agreements and speed of decisions, by development type and local planning authority (yearly)

Authority	No applications received	Majors determined in time (%)	Minors determined in time (%)	Others determined in time (%)
Birmingham	5510	74	61	74
Leeds	4796	90	85	85
Liverpool	2485	94	82	86
Manchester	2661	82	87	89
Newcastle	1343	90	89	85
Nottingham	1407	84	73	76
Sheffield	2696	88	79	87

6.19 Leeds is second only to Birmingham in volume of application workload and joint second for of determining major applications in time. This represents as significant achievement in delivering the largest and often most complex schemes. Performance cross the other two categories of applications is also healthy in comparison with the Core Cities.

Plans Panel decision making

6.20 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.

6.21 The table below shows the Panel workload, decisions contrary to officer's recommendation and where it was a refusal, if it led to an appeal. Due to the timescales for making an appeal, it is not possible to provide a full picture yet for 2018-19, as applications determined in March 2019 would have until September 2019 (six month window) for an appeal to be lodged.

Year	Decisions	Decisions contrary to officer recommendation(as a % of the total no of Panel decisions)	Leading to an appeal against refusal	Appeal decision
2018-19	77	1 (1.3%)	0	
2017-18	119	4 (3.3%)	3	1 dismissed 1 allowed 1 In progress
2016-17	105	11 (10.4%)	2	1dismissed 1 allowed
2015-16	127	4 (3%)	2	1 dismissed 1 allowed
2014-15	191	14 (7%)	9	4 dismissed 5 allowed

6.22 Of the 77 decisions made by the three panels, just one was contrary to the officer recommendation. This was Leeds Montessori School and Day Nursery, Wetherby Road, for a detached classroom building. Members resolved not to accept the officer recommendation to refuse planning permission. Members placed greater weight on the benefits that arise from the proposal associated with child care/education and these were considered to outweigh concerns over highway safety (the recommended reason for refusal). Members delegated the approval of the application to officers and resolved that the conditions imposed to include the requirement of the submission and approval of a green travel plan.

6.23 Whilst it is inevitable that different decisions are reached from time to time, especially where decisions are finely balanced, or where different weight is attached to the potential planning considerations, a high number of decisions taken which are contrary to the officer recommendation may give the appearance that officers and members are not working well together and demonstrate a lack of trust in the decision making process. This has the potential to demonstrate a lack of confidence in the planning system in Leeds to applicants, local communities and investors.

6.24 The number of decisions contrary to the officer recommendation represents a very small percentage of the total number of decisions made by the local planning authority, around 0.02% of total decisions.

6.25 In addition to applications for determination, the Plans Panel workload also comprises a significant number of pre application presentations and position statements. The three stage process of pre application presentation, position statement and final determination for the most complex or sensitive applications ensures that appropriate level of scrutiny is brought to bear before determination.

Appeals received and Planning Inspectorate Decisions

6.26 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 2018-19 there were 174 new appeals received in the financial year, this is a significant drop from the previous year where 307 new appeals were received in the year, a 44% reduction. Almost half, 44% were householder appeals, however this is a significant increase from the previous year where householder appeals accounted for a quarter of appeals received.

6.27 The Planning Inspectorate made 212 decisions on appeals in 2018-19, this includes S78 and Household appeals. (The figures for appeals lodged and appeal decisions are different because of the six month window allowed for appeals to be made.) The table below shows the outcome of appeals for 2018-19 compared with the last three years. Performance on appeals dismissed has improved year on year with 73.6% of appeals being dismissed in complarison with the previous year where 71.3% were dismissed.

Year	Total number of appeals lodged in year	Appeal decisions received in year	Dismissed
2018-19	174	212	73.6%
2017-18	307	233	71.3%
2016-17	233	259	64.5%

6.28 In terms of comparative data, the latest dataset available from the Planning Inspectorate[17] is for 2017-18 and whilst not the reporting year in question, the chart below shows Leeds performance in comparison with the Core Cities.

Authority	Number of S78 appeal decisions made	S78 appeals allowed (%)	Number of Householder appeals decisions made	Householder appeals allowed (%)
Birmingham	70	17%	28	39%
Leeds	116	22%	74	34%
Liverpool	41	41%	23	43%
Manchester	50	30%	12	25%
Newcastle	23	13%	9	11%
Nottingham	30	25%	3	0%
Sheffield	28	13%	21	33%

[17] https://www.gov.uk/government/statistics/planning-inspectorate-statistics#historyTable 5.1Yearly decisions by LPA (annual)

6.29 Whilst this chart demonstrates that Leeds received a high number of appeals (as it has for a number of years), the performance on appeals is good, with 78% of S78 appeals being dismissed and 66% of Householder appeals being dismissed. However appeals casework requires a significant resource input from the service and therefore the service continues to monitor appeals and take corrective action, or attach different weight, as appropriate where a change of stance is perhaps required in light of recurring upheld appeals.

6.30 As mentioned above, the government assesses the quality of decisions made by local planning authorities by measuring the proportion of decisions on applications that are subsequently overturned at appeal. The thresholds for designation for both majors and non-majors is 10% of an authority's total number of decisions on major and non-major applications made during the assessment period being overturned at appeal. The MHCLG's latest planning statistics, published in March 2019[18] show the provisional data on English authorities' performance in terms of quality of decision-making over the two years from January 2016 to December 2017; Leeds remains well above the thresholds for designation with 1.2% of non-major decisions and 1.3% of major decisions overturned at appeal.

6.31 In terms of costs claimed against the Council for appeals, there have been two cost claims in 2018-19 one for Metals 4U Ltd, Armitage Works, Sandbeck Way, Wetherby, costs settled at £ 5,097.78, the other Land at Rigton Farm still is under negotiation.

Customer complaints and Ombudsman cases

6.32 During the reporting year, 2018-2019, there have been 205 stage 1 and stage 2 complaints received by the LPA. This is compared with 117 received in the same period last year. This is a 57% increase in the number of complaints received in comparison with the same period last year. The increase in number of complaints can be accounted for in part due to the staffing and resourcing challenges the service faced at the beginning of the year but also by and the more robust processes and systems and recording of complaints since the appointment of a Complaints Officer in June 2019.

6.33 One of the main themes of upheld complaints was about lack of contact with the planning officer; again this was symptomatic of the staffing situation and since the service has undergone a period of recruitment, the numbers of complaints on this issue have decreased significantly.

6.34 There has been a decrease in the number of Ombudsman complaints received by the service in comparison with the same period last year, 17 in comparison to 22. Six of the new cases received within the past year were either closed as being out of jurisdiction or deemed to require no further action. A further six with no fault found and three cases remain open, including one where we have received a draft decision.

6.35 There were two cases where fault was found, one requiring a local settlement of £200 where a neighbour complained that insufficient consideration was given to privacy issues and the second in relation to a biomass boiler. In this latter case the LGO found that the Council had incorrectly stated that certain policies were relevant to the recommendation of the application before recommending its approval. The LGO found fault, but concluded that the subsequent outcome of the application

[18] https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics#historical-live-tables tables 153 and 154

would likely have been the same. As such, although fault was found, the LGO did not consider that there had been any injustice to the complainant.

6.36 Training from the Local Government Ombudsman was delivered to senior officers in May 2018 which was helpful in highlighting ways to avoid common pitfalls and the measures to put in place to help mitigate the risk of reoccurrence on similar issues.

Embedding the framework for planning matters

Officer training

6.37 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.

6.38 The planning reform agenda continues with the revision of the National Planning Policy Framework in July 2018 and government consultation on a number of key areas; 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. Officers are provided with the opportunity to attend training sessions offered by the professional body, the RTPI (Royal Town Planning Institute) as a "season ticket" is purchased allowing a number of officers to attend the training and seminars on a variety of subjects. Additionally, this Committee has previously heard about case officer meetings and these continue to take place; the Head of Development Management provides an 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 including those from the Policy team to ensure offices are kept up to date with regard to new, emerging or amended planning policy, including the latest position on the Site Allocations Plan and Core Strategy Review.

Member Training

6.39 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.

6.40 The mandatory 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 managers who go 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.

6.41 All Plans Panel members including substitutes in 2018-19 have undertaken the prescribed training. As May 2018 saw an all-out election, two main sessions and a series of additional 'mop-up' sessions were arranged to ensure that all Planning members received the required training prior to the first round of Plans Panel meetings.

6.42 A full programme of member training has been developed for the first time in 2018-19. This discretionary training offers a diverse range of learning opportunities for members, adding further to member's knowledge and provides the most up to date information and approaches available on a range of planning issues. The topics have been agreed in consultation with the Executive Board Member and the Panel Chairs. So far, sessions on Viability, Leeds City Centre Transport Strategy, and impact of development on school places, Purpose Built Student Accommodation have been delivered. Future sessions include urban design and S106 and Community Infrastructure Levy.

6.43 A session has also been developed for Group Support staff and Community Committee Officers on S106 and the Community Infrastructure Levy for June 2019.

Member Tour of past sites

6.44 A tour of past sites was organised in summer 2018. The visits were to sites which have received planning permission and have been built or are in the process of being constructed. This allowed reflection on the relevant issues at the time of determination and to see on the ground how the development has worked out in practice.

Work of the Plans Panels

6.45 The third annual report of the work of the three Plans Panels and the Development Plans Panel was presented to full Council in November 2018. 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

6.46 As part of planning services' commitment to continuous improvement to support the council's inclusive growth ambition for Leeds, consultants were commissioned to carry out a short piece of work to look at the function of the plans panels in Leeds and their contribution to that growth agenda. POS Enterprises were appointed to work 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. A final report has been prepared by the consultants, which lists a number of recommendations. These recommendations have been developed into an action plan, which the service is now working through to implement.

Relationship with partners and customers

6.47 Following on from work started in 2017 with the Leeds Chamber of Commerce to support good growth in Leeds, a Planning Protocol has been developed. The Protocol is a series of promises and ambitions for both the development industry and the Council to work towards. The Protocol was launched a meeting of the Chamber's Property Forum in March 2019 and initial feedback has been positive. The Protocol will be monitored and will be reviewed after six months in operation.

Parish and Town Council and Neighbourhood Forums

6.48 The service recognises the important work of the many Parish and Town Councils and Neighbourhood Forums in Leeds and held a Conference for them in March 2019. The programme covered a range of issues including effective use of Public Access, an update on the Site Allocations Plan and Core Strategy Selective Review, Community Infrastructure Levy and Neighbourhood Planning. The session was well received and the service hopes to run the conference on an annual basis.

6.49 The Council works with neighbourhood planning groups after plans have been ‘made’ and form part of the statutory Development Plan - the primary bass for decision making on applications. This includes monitoring of policies, review of the plan where appropriate and assistance with project delivery. For non-parished areas, the Council provides support and advice to neighbourhood forums post-referendum, to assist more generally with plan delivery. The Council’s Statement of Community Involvement (SCI) sets out how we engage and consult on planning matters generally. It is currently being revised and will include detail on how the Council will support, monitor and review neighbourhood planning activity across the city. Consultation on the draft document will take place during autumn 2019.

Working with Small and Medium Enterprise house builders (SME)

6.50 Positive work has continued with the Small and Medium Enterprise house builders (SME**)** following an initial meeting with representatives from this sector in December 2017. The service held a further meeting in May 2018 to report on progress on several areas of work. This included the development of a bespoke pre application service for the sector as it was recognised that the SMEs have different needs and requirements from pre application engagement than that of a volume housebuilder. It was agreed to trial the new pre application service with two schemes once the LPA was resourced adequately to be able to deliver an appropriate service, following the appointment of new planner posts. The service now awaits suggestions of the pilot schemes from the Chamber of Commerce who will coordinate the requests in the first instance. A follow up meeting with the SMEs is scheduled for June 2019.

Planning Matters Governance Assurance Statement

6.51 From the review, assessment and on-going monitoring carried out, the Chief Planning Officer 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.

7. Corporate considerations

7.1 Consultation and engagement

7.1.1 The contents of this report have been shared with the Corporate Leadership Team, and all officers with delegated authority set out in the council’s constitution.

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 This report sets out evidence to confirm the positive assurances given that decision making arrangements in relation to executive decision making, RIPA, Licensing and Planning matters are:-

- up to date,
- fit for purpose,
- effectively communicated; and
- routinely complied with.

8.2 The assurances provided in this report support the Council's Annual Corporate Governance Statement.

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 Chief Officer Elections and Regulatory

10. Background documents[19]

10.1 None

[19] 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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Agenda Item 9

Leeds CITY COUNCIL

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Report of Director of Adults and Health
Report to Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Role of the Caldicott Guardian

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

Summary of main issues

1. The Council is required to have a Caldicott Guardian in place whose role is to ensure that the highest standards are maintained when handling confidential patient identifiable data.
2. The Council's Caldicott Guardian is the Director of Adults and Health with sub-delegations to senior colleagues within the Adults and Health Directorate and the Children and Families Directorate ('the Caldicott function').
3. The Caldicott function is robustly supported by the Council's Information Management and Governance Service.

Recommendations

Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurances provided as to how the role of the Caldicott Guardian is implemented and appropriately supported within the Council.

Corporate Governance and Audit Committee is asked to accept this report as an addendum to the annual Information Governance report.

1. Purpose of this report

1.1 To provide the Corporate Governance and Audit Committee with information on the role of the Caldicott Guardian and the organisational measures and assurances in place to support this role.

2. Background information

2.1 The role of the Caldicott Guardian emanates from the first review of the handling of patient identifiable information led by Dame Fiona Caldicott in 1996-97. The subsequent report recommended 6 principles to be followed when handling confidential data (the Caldicott principles) and recommended the appointment in each NHS Trust and special health authority of a 'Guardian' of patient identifiable information whose role was to oversee the arrangements for the use and sharing of such information.

2.2 In 2002, Caldicott Guardians were introduced into social care by the Local Authority Circular 2002/2.

2.3 A second review, led by Dame Fiona Caldicott in 2013, introduced a 7th Caldicott principle centred on the duty to share information being as important as the duty to protect patient confidentiality.

2.4 The third review in 2016, in which Dame Fiona Caldicott, as the National Data Guardian, worked alongside the Care Quality Commission, focussed on new data security standards to be applied across all health and social care organisations and a new consent / opt out model for information sharing. The review also highlighted the need for strong leadership in data security and highlighted the positive impact that appropriately supported Caldicott Guardians have had within organisations.

2.5 NHS and Social Care Caldicott Guardians are required to be registered on the publicly available National Register of Caldicott Guardians.

2.6 The manual for Caldicott Guardians, produced by the Caldicott Guardian Council (2017), recommends that the Caldicott Guardian works as part of a broader Information Governance function with appropriate support.

3. Main issues

3.1 The Caldicott Guardian assumes overall responsibility for ensuring the confidentiality of patient identifiable information and that the highest standards are maintained when handling such information.

3.2 The Council's Caldicott Guardian is the Director of Adults and Health. Due to the size of the Council and the complexities brought about by such a large organisation, this role has been sub-delegated to senior officers within the Adults and Health and Children and Families Directorates as follows:

3.2.1 For matters relating to Adult Social Services - Deputy Director, Social Work and Social Care Services.

3.2.2 For matters relating to Public Health – Director of Public Health.

3.2.3 For matters relating to Children's Services – Director of Children's Services which has been sub-delegated to the Chief Officer, Partnerships and Health.

3.3 The Caldicott function is fully supported by the Council's Information Management and Governance ('IM&G') Service particularly by those officers within the Adult's, Children's and Health IM&G Hub. This support includes but is not limited to:

3.3.1 providing the Caldicott function with regular reports and briefings on high risk data protection and confidentiality matters. Such briefings cover information requests, such as freedom of information and data protection requests, and overall performance of requests; projects with IG implications; security incidents; and consideration of trends discerned. An example of the reporting arrangements is that the reports submitted to the Deputy Director, Social Work and Social Care Services, are scrutinised and discussed with the IM&G Service before being presented to the Caldicott Guardian's leadership team by way of assurance.

3.3.2 ensuring that there are stringent corporate and local Information Governance policies and procedures in place.

3.3.3 ensuring that all staff handling personal data, and special category data, are suitably trained.

3.3.4 ensuring that appropriate, proportionate, and accountable information sharing takes place and that barriers to sharing are addressed via advice, guidance or policy.

3.3.5 ensuring that information governance risks are properly addressed through data protection impact assessments and that the appropriate supporting documents are in place, such as, information sharing agreements and contracts setting out data processing arrangements.

3.3.6 ensuring that the Council's procedure for managing security incidents, including personal data breaches, is followed and that 'lessons learned' exercises are undertaken and remedial actions implemented, such as, revisions to practices and procedures, and reminder communications to all staff within the Directorates affected.

3.4 The Council fulfils the governance arrangements for the role of the Caldicott Guardian in the following ways:

3.4.1 support from the IM&G Service as set out above;

3.4.2 the Director of Adults and Health is registered on the National Register of Caldicott Guardians;

3.4.3 details of the Caldicott Guardian, including training undertaken, together with details of the Council's Senior Information Risk Owner and the Council's Data Protection Officer are submitted as part of the Council's annual Information Governance toolkit submission to NHS Digital. This toolkit, now called the Data Security and Protection Toolkit, is an online self-assessment tool that allows organisations to measure their performance against the National Data Guardian's 10 data security standards. It is a requirement for the Council to complete the toolkit and have the required assurances that information governance and confidentiality is adequately addressed within the organisation. In relation to this year's submission, the Council completed all the mandatory requirements by providing the requisite 100 pieces of evidence. Prior to the launch of the Data Security and Protection toolkit, when the toolkit was the Information Governance toolkit, the Council achieved a satisfactory rating in all of its submissions with satisfactory being the highest grade which could be attained.

3.5 The Council's Caldicott function maintains a strong working relationship with the Council's Senior Information Risk Owner ('SIRO') as the roles are regarded as complimentary to each other by the National Guardian Council. As such, both the

Caldicott function and the SIRO are continually kept abreast of high risk data protection / confidentiality matters and provide strong leadership and strategic guidance as appropriate.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation on the development of strategies, policies, procedures and standards are extensively undertaken across a broad range of stakeholders including information management professionals, representatives from all Directorates via representatives of Information Management and Technology teams and Information Management Board members. In addition Members, trade unions, members of the public and relevant stakeholders are consulted where required.

4.2 Equality and diversity / cohesion and integration

4.2.1 There are no issues in relation to equality and diversity or cohesion and integration.

4.3 Council policies and best council plan

4.3.1 All IM&G programmes of work are working towards ensuring the Council meet statutory and regulatory requirements.

4.3.2 All Information Management and Governance related policies are currently being reviewed and a dedicated Policy Review Group has been established. As part of this review the group will be consulting with internal stakeholders, trade unions and external peer checking.

4.4 Resources and value for money

4.4.1 There are no issues in relation to resources and value for money.

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

4.5.1 Delegated authority sits with the Director of Adults and Health and has been sub-delegated to i) the Deputy Director, Social Work and Social Services, ii) the Director of Public Health and, iii) to the Director of Children’s Services with a further sub-delegation to the Chief Officer, Partnerships and Health. These delegations can be found in the Director of Adults and Health sub-delegation scheme under the heading ‘Local Authority Circular 2002(2) Implementing the Caldicott Standard into Social Care’.

4.5.2 There are no restrictions on access to information contained in this report.

4.6 Risk management

4.6.1 Non-compliance with the Caldicott function could leave the Council vulnerable to the following risks:

4.6.1.1 compromises to the security of confidential patient identifiable data.

4.6.1.2 damage to the Council's reputation and the trust which individuals place in the Council to safeguard their data.

4.6.1.3 infringements of data protection legislation / law on confidentiality and subsequent complaints / claims from individuals affected.

4.6.1.4 non-compliance with the Data Security and Protection toolkit which would restrict the sharing of patient data with the NHS.

4.6.1.5 enforcement action from the Information Commissioner's Office.

4.6.2 A report on Information Governance is taken annually to Corporate Governance and Audit Committee. This report provides assurances as to the work undertaken by the four professional strands which comprise the IM&G Service (cyber assurance and compliance; information access and compliance; records management; and change and initiatives).

5. Conclusions

5.1 The Council's Caldicott Guardian is an established role which is appropriately implemented through the Caldicott function of 3 senior leaders and robustly supported by the IM&G Service.

5.2 This report is an addendum to the annual Information Governance report which was presented to the Corporate Governance and Audit Committee in March of this year.

6. Recommendations

6.1 Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurances provided as to how the role of the Caldicott Guardian is implemented and appropriately supported within the Council.

6.2 Corporate Governance and Audit Committee is asked to accept this report as an addendum to the annual Information Governance report.

7. Background documents[1]

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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Leeds CITY COUNCIL

Report author: Kelsey Campbell
Tel: 0113 378 5855

Report of Director of Resources and Housing
Report to Corporate Governance and Audit Committee

Date: 24th June 2019

Subject: Applications Portfolio Programme – Update on Access project

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

Summary of main issues

The Public Services Network (PSN) was set up as an assured route for information sharing by central government, to facilitate shared services. It acts as a compliance regime that serves as both a commitment to a basic level of information security for connecting government departments and local authorities and also a level of trust between Leeds City Council and other public services.

Due to more stringent compliance controls brought in by the Cabinet Office in 2014 the Council has worked hard to ensure it meets PSN compliancy. The Cabinet Office contacted the Council through the Chief Executive in January 2017, to ensure that the Council brought itself into compliance as soon as possible. PSN accreditation was awarded in 2018 on the basis that good progress had been made and with the assurance we will remove Access databases running on 2003 by December 2019.

Recommendations

Corporate Governance and Audit Committee is asked to consider the contents of this report and be assured that considerable effort is being undertaken to rectify the current situation with regards to the Council’s approach to maintaining PSN compliance and where progress has been made.

The project team recommends providing the Committee with another update paper on Access progress for the next meeting.

1. Purpose of this report

1.1 To provide Corporate Governance and Audit Committee with an update on the current position on Access databases and compliance to PSN.

2. Background information

2.1 The council relies heavily on a large number of 2003 Access Databases. This software is unsupported and carries a 'critical' score in the IT Health Check (ITHC). At the outset of this programme of work there were over 300 live databases which needed to be migrated to managed systems. A plan is in place with proposed timescales for completion by end of December 2019 and if not, this could be an issue for PSN Certification. Specifically, Access 2003 runtime is the issue for PSN Certification, not 2010 as an example (so those are not in scope right now for the 2019 deadline).

2.2 PSN accreditation was awarded in 2018 with the assurance we will remove Access databases running on 2003 by December 2019.

2.3 Senior Officers from the Information Management and Governance service have been in discussion with the Cabinet Office since March 2019. The Cabinet Office have provided the following statement:

I can confirm from the discussions with you and your colleagues today that I am satisfied with the projects, provisions and positive focus from Leeds City Council, in responding to and tackling vulnerabilities which have a significant impact on your network (and potentially) critical business processes.

The solutions and remediation schedules for the highlighted vulnerabilities discussed are in principle acceptable. But strong compensating controls and mitigation will need to be aligned to these and any other highlighted vulnerabilities as remediation projects and plans are in flight to address them.

3. Main issues

3.1 The project team have engaged with all service areas to identify where new solutions are already in the pipeline to replace Access databases and are focussing on those that haven't, whilst still keeping a view of those that are due to be replaced; in case their timescales slip. So far, the project have confirmed that 31 databases can be deleted once they are delivered by another programme/project. The project team are currently monitoring these databases and working with colleagues to develop contingency plans if the dates do slip.

3.2 Not including the 31 databases being delivered by other pieces of work, the project is actively working on replacing 223 databases.

3.3 The project has been heavily focussed on removing the ability to access the 2003 databases (known as the 'runtime') in the last reporting period. The 2003 runtime is where the security risk is, rather than with the databases themselves, so it's important for the project to progress with the removal of this from across all users.

3.4 As some users still need to access the databases until we replace them, the project only plans to remove the runtime from users who have no dependency on a database running on version 2003 – until these are replaced later this year. The remaining users will have the runtime removed as well, once the databases they rely on have been replaced. Planning for this action is well underway and is planned to take place by no later than 14th June 2019. The Cabinet Office has an expectation that this work will be completed prior to the Council's re-submission for PSN certification.

3.5 The project team has appointed additional resource to focus on the replacement databases and help these progress. Progress has been made with the Highways databases and follow up actions for those which can be quickly replaced and/or deleted are being carried out.

3.6 Since the previous report to Committee in March, investigations have found that four of the previously 'unknown' Access databases are owned by West Yorkshire Joint Services. Leeds City Council provides ICT services for a number of external organisations. Whilst those external organisations have full ownership of the information stored on the Council's servers, anything which is non-compliant still has an impact on the Council's security posture. The project team is working with West Yorkshire Joint Services to assist in the replacement of these four databases.

3.7 The table below gives the current statistical breakdown by status of the databases in each directorate.

It is important to note that the overall list of databases also includes back ends to databases, as well as copies and backups, so they are not necessarily made up of a separate number of databases that need to be individually actioned by the project.

Directorate	Number of Database March 2019	Number of Databases June 2019
Adults & Health	2	2
Children & Families	9	9
City Development	107	120
Communities & Environment	44	45
Resources & Housing	98	74
West Yorkshire Joint Services	n/a	4
Unknown*	28	2*
	Total: 288	**Total: 256****

*Unknown are those the project identified in use in the last 12-18 months but have yet to establish an owner for, therefore confirm a directorate/service area. The remaining two unknown databases no longer look to be in use, so developers are restricting access to them now.

** 32 databases have been de-scoped for the PSN phase of delivery, as they are not dependent on 2003 runtime to operate and are therefore not an immediate security risk. The databases willl be replaced eventually, as part of the on-going programme of work to remove Access from the Council estate.

Adults & Health Directorate

Engaging with service	Solution Identified	Solution Signed Off	In Development	In UAT	Delivered	Pending Deletion	Deleted
0	0	0	0	0	0	2	0

Children & Families Directorate

Engaging with service	Solution Identified	Solution Signed Off	In Development	In UAT	Delivered	Pending Deletion	Deleted
1	6	0	0	0	0	0	2

City Development Directorate**

Engaging with service	Solution Identified	Solution Signed Off	In Development	In UAT	Delivered	Pending Deletion	Deleted
115	1	0	0	0	0	3	1

**102 of these databases belong to Highways & Transport and Environmental Studies and a plan of approach is being actioned with business partners and the applications team for Highways for these ones. Highways are also in the process of replacing their main line of business system, so the project team are looking at the dependencies on that for the database replacements. Of the Highways databases, the project understands that a number of these can be moved out of scope for the PSN phase of delivery, as they are not dependent on 2003 runtime to operate; though they will be replaced eventually. Only when the exact number is confirmed can we move them out of the current tables of reporting.

Communities & Environment Directorate

Engaging with service	Solution Identified	Solution Signed Off	In Development	In UAT	Delivered	Pending Deletion	Deleted
35	5	0	4	0	0	0	1

Resources & Housing Directorate

Engaging with service	Solution Identified	Solution Signed Off	In Development	In UAT	Delivered	Pending Deletion	Deleted
46	2	0	0	0	0	24	2

West Yorkshire Joint Services

Engaging with service	Solution Identified	Solution Signed Off	In Development	In UAT	Delivered	Pending Deletion	Deleted
2	0	0	0	0	0	2	0

4 Corporate considerations

4.3 Consultation and engagement

4.3.1 Consultation has taken place across service areas, along with application managers and business partners to gather the information needed to assess the status of the databases. Regular communications and updates are planned in and provided to the key stakeholders.

4.4 Equality and diversity / cohesion and integration

4.4.1 There are no issues in relation to Equality and Diversity or Cohesion and Integration.

4.5 Council policies and best council plan

4.5.1 The Access project falls under a large programme of work within DIS called the Application Portfolio Programme. This programme is set to look at all our applications within the council and to make sure we meet statutory and regulatory requirements and where possible reduce the overall cost to the Council via rationalisation. The Access replacements will take into account the other projects under the programme, e.g. GDPR and Cloud Security Principles to ensure we continue to remain compliant whatever the new solution.

4.6 Resources and value for money

4.6.1 The approach to resolve the Access 2003 databases is to remove or replace with suitable in-house solutions initially, thus saving time and money. Therefore internal resource is being utilised and value for money sought. Initial analysis shows that the majority of the databases can be replaced by in-house developed solutions, such as SharePoint lists or corporate case management solutions.

4.6.2 There are no issues in relation to resources and value for money

Legal implications, access to information, and call-in

4.6.3 Delegated authority sits with the Director of Resources and Housing and Senior Information Risk Owner and has been sub-delegated to the Chief Information Officer under the heading “Knowledge and information management” in the Director of Resources and Housing Sub-Delegation Scheme.

4.6.4 There are no restrictions on access to information contained in this report.

4.7 Risk management

Access Risks

Timescales

4.7.1 Databases which are live and in use which the project are not aware of. Work has been done to identify the databases in use, but there is a small risk there are other databases in use which tools have not yet identified – meaning the number to work with could be bigger. The project has mitigated this as much as possible and without completely removing essential access to databases, it's not possible to fully restrict creation of new databases

Resource

4.7.2 The amount of resource needed once the work progresses to deliver in the timescale needed with the correct skills, is a risk, if this cannot be provided. We have recently allocated additional resource to the Power BI reporting team for the database conversions and have agreed a way forward for identifying alternative solutions without the need to depend solely on a Solution Architect resource.

PSN Risks

4.7.3 Should action against the current PSN Remediation plan not be to the satisfaction of the PSN Authority, the Council will have to withstand a number of risks:

- The Head of PSN will inform the Information Commissioners Officer, which could culminate in the revisiting of the audit conducted by the ICO in 2013 to ensure compliance against the Data Protection Act.
- The Head of PSN will inform the Deputy National Security advisor to the Prime Minister, who would in turn conduct an assessment based on the national risk profile.
- The Head of PSN could instigate an external audit of all our security systems by the National Cyber Security Centre. The Council could end up under partial commissioner control.
- Ultimately, the Head of PSN could instigate a complete 'switch off' from PSN services.

5 Conclusions

5.1 The actions outlined in this report are being managed both in the project scope and through to service delivery and any risks such as timescales have been identified (as above) and we are working with service areas and teams within DIS to remove the databases within the timeline.

5.2 The work to remove the 2003 'runtime' (as outlined in 3.3 and 3.4), is a key mitigation against the security risks posed by the use of Access across the Council. As well as reducing the security risk, the removal of runtime from all users except those who actually need it, will significantly reduce the risk of the creation of new databases on this verion of Access.

6 Recommendations

6.1 Corporate Governance and Audit Committee is asked to consider the contents of this report and be assured that considerable effort is being undertaken to rectify the current situation with regards to the Council's approach to maintaining PSN compliance and where progress has been made.

6.2.1 The project team recommends providing the Committee with another update paper on Access progress for the next meeting.

7 Background documents[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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Leeds CITY COUNCIL

Report author: Helen Fallows

Tel: 07891 271 222

Report of: Acting Chief Officer Human Resources

Report to: Corporate Governance and Audit Committee

Date: 25th June 2019

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

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	X No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	X No
Is the decision eligible for Call-In?	☐ Yes	X No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	X 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 Acting 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 annual reports in June each year.

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 An internal audit of the disciplinary policy issued in March 2019 concluded that overall there was “good assurance” on the control environment and there is “minor organisational impact” should the identified risks materialise.

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.

3.2 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 responsibility 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.

3.3 Further to concerns being raised by the committee regarding the conduct of employees once they have left the organisation assurance can be given regarding their continuing obligations. The wording in the letter sent to leavers is as follows: “I would remind you that even after your employment has ended you have a continuing duty of confidentiality and must not (except with the prior written consent of the council or where required to do so by law) disclose, or make use of for your own or any other person's benefit any confidential information concerning the business, finances or affairs of the council or any of its customers, agents, suppliers, clients, service users or carers. This is important to uphold public confidence with the service. I would also inform you that any unauthorised or improper disclosure of what is classed as special category data would be a breach of the General Data Protection Regulations for which you could be personally liable."

3.4 Gifts and hospitalities

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.
2018/19	92	14	78	52
2017/18	97	27	70	35
2016/17	135	48	87	41

The vast majority of offers are for attendance at seminars/ award ceremonies/ networking events and were made to employees working within City Development or Resources. 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 been no referrals in 2018/19 to the HR casework team for any breach of the gifts and hospitality policy. In 2019 a benchmarking exercise (attached as appendix 1) on the gifts and hospitality policy was undertaken with the core cities which confirms that our arrangements are broadly similar to other local authorities.

3.5 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 2019 annual exercise the business support centre sent out 1027 forms and all have been returned. 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 2018/19 for any breach of the register of interests policy.

3.6 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 2018/19 there were 29,133 training sessions completed. The top three categories were, Managing Information (9,168). Health, safety and wellbeing (4,872) and Working with Adults (3,063)

3.7 Mandatory information governance training for all employees was completed in summer 2016 and summer 2018. Employees with IT access completed an e-learning package and those without IT access received a leaflet to their home address. The refreshed 2018 training incorporated information to ensure employees understand their responsibilities under the General Data Protection Regulations.

3.8 Within Adults and Health 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 which is now in its third year. 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 the 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.

3.9 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 Adults examples of training to meet a statutory requirements include "Safeguarding for Adults" which is compulsory for all staff. The safeguarding adults training is different for fieldwork staff and those who are managers/supervisors. "The Mental Capacity Act in the workplace" training is for frontline care staff and the "Deprivation of Liberty" is for frontline care staff and fieldworkers. These courses are for internal staff and are also offered to external providers in Leeds (home care and residential)

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 health, safety and wellbeing priority board 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 The Apprenticeship Levy was implemented in April 2017. Access to the Levy is available to all employees regardless of age or grade where the training is applicable to their job role. Apprenticeships can also be funded by the Levy for new apprentices recruited externally and this can be used to fill any gaps in the workforce. The Levy funds the costs of accredited training but not the salary costs of the post or the management costs associated with supporting an apprenticeship. The Scrutiny Board (Strategy and Resources) received a report titled, "LCC response to the Government Apprenticeship Levy" at their meeting held on the 26th October 2017 and in 2018 the Board decided to revisit the subject via a working group with a meeting being held on the 14th December 2018. In addition an internal audit was completed in September 2018 and concluded that overall there was good assurance on the control environment and there was minor organisation impact should the identified risks materialise. The purpose of the audit was to gain assurance that the use of the Apprenticeship Levy is being effectively promoted within the Council as a resource to upskill our existing workforce where possible.

3.12 There are currently 654 apprentices across 57 standards, the most popular being Leadership and Management (154), Business Admin (77), Children and Young Peoples Workforce: Early Educator (40) and Senior Housing/ Property Management (36). 60% of apprenticeships are at level 2 or 3 with the remaining spread across Levels 4,5,6 and 7. 183 are new starters (136 of whom are aged 24 or under) and 471 are conversions from existing staff. Since apprenticeships have been recorded 355 employees have completed and the retention rate is 82%

3.13 This year saw ‘Healthy’ being added to the council’s ambitions – ‘Enterprising, Efficient and Healthy’. To support this HR has trained a large number of Wellbeing Champions and Mental Health First Aiders and held Wellbeing Development Sessions at various Service Management Teams. Work is underway to develop a Supporting Staff at Work Charter, which will also have a learning and development element.

3.14 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 (a) the role involves giving advice on a regular basis to the authority themselves, to any committee or sub-committee of the authority or to any joint committee on which the authority are represented or, where the authority are operating executive arrangements, to the executive of the authority, to any committee of that executive, or to any member of that executive who is also a member of the authority; or (b) speaking on behalf of the authority on a regular basis to journalists or broadcasters. In May 2019 there were 83 politically restricted posts, 76 of which were filled. Legal services are currently reviewing the Authority’s policy and following that an exercise will be completed to ensure all politically restricted posts continue to be identified appropriately. There have been no referrals in 2018/19 to the HR casework team for any breach of the politically restricted posts policy and procedure.

3.15 Appraisals

Our values and behaviours clearly set out expectations for all employees. 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). Building upon the changes that were made last year, this year’s appraisal format continues to support a high quality discussion that is open, honest and supportive.

Some key points to note are:

- Appraisal objectives are back in the appraisal record (rather than separate as in 2018)
- The person-centred format has been continued with open, probing questions
- Wellbeing is a core theme throughout
- The paper appraisal form mirrors the online appraisal record
- The management development offer provides sessions that managers can attend to enhance their skills in conducting quality appraisal meetings.

Latest mid- year completion rate = 93.4% (end of December 2018)

Latest full year completion rate = 95.9 % (end of June 2018)

3.16 Employee Engagement Survey

The Staff Survey was launched in April 2019. Further to consultation with services, staff networks, trade unions and feedback from Scrutiny Board (Strategy and Resources) it was agreed by CLT in March 2019 that the survey would be refreshed to make it quick and easy to complete with the aim to increase the response rates from those staff who do not have access to a computer. The number of questions being asked on the survey has reduced from 31 to 11. The survey is now conducted every two years rather than annually to allow actions to be embedded from the feedback. There are a number of different options available to services to try and increase the completion rates of non ICT users, including the use of loan tablets, social media and text messages.

3.17 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. In addition managers will commence a disciplinary investigation when they become aware directly of a serious concern regarding an employee's conduct. (Note: conduct matters that occur during a probationary period are handled using that policy and not the disciplinary policy). The principal audit manager and the HR Business Partner with the lead for casework meet every two months to identify any disciplinary cases which may be reportable to the annual fraud and corruption survey or require intervention by the audit team.

The outcomes of disciplinary investigations are shown in the table below.

Outcome of disciplinary investigations.	**2016/17 Number of employees**	**2017/18 Number of employees**	**2018/19 Number of employees**
Dismissed	28	31	28
Offered an alternative to dismissal (incl final written warning)	0	0	6
Final or written warning	35	37	35
Resigned	17	17	15
Recommendation to management.	30	19	29
No further action	14	16	6

Frustration of contract	1	0	0
Employment ceased	0	0	2
Total number	**125**	**120**	**121**
Number of total cases coded as "Corrupt or Improper Practice" or "Official Conduct".	14	29	17
Number of appeals and outcomes	4upheld 10 not upheld 5 withdrawn	2 upheld 14 not upheld 0 withdrawn	0 upheld 12 not upheld 0 withdrawn

3.18 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 2019 the new recruitment policy statement and toolkit was agreed with the Trade Unions which makes the process more inclusive and creates a flexible set of values based methods for recruiting.

3.19 Pay Policy

Under the Localism Act 2011 the Authority is required to set out an annual pay policy statement which must be approved by full council by the 31st March each year. The Council's Pay policy went to the General Purposes Committee on the 13th February 2019 and for the first time this year it included the gender pay gap data. Figures are published in March each year for the previous year and the 2018 pay gap for women's hourly rate (mean) was 6.3% compared with 8.6% in 2017. The report was approved by full council on 27th February 2019.

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

4.3.1 This year's Internal Audit Plan includes a review of the arrangements in place to ensure that the council is meeting its obligations with respect to equality and diversity in the recruitment process. Achieving a diverse and representative workforce links to the council's values, ambitions and standing in the city. The audit will seek to confirm that the council's approach is aligned to relevant legislation and best practice, and that there are appropriate monitoring and reporting arrangements in place.

4.3.2 Internal Audit is also in the process of finalising a piece of work on the council's recruitment processes, drawing on best practice including 'Slipping through the net. Staff vetting guide for local authorities' produced by Fighting Fraud Locally and CIFAS (The UK's Fraud Prevention Service). The objectives for the review are to ensure that: There is a recruitment and selection framework in place which clearly identifies pre-employment checks and Arrangements are in place to ensure that suitable pre-employment checks are undertaken for all new council employees.

4.3.3 The 2019/20 Audit plan also includes reviews of the Register of Interests policy and the Gifts and Hospitality policy

4.4 Resources and value for money

4.4.1 Effective management of our workforce has a positive impact on our overall salary costs. Our policy review process includes working pro actively with our Trade Union colleagues to ensure that our employment policies are in line with our values and are easy to understand for employees and managers so that our workforce are managed and supported effectively.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report is not subject to call in.

4.6 Risk Management

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. 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. The monitoring of employee conduct allows trends to be spotted and early intervention prevents where possible issues escalating to formal procedures. In addition the internal audit plan ensures that employment policies and practices are scrutinised and recommendations for improvement are actioned.

5 Conclusions

From the review, assessment and on-going monitoring carried out, the Acting 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:

- Directors review annually the declarations of gifts and hospitality 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 2018/19 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.

	Local Authority				
Comparisons	**Leeds**	**Authority A**	**Authority B**	**Authority C**	**Authority D**
What is the maximum value which can be accepted?	£25	Not stated	£25	Not stated	£25
Is the maximum value calculated per occasion or over a period of time?	Calculated over the last 12 months	Not stated	Not stated	Not stated	
Do you have to seek permission before accepting all gifts/hospitality?	No (do not have to declare items of token value at/below £25 in value)	No (do not have to declare items of token value)	No (do not have to declare items of business related nature at/below £25 in value)	No (do not require permission to accept low value promotional work related gifts)	
Do you have to declare all gifts/hospitality?	Not required to declare items of token value at/below £25 in value. All other offers require declaration.	Yes	Not required to record minor items if received within the council whilst on duty. All other offers require declaration.	Not required to record low value promotional work related gifts. All other offers require declaration.	
Who approves the declarations?	Director (unless director has nominated someone else to deal with the declaration)	Strategic director through the Head of Service	Below Division Manager = Divisional Manager Divisional Manager = Assistant Director Assistant Director = Director City Solicitor = Chief Executive or Director of Finance and Resources Director of Finance and Resources = Chief Executive or City Solicitor Chief Executive = Director of Finance and Resources or City Solicitor	Not stated (all completed forms should be sent to Head of Service who will check it has been completed correctly).	
How often are the declarations reviewed?	12 months	Time to time (no period stated)	Must be open for inspection at any time (no period stated)	Must be open for inspection at any time (no period stated)	
How long do the declarations have to be retained for?	Not stated	Not stated	3 finical years plus the remainder of the current year	Not stated	
How many days do you have to declare any gifts/hospitality from the offer being made?	Not stated	Not stated	Within 28 days of the offer being made	Not stated	Within 28 days of the offer being made
How do you declare gifts/hospitality?	Form	Register of gifts and hospitality	Register of gifts and hospitality	Form	
Is it a separate or standalone policy?	Standalone	Separate (part of the code of conduct)	Separate (part of the code of conduct)	Standalone guidance issued in accordance with the code of conduct	Separate (part of the code of conduct)
Are both acceptances and declines recorded?	Both recorded	Both recorded	Both recorded	Both recorded	
What are the arrangements for directors declarations and acceptances?	Directors can sign-off their own gifts/hospitality. They may wish to discuss this with their peers, Chief Executive or the Monitoring Officer.	Directors must refer any gifts/hospitality to the Monitoring Officer (or in the absence of the Monitoring Officer the City Treasurer).	Directors must seek authorisation from the Chief Executive or Director of Finance and Resources.	Not stated	
		Only provided us with FAQ - no policy			***Only provided us with statutory register form - no policy***

Authority E	Authority F	Authority G	Authority H	Authority I
£25	£25	States gifts/hospitality may only be accepted when they are low cost functional items suitable for business use (no value provided).	£20	£10
Calculated per occasion	Not stated	Not stated	Not stated	Calculated per occasion
No (do not have to declare items of value at/below £25)	No (do not have to declare items of token value at/below £25)	Not stated	Yes	Not stated
Not required to declare items of value at/below £25. All other offers require declaration.	Not required to declare items of token value at/below £25. All other offers require declaration.	Not stated	Yes	Not required to declare items of value at/below £10. All other offers require declaration.
Corporate Director or Director	Director	Chief Officer	Executive Director	Head of Service
Not stated	Not stated	Regular audit inspection (no period stated)	Not stated	Not stated
Not stated	Not stated	Not stated	Not stated	Not stated
Within 28 days of receipt	Not stated	Not stated	Within 7 days of the offer being made	Not stated
Form	Form	Register of gifts and hospitality	Register of gifts and hospitality	Form
Standalone guidance issued in accordance with the code of conduct	Separate (part of the code of conduct)	Separate (part of the code of conduct)	Standalone	Separate (part of the code of conduct)
Not stated	Both recorded	Not stated	Both recorded	Not stated
Directors must seek authorisation from the Chief Executive or Corporate Director.	Chief Executive Directors are not required to obtain prior authorisation but must declare acceptance in the normal manner.	Not stated	Not stated	Directors must seek authorisation from the Chief Executive

Agenda Item 12

Report author:	Mary Hasnip
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Report of the Chief Finance Officer

Report to Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Grant Thornton Audit Progress Report

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

Summary of main issues

1. Grant Thornton have provided the attached report, which outlines the progress they have made since the previous meeting of the committee towards delivering their overall 2018/19 audit.

Recommendations

2. Members of the Corporate Governance and Audit Committee are asked to receive and note the audit progress report presented by Grant Thornton.

1 Purpose of this report

1.1 To inform members of progress in delivering their overall audit of the Council's accounts and value for money arrangements. The attached report from Grant Thornton covers their 2018/19 IT audit and gives highlights of the progress made so far in their overall audit.

2 Background information

2.2 Grant Thornton's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. As the Council's external auditors, Grant Thornton are required to satisfy themselves that the Council's accounts comply with statutory requirements and that they have been compiled according to proper practices. In addition they are also required to conclude as to whether the Council has arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

3 Main issues

3.1 Grant Thornton's audit has two key objectives, to give an opinion on the council's financial statements (including confirming whether the annual governance statement is consistent with their understanding), and to review and report on the council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Their audit plan which was presented to the January meeting of the Committee set out their approach to this work and the planned timing of their reporting to the council during the year.

3.2 Grant Thornton's specialist IT auditors have carried out a review of the council's key financial systems, and the outcome of this work is presented in the attached report. Grant Thornton have made one recommendation, relating to generic user accounts on one of the systems reviewed. This has been assessed as a lower level risk which could give rise to inconsequential misstatements. Whilst the generic accounts are deactivated on the live system, there remains a risk that they could be wrongly activated and misused. Managers for the service have therefore responded that they will reduce the number of such accounts and introduce a monitoring system to confirm that the remaining generic accounts have not been activated.

3.3 Grant Thornton have also made a recommendation in relation to introducing a manual checking process for journals before they are posted in FMS. Journals are seen as high risk under auditing standards, due to the potential incentives in commercial organisations for individuals to fraudulently gain by manipulating or misrepresenting financial results. However for local authorities and other public sector bodies, there is limited incentive to deliberately misrepresent financial results, although human error is of course always possible.

3.4 There is a longstanding formal risk assessment in place for the different functions in FMS, which judges journals to be a low risk to the authority. This document also outlines the compensating controls in place to reduce the risk of errors happening and to ensure that any significant errors in journals are detected in retrospect. The FMS risk analysis is currently in the process of being refreshed, and Internal Audit have been asked to review it once the refresh is complete. The possibility of introducing a secondary authorisation process for journals has been considered in the past by managers, with the conclusion that the low level of risk and the compensating controls in place mean that it would not be a justifiable use of resources to introduce such a check. Subject to any additional risk factors being identified either by the refresh itself or by Internal Audit's consideration of it, the Finance team feel that this conclusion is still valid.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The audit progress report does not raise any issues requiring consultation or engagement with the public, ward members or Councillors.

4.2 Equality and Diversity / Cohesion and Integration

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

4.3 Council policies and Best Council Plan

4.3.1 Under the Committee's terms of reference members are required to receive reports from the Council's external auditors.

4.4 Resources and value for money

4.4.1 The audit progress report outlines the areas which Grant Thornton have considered to date in assessing whether the Council has proper arrangements for securing value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 As this is a factual report provided by the external auditors none of the information enclosed is deemed to be sensitive or requesting decisions going forward and therefore raises no issues for access to information or call in.

4.6 Risk Management

4.6.1 The audit progress report identifies any findings so far in relation to the key risks which Grant Thornton have identified in their audit plan.

5 Conclusions

5.1 Grant Thornton have provided the Council with an update report outlining the progress made so far in their 2018/19 audit. The report makes two recommendations, one arising from their IT audit, and one from their review of internal controls.

6 Recommendations

6.1 Members of the Corporate Governance and Audit Committee are asked to receive and note the audit progress report presented by Grant Thornton.

7 Background documents[1]

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.

Grant Thornton
An instinct for growth™

Audit Progress Report and Sector Update

Leeds City Council

Year ending 31 March 2019

31 May 2019

Contents

Introduction

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This paper provides the Corporate Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes).

Members of the Corporate Governance and Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Gareth or Perminder.

PSAA Contract Monitoring

Leeds City Council opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which starts with the 2018/19 audit. PSAA appointed Grant Thornton as auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psaa.co.uk.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach and what clients can expect from us. It will also be a benchmark for you to provide feedback on our performance to PSAA via its survey in Autumn 2019.

Progress as at 31 May 2019

Financial Statements Audit

We have started planning for the 2018/19 financial statements audit and have issued a detailed audit plan, setting out our proposed approach to the audit of the Council's 2018/19 financial statements.

We commenced our interim audit in February 2019 with a further visit in March. Our interim fieldwork included:

- Updating our review of the Council’s control environment
- Updating our understanding of financial systems
- Reviewing of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing.

The work completed and findings from our interim audit visit were reported to the Corporate Governance and Audit Committee on 22 March 2019. We have provided an update on page 6 relating to our work on Information Technology (IT) controls, journal entry controls and issues arising from the ‘cold’ review of the Council’s 2017-18 accounts.

The statutory deadline for the issue of the 2018-19 opinion is 31 July 2019. We have discussed our audit plan and timetable with officers.

The final accounts audit is due to begin on the 3 June with findings reported to you in our Audit Findings (ISA260) Report. We will present our report at the July Corporate Governance and Audit Committee meeting and issue our audit opinion by the 31 July deadline.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

•Informed decision making

•Sustainable resource deployment

•Working with partners and other third parties

Details of our initial risk assessment to determine our approach were included in our Audit Plan presented to the Corporate Governance and Audit Committee in January 2019.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion by the deadline in July 2019.

Other areas

Meetings

We continue to meet with the Chief Executive, Chief Officer (Financial Services) and other senior officers as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

We plan to meet with the Chief Officer (Financial Services) and her senior finance team on 10 June to discuss the 2018-19 draft accounts and any early emerging issues from our final accounts audit.

Events

We provide a range of workshops, along with network events for officers and members in addition to publications to support the Council. Key finance staff attended our annual accounts workshop on 5 February.

A number of members from the Corporate Governance and Audit Committee attended a workshop on the roles and responsibilities of audit committees including governance issues, accounting developments and value for money arrangements on 26 February. We would like to thanks Members who attended the event for their contribution to the day.

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Deliverables

2018-19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018-19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts Audit Plan to the Corporate Governance and Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	January 2019	Complete. This was presented to the Corporate Governance and Audit Committee on 28 January 2019.
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019	Our findings were reported to the Corporate Governance and Audit Committee on 22 March 2019. A further update is included on page 6.
Audit Findings (ISA260) Report The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
Auditors Report This is the opinion on your financial statements, annual governance statement and value for money conclusion.	July 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not yet due

Council responsibilities

In our Audit Plan presented to the Corporate Governance and Audit Committee in January 2019 we have communicated our expectations around the Council's responsibilities for timely production of the draft accounts supported by appropriate working papers. Should delays be experienced in the provision of these requirements or should additional work be required on our part due to complex technical issues, new arrangements and delays in response to queries additional costs will be incurred.

Any additional fees are subject to approval by PSAA.

Update on Interim Audit Work

The findings from our interim audit work were reported to the Corporate Governance and Audit Committee on 22 March 2019. We have provided an update below relating to our work on Information Technology (IT) controls, journal entry controls and issues arising from the 'cold' review of the Council's 2017/18 accounts

Audit area	Work performed	Update, conclusions and recommendations
Review of information technology controls	Our information systems specialist performed a high level review of the general IT control environment, as part of the overall review of the internal controls system. Our work confirmed that IT (information technology) controls were implemented in accordance with our documented understanding. However, one issue was identified in relation to the use of generic ID accounts. The Council uses generic ID accounts internally in one of its systems. Failure to take precautions against generic IDs may leave the Council exposed internally to unauthorised access. We understand the Council's officers are aware of this issue and are currently taking appropriate action to rename, disable or delete these accounts.	**Recommendation** The Council should avoid using generic ID accounts. Where they are used for system testing, the number of generic ID accounts should be minimised after which they should be permanently deleted. The use of generic ID accounts should be closely monitored and recorded. **Management Response** The Council has reviewed the use of generic ID accounts. Generic user accounts are maintained for system testing and are revoked (i.e. deactivated) in the live system. The number of generic user accounts is to be reduced and monitoring arrangements will be put in place to confirm that they are not reactivated.
Journal entry controls	We reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy. Our work has identified one area where existing arrangements could be further enhanced, there is no control within FMS that requires journals to be approved by another member of staff prior to posting, and no formal procedure outside FMS for journals to be reviewed prior to being posted. We understand the ability to post journals and which codes they can be posted to is limited via user access rights. Monitoring for journal entries is via monthly budget monitoring.	**Recommendation** We recommend the Council introduces a formal process to ensure that all journals over a predetermined amount are reviewed by another team member prior to the journal being posted. Documentation of this review should be maintained to provide an audit trail. **Management Response** The possibility of introducing a secondary authorisation process for journals has been considered in the past by the Council. It has been concluded that there is limited risk associated with journals and that the compensating controls which the Council already has in place mean that such additional checks would not be a worthwhile use of resources. The Council has reconsidered this view in the light of Grant Thornton's recommendation, but the recommendation does not identify any associated additional risks which would call into question the previous evaluation. This position will be kept under review.
'Cold' review of Council's 2017/18 financial statements	As part of our first year audit procedures, we reviewed the Council's published financial statements for last year, 2017/18, and considered these against the Code of Practice on Local Authority Accounting as well as CIPFA good practice. The aim of this exercise was to identify any possible improvement opportunities to further enhance the Council's financial statements as it drafts its 2018/19 accounts.	Our review identified a number of minor disclosure opportunities which we shared with Officers. Officers have now responded to the issues identified and we will consider how these have been actioned as part of our audit of the Council's 2018/19 financial statements. We will update the Committee on any significant findings in this area as part of our ISA260 Report in July.

Sector Update

Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

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Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with Corporate Governance and Audit Committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local government

National Audit Office – Planning for new homes

Page 86

The National Audit Office (NAO) has recently published a report on *Planning for new homes.* This report is part of a series on housing in England, including *Housing in England: overview (2017)* and *Homelessness (2017).* The latest report focuses on the Ministry of Housing, Communities and Local Government's (MHCLG's) objective for housing in England to deliver a million homes by the end of 2020; half a million by the end of 2022; and to deliver 300,000 net additional homes a year on average.

The report recognises that increasing the supply of new homes is a complex task and one of the measures MHCLG has introduced to help achieve the objective is reforming the planning system. The report notes that the planning system is fundamental to providing new homes and it assesses how effectively MHCLG supports the planning regime to provide the right homes in the right places through:

• supporting local authorities to produce plans for how the supply of new homes will meet need in their area;

• supporting local authorities and the Planning Inspectorate in having effective and sufficiently resourced planning processes and teams to deal with planning applications and appeals; and

• working effectively with local authorities, other government departments and developers to ensure infrastructure to support new homes is planned and funded.

The report finds that at present, the system is not providing value for money and that the supply of new homes has failed to meet demand. It notes that a number of factors have contributed to the planning system not working and some of these include:

• the process of setting the need for new homes;

• the reductions in local authority capability;

• the under-performing Planning Inspectorate; and

• failures in the system to ensure adequate contributions for infrastructure.

The report recognises that MHCLG's new National Planning Policy Framework is an important step, but it is too early to tell whether the changes it introduces will be effective. The report also makes a number of recommendations for MHCLG to implement alongside the framework to help the planning systems work more effectively.

The report concludes that the Department and government more widely need to take this much more seriously and bring about improvement if they are to meet their ambition of 300,000 new homes per year by the mid-2020s.

The report is available on the NAO website:

https://www.nao.org.uk/report/planning-for-new-homes/#

NAO

National Audit Office

Report
by the Comptroller
and Auditor General

Ministry of Housing, Communities & Local Government

Planning for new homes

NAO Report

Challenge question:

Has your Authority got a robust plan in place to deliver the additional houses needed over the next five years?

National Audit Office – Pressures on children's social care

Page 87

The Local authorities in England have statutory responsibility for protecting the welfare of children and delivering children's social care. In extreme cases they may use their statutory powers to place children in need on protection plans or even take them into care. Local authorities are also responsible for delivering non-statutory services for all children and young people, such as children's centres. The Department for Education (the Department) provides statutory guidance on delivering these functions. It also has overall policy responsibility for children's services, and has the strategic vision that all vulnerable children, no matter where they live, should have access to high-quality support by 2022.

The report sets out recent trends in pressures on children's social care demand and activity and the response of both national and local government to these pressures. It also sets out analysis the NAO conducted about what is causing variations in children's social care demand and activity between different local authorities. The report covers:

• the pressures on children's social care;

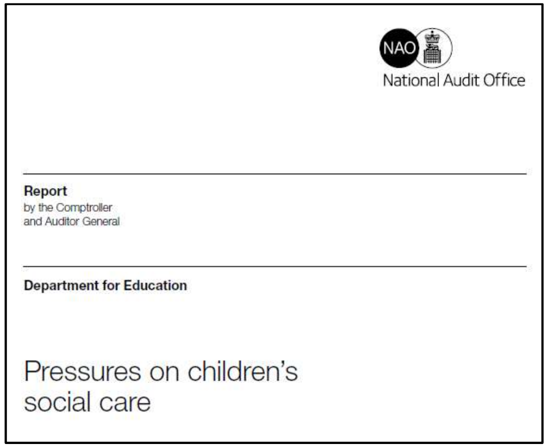
• the response of national and local government to increasing demand for children's social care; and

• NAO analysis of what is causing variations in demand for children's social care between local authorities.

The report notes that, while the Department has put in place a programme of reform, it still does not fully understand what is driving demand for children's social care or why there is such wide variation between local authorities in their children's social care activity and costs. It has not yet done the work to tie together available sources of information and therefore lacks a well-informed pathway to achieve its goal. While the Department has recognised the need for this analysis, it will not complete the work until summer 2019. Even if its analysis is completed successfully it will be a tall order for the Department to achieve its goal within three years.

The report is available on the NAO website:

https://www.nao.org.uk/report/pressures-on-childrens-social-care/


NAO
National Audit Office

Report
by the Comptroller
and Auditor General

Department for Education

Pressures on children's
social care

NAO Report

Challenge question:

Has your Authority considered the NAO report, and how any local variations in demands can be addressed?

CIPFA – Social Care risk tool

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Association of Directors of Adult Social Services' (ADASS) have updated the Social Care Risk Tool; an advisory risk assessment tool for discretionary use by councils with adult social care responsibility.

The tool's objective is to help authorities assess whether unsustainable financial pressures might be faced by the adult social services department. It seeks to do this by assessing the extent to which various risk factors apply. This is the third version of the risk tool and it has been expanded to include new risks that have emerged since the previous version. In addition, a number of risks have been revised to make them clearer.

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The risk assessment adopts a survey format and covers the following areas:

- savings;
- local pressures; and
- culture and relationships.

Each of the areas above includes a series of questions (or indicators), and authorities are required to assess whether the indicators are strongly present (score of 5); only present to some extent (scores 2 to 4); or not at all (score of 1). The total score helps to give an indication of where the authority lies. The maximum score is 195 (there are 39 questions altogether) which represents the highest risk possible. Some of the metrics (particularly those relating to unit costs) are more illustrative than prescriptive and local authorities may wish to adjust these to reflect their local circumstances.

To download the tool:

https://www.cipfa.org/cipfa-thinks/health/articles/social-care-risk-tool

CIPFA Social Care risk tool

Challenge question:

Has your Authority completed the Social Care risk tool? Have your Directors shared the results and responses with you?

Links

Grant Thornton

https://www.grantthornton.co.uk/

http://www.grantthornton.co.uk/industries/publicsector

National Audit Office

https://www.nao.org.uk/report/local-auditor-reporting-in-england-2018/

https://www.nao.org.uk/report/local-authority-governance-2/

https://www.nao.org.uk/report/planning-for-new-homes/#

https://www.nao.org.uk/report/pressures-on-childrens-social-care/

Ministry of Housing, Communities and Local Government

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf

Institute for Fiscal Studies

https://www.ifs.org.uk/uploads/publications/comms/R148.pdf

Public Sector Audit Appointments

https://www.psaa.co.uk/audit-quality/reports-on-the-results-of-auditors-work/

CIPFA

https://www.cipfa.org/cipfa-thinks/health/articles/social-care-risk-tool

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Agenda Item 13

Report author: Mary Hasnip
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Report of the Chief Finance Officer

Report to Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Publication of Draft Statement of Accounts 2018/19

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

Summary of main issues

1 The Chief Finance Officer has reviewed the 2018/19 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 3rd June 2019.

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 £3.0m.

Recommendations

5 Members are asked to:

- Note the 2018/19 unaudited Statement of Accounts as certified by the Responsible Financial Officer, prior to their release for public inspection.

1 Purpose of this report

1.1 The purpose of this report is to present to the Committee the draft unaudited 2018/19 Statement of Accounts which are currently available on the council's website for public inspection. 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.

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.

3 Main issues

3.1 Main Financial Issues

3.1.1 The following is a summary of the main financial issues raised by the 2018/19 unaudited accounts:

- The final outturn position for the year was a £2.3m contribution to the General Fund Reserve, which represented a £3.0m underspend in comparison to the figure budgeted for.
- The Housing Revenue Account outturn position was a £2.2m usage of revenue reserves, which was represented a £1.1m lower use of reserves than was budgeted for.
- The council's net worth has decreased by £244.5m and stands at £1,414m. The most significant factor in this reduction was an increase in the net pensions liability of £214m, largely as a result of changes in the actuarial assumptions affecting the current value of the liabilities.
- Net borrowing for capital and treasury management purposes has increased during the year by £84m, in comparison to an increase of £132m in the capital financing requirement, and the value of fixed assets rose by £59m.
- The council's level of usable reserves has increased by £32m to £312m during the year. The majority of this increase relates to ringfenced reserves (usable capital reserves have increased by £18.6m and ringfenced revenue reserves by £4.5m), however there has been an increase of £7.3m in non ringfenced revenue reserves.

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 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 and publishing the final audited accounts before the 31st July.

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 2019 the Chief Finance Officer in her capacity as the Responsible Financial Officer signed the draft 2018/19 accounts, confirming that she 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 2018/19, which represents proper accounting practice for local authorities, as required by the Accounts and Audit Regulations 2015.
- Grant Thornton are currently undertaking a detailed audit of the accounts to ascertain that, in their view, the accounts show a true and fair view 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 investigate the complaint or questions and determine whether the accounts needed amendment. Any significant issues raised in this way would be reported back to this Committee in July. For 2018/19, the public inspection period commenced on 3rd 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 2018/19 accounts.

3.4 External Audit Issues

3.4.1 In July 2018, KPMG reported back to this Committee on their main audit findings in respect of the 2017/18 accounts and any recommendations or risks for the following year's accounts. The report made one recommendation, that the valuation date for the council's property, plant and equipment should be moved from 1st April to later in the year. For the 2018/19 accounts a valuation date of 30th September has been adopted.

3.4.2 In their annual audit plan which was presented to the committee in January 2019, Grant Thornton identified two key areas of audit risk for the 2018/19 accounts, due to the materiality of the figures involved. These were the valuation of property, plant and equipment and the valuation of net pension liabilities.

3.5 2019-20 Audit Fee

3.5.3 Since the previous meeting of the committee, the council has received Grant Thornton's audit fee letter for 2019/20, which confirms that their planned audit fee for that year will be £178,604, unchanged from 2018/19. This is in accordance with the scale fee set by Public Sector Audit Appointments Ltd.

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 2018/19 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 2018/19. 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 a 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. Although the Council's net worth has decreased during the year, largely due to an increase in the pensions deficit recognised in the accounts, its level of useable reserves has increased. 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 2018/19 unaudited Statement of Accounts as certified by the Responsible Financial Officer, and that they have been released for public inspection.

7 Background documents[1]

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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Agenda Item 14

Report author: Jonathan Foster / Sonya McDonald

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Report of the Chief Officer (Financial Services)

Report to Corporate Governance and Audit Committee

Date: 25 June 2019

Subject: Internal Audit Update Report March to May 2019

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for Call-In?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	☒ 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 2019 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 2019 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 2019 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 The Corporate Governance and Audit Committee considers the Council's arrangements relating to internal audit requirements, including monitoring the performance of Internal Audit.

2.4 This update report provides a summary of the Internal Audit activity for the period from March to May 2019.

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 2019

Report Title	Audit Opinion		
	Control Environment Assurance	**Compliance Assurance**	**Organisational Impact**
Key Financial Systems			
Total Repairs	Substantial	Good	Minor
Housing Benefits Assessment and Payments	Substantial	Substantial	Minor
Housing Benefits Reconciliations	Substantial	N/A	Minor
Council Tax	Substantial	N/A	Minor
Housing Rents	Substantial	N/A	Minor
Capital Programme Central Controls	Substantial	N/A	Minor
Contribution Payments to West Yorkshire Pension Fund	Memo issued – no issues identified		
Central Purchasing Card Controls	Substantial	Good	Minor
Payroll Central Controls	Good	Good	Minor
Resources and Housing			
Application of HR Policies – Disciplinary Policy	Good	N/A	Minor
Processing of Right to Buy Applications	Good	N/A	Minor
Fire Safety Management of Council Tenanted Properties	Acceptable	N/A	Moderate
Electrical Inspections of Council Tenanted Properties	Acceptable	N/A	Moderate
Management of Responsive Repairs	Acceptable	N/A	Minor
Annual Home Visits	Good	N/A	Minor
ICT and Information Governance			
Essential Services Programme	Good	N/A	Minor

Report Title	Audit Opinion		
	Control Environment Assurance	Compliance Assurance	Organisational Impact
Adults and Health			
Mental Health Assessments	Good	Acceptable	Minor
Sundry Income (Telecare) Follow Up	Good	N/A	Minor
Customer Information System (CIS) Payments	Good	Good	Minor
Communities and Environment			
Parking Services – Tickets, Permits and Appeals	Good	N/A	Minor
City Development			
Community Infrastructure Levy Follow Up	Good	N/A	Minor
Procurement and Contracts			
Electricity Contract Follow Up	Acceptable	N/A	Minor
Contract Management Review – Independent Living Support Service	Good	N/A	Minor
Schools			
High School	Good	Good	N/A
Primary School	Good	Acceptable	N/A
School Voluntary Fund	Certification of balances		

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

- Families First Grant Claim (March 2019)

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 27 audit reviews (excluding data analytics, 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.

3.2.2 Each of the audits that have been completed in respect of the Council's key financial systems have received Substantial or Good assurance opinions. This provides the Committee with assurance that these systems are well established and operating as intended.

Limited or No Assurance Opinions

3.2.3 Of the audit reviews finalised during the period, no weaknesses have been identified that would result in a 'major' organisational impact and no audits have resulted in a limited or no assurance opinion overall. However, the audit of the Primary School resulted in a limited assurance opinion for one of the objectives reviewed. This was due to weaknesses in the recording of School Voluntary Fund transactions. All audit recommendations were agreed with the school and a follow up audit will be undertaken later in the year to review the progress made in implementing the necessary improvements.

Follow Up Reviews

3.2.4 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.

3.2.5 We have finalised 3 follow up reviews during the reporting period:

Community Infrastructure Levy Follow Up

3.2.6 The Community Infrastructure Levy (CIL) is a levy that the Council charges on many new developments to help pay for the infrastructure needed across Leeds as a result of growth. The initial audit reviewed the processes that ensure that CIL income is identified and that all sums due to the Council are received. This found that there were processes in place to capture where there is a CIL liability and our audit testing confirmed that the CIL calculation was correct for our sample. However, the review resulted in a limited assurance audit opinion as controls required strengthening in respect of the electronic system that holds the CIL data, to ensure the integrity of the charging information held.

3.2.7 A follow up audit has now been undertaken which has confirmed that management checks and appropriate processes are now in place, and additional CIL training and guidance has been delivered to key staff. These now give assurance that all CIL income is being identified and received.

Sundry Income (Telecare) Follow Up

3.2.8 The Telecare Service offers a range of equipment designed to assist older and vulnerable people to continue living in their own homes. We have previously reported that limited assurance was provided in relation to the control environment as the existing billing procedures do not recover all potential income and efficiencies could be achieved through streamlining and automating the various steps used in the process for billing. We have undertaken a follow up review and found that the key recommendations that were made have been incorporated into the Income Recovery Project within Adults and Health. We have provided an increased level of assurance to reflect this.

3.2.9 We have confirmed that a project board receives regular updates on the progress of the Income Recovery Project and reports have been provided to the Directorate Leadership Team and Executive Members. A core group and individual workstream groups have been set up to manage delivery of the project and they meet regularly to discuss progress, risks and issues in relation to their work.

Electricity Contract Follow Up

3.2.10 We have previously reported that limited assurance was given for the control environment in our review of the electricity contract. This was due to weaknesses in the processes for checking invoices to confirm the accuracy of the rates being charged. We have carried out a follow up review and found that there is now a robust check and challenge process for a significant element of the invoices received from the provider. Additionally the direction of travel is also very positive, with the intention to widen the checking to cover all elements of the bill. We have provided an increased level of assurance to reflect these improvements.

Counter Fraud and Corruption

3.2.11 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.

3.2.12 We are aware of an instance of fraud that took place during the reporting period. This involved a fraudulent request for a change to a creditor’s bank details, resulting in a payment being diverted to the fraudulent bank account. Bank mandate fraud is recognised by the National Crime Agency as one of the major reported fraud risks faced within the UK and, as part of our audit of Creditor Purchases and Payments, we have reviewed the controls in place to prevent and detect this type of fraud. This audit report is in the process of being finalised and our review of the control environment has established that robust controls are in place throughout the creditor payment process. This includes relevant checks to confirm the source of any request for a change to bank details. These controls have largely operated as intended during the year and have been successful in detecting and preventing other fraudulent attempts to divert payments. However, in the instance highlighted above, human error had resulted in a manual check being carried out ineffectively. The importance of maintaining vigilance throughout the checking process has been reinforced to relevant officers and an additional independent verification check has now been added within the system. The case is now with the police and the majority of the funds have been recovered.

Proactive Anti-Fraud Work

3.2.13 As reported at a previous meeting we take part in the National Fraud Initiative (NFI). The NFI is an exercise conducted by the Cabinet Office every two years that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

3.2.14 Relevant teams within the Council (for example, Internal Audit, Benefits, Blue Badge and Adult Social Care) are currently working through the matches on a risk basis. To date, £49,764 of benefit overpayments has been identified and is in the process of being recovered.

Reactive Anti-Fraud Work

3.2.15 During the reporting period we have received 9 potential irregularity referrals. Of these, 6 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.

3.2.16 During the reporting period 4 referrals have been closed. There are 12 referrals that are currently open and being investigated.

Internal Audit Performance

3.2.17 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.

3.2.18 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.

3.2.19 For the period from 1 April 2018 to 31 March 2019, 39 Customer Satisfaction Questionnaires were received (46 were received during the same period last year). 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 in July. During the period 1 March to 31 May 2019, 12 completed Customer Satisfaction Questionnaires have been received (9 were received during the same period last year). 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 2019

Question	Average Score (out of 5)
Sufficient notice was given	4.67

Question	Average Score (out of 5)
Level of consultation on scope	4.75
Auditor's understanding of systems	4.33
Audit was undertaken efficiently	4.42
Level of consultation during the audit	4.67
Audit carried out professionally and objectively	4.83
Accuracy of draft report	4.50
Opportunity to comment on audit findings	5.00
Clarity and conciseness of final report	4.83
Prompt issue of final report	4.67
Audit recommendations will improve control	4.45
The audit was constructive and added value	4.25
Overall Average Score	**4.61**

3.2.20 As reported previously, overall resources for 2018/19 are less than was anticipated when the audit plan was set. We have actively managed resources to direct them towards the areas of highest risk to ensure that an evidence-based Head of Internal Audit opinion can be provided on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control in accordance with the Public Sector Internal Audit Standards (PSIAS). The Head of Internal Audit Report and Opinion for 2018/19 will be presented to this Committee at the meeting in July.

3.2.21 The number of audits completed to inform the Head of Internal Audit Report and Opinion at the Corporate Governance and Audit Committee meeting in July 2019 (90) is comparable against the number of audits completed in the previous year (91) and reflects well on the Internal Audit team given the reduction in resources.

3.2.22 A summarised version of the 2018/19 Audit Plan is appended to provide members with an overview of the objective of each review and the current status. Work is now underway on the Audit Plan for 2019/20 which was approved by the Committee at the meeting in March 2019. A summarised version of the 2019/20 Audit Plan will be appended to future Internal Audit Update Reports along with any audits from the 2018/19 Audit Plan that are currently in progress.

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 2019 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 2019 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 – Status of Planned Audits from the 2018/19 Audit Plan and Follow Up Reviews

Audit Area	**Overview of Assurance**	**Status / CGAC Meeting**
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.	Reported November 2018, January 2019 and June 2019
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.	Reported November 2018
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.	Reported November 2018
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.	In progress
Password Configuration	Deferred from 2017/18 pending the implementation of a new Council Password Policy. The audit will gain assurance that the new Password Protocol and the technical controls in place to ensure adherence to it is appropriate and in line with best practice issued by the National Cyber Security Centre.	Reported March 2019
ICT Projects	Time reserved to provide internal audit support for ICT related projects.	Reported November 2018
Externally Hosted Software	To provide assurance that there are adequate contractual arrangements in place where software is hosted by an external supplier.	Reported January 2019
Essential Services Programme	To provide assurance over the processes in place to develop and monitor the essential	Reported June

Audit Area	Overview of Assurance	Status / CGAC Meeting
	services programme.	2019
Management of the Cyber Incident Risk	To review how the Cyber Incident risk is being managed, including the effectiveness of the controls in place, back up processes and the assurance reporting arrangements.	In progress
Business Applications	Individual reviews of a sample of key computer applications, including system access and administration, input, processing and output controls. (Business Application coverage is included with the scope of the Key Financial Systems)	Reported January, March and June 2019.
Leeds Building Services – Information Governance (Records Management) Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting.	Included in 2019/20 audit plan
Key Financial Systems		
Benefits Reconciliations	A review of the reconciliation processes between Orchard, Academy and FMS for Housing Benefit and Council Tax Support.	Reported June 2019
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.	Reported June 2019
Council Tax	To gain assurance over the Council Tax processes for billing, income collection, recovery action, refunds and write offs.	Reported June 2019
Business Rates	To gain assurance over the business rates processes for billing, income collection, recovery action, refunds and write offs.	Reported March 2019
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.	Reported November 2018 and June 2019
Financial Management Central Controls	To provide assurance over the central budget setting and budget monitoring arrangements.	Reported November 2018 and ongoing

Audit Area	Overview of Assurance	Status / CGAC Meeting
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.	In progress
Housing Rents	To gain assurance over the housing rents processes for charging, income collection, amendments and write offs.	Reported June 2019
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.	Reported March 2019
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.	Reported November 2018
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.	Reported January 2019
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.	Reported June 2019
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.	In progress
Central Purchasing Card Controls	To provide assurance over the central purchasing card functions performed by the Central Payment Services Purchasing Card Management Unit.	Reported June 2019
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.	Reported March 2019
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.	Reported June 2019
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.	Reported November 2018

Audit Area	Overview of Assurance	Status / CGAC Meeting
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.	Reported November 2018
Contract Review: Electricity 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.	Reported June 2019
Procurement Maturity Review	This audit will review organisational procurement arrangements against best practice, including the assessment and management of contracting risk.	To be considered for future audit coverage
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.	Reported November 2018, January and June 2019
Procurement Category Actions	To review the effectiveness of the Category Management process in supporting the delivery of strategic procurement objectives.	Included in 2019/20 audit plan
Waivers of Contract Procedure Rules (CPRs)	To review the governance arrangements in place for the approval and management of waivers of CPRs.	Reported January 2019
Contract Review: Joint Venture Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting	In progress
Contract Specification and Management Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan
Tendering System Controls Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	In progress

Audit Area	Overview of Assurance	Status / CGAC Meeting
Waivers of Contract Procedure Rules Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the January 2019 meeting.	Included in 2019/20 audit plan
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.	Included in 2019/20 audit plan
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.	Included in 2019/20 audit plan
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.	Reported June 2019
Learning Disabilities Pooled Budget	To provide assurance over the governance arrangements in place for the pooled budget.	Reported January 2019
Mental Health Assessments	A review of the controls in place that ensure the Council is compliant with the requirements of the Mental Capacity Act.	Reported June 2019
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.	Reported November 2018
Unannounced Visits	Individual establishment visits to provide assurance on cash handing arrangements, including the safeguarding of service users monies.	Included in 2019/20 audit plan
Income Review - Telecare	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Reported June 2019

Audit Area	Overview of Assurance	Status / CGAC Meeting
Children 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.	Reported November 2018
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.	Reported January 2019
Governance Arrangements (Decision Making)	To review the directorate’s governance arrangements around decision making, reporting and assurance.	Reported March 2019
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.	To be considered for future audit coverage
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.	Included in 2019/20 audit plan
Payments to Providers of Residential Care and Independent Fostering Agencies	To provide assurance over the efficiency and effectiveness of financial controls.	Included in 2019/20 audit plan
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.	Included in 2019/20 audit plan
Unannounced Visits	Individual establishment visits to provide assurance on cash handling arrangements, including the safeguarding of service user monies.	Reported November 2018
In-House Fostering, Special Guardianship Orders and Leaving Care Payments Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan

Audit Area	Overview of Assurance	Status / CGAC Meeting
Schools		
Schools Audits	Individual audits of LCC maintained schools undertaken on a risk basis and audits of year end school voluntary fund accounts.	Reported November 2018, January 2019 and June 2019
Primary School Follow Ups	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting.	Reported March 2019
Primary School Follow Up	To review progress in implementing the recommendations made in the audit reported above at 3.2.3.	Included in 2019/20 audit plan
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.	Reported March 2019
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.	Reported November 2018
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.	Included in 2019/20 audit plan
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.	Reported November 2018 and March 2019
Annual Home Visits	A review of the Annual Home Visit process to ensure that outcomes from the visits are actioned and monitored appropriately.	Reported June 2019
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.	Reported November 2018

Audit Area	Overview of Assurance	Status / CGAC Meeting
		and March 2019
Fire Safety	To provide assurance over the controls in place to mitigate the risk of fire in Council properties.	Reported June 2019
Electrical Inspections	To provide assurance over the controls in place to mitigate the health and safety risks of electrical fault incidents in Council properties.	Reported June 2019
Homelessness and Temporary Accommodation	A review of the arrangements in place for preventing and managing homelessness in the city.	Reported January 2019
Private Sector Regulation	A review of the processes in place for ensuring that Homes of Multiple Occupancy are licenced and inspected as appropriate.	Reported January 2019
Responsive Repairs	A review of the responsive repairs contract, focussing on charging, quality and performance monitoring.	Reported June 2019
Financial Management Maturity Review	A review of organisational financial management arrangements against best practice.	To be considered for future audit coverage
Apprentice Levy	A review of the arrangements in place to ensure that the Apprentice Levy is utilised effectively.	Reported November 2018
Right to Buy	A review of the processes in place to assess and manage Right to Buy applications.	Reported June 2019
Performance	Time set aside to provide assurance over performance reporting. Outline of specific assurance to be confirmed.	Incorporated within scope of relevant audit coverage
Civic Enterprise Leeds – Income Collection	To provide assurance that all external income is identified and collected.	In progress
LCC Vehicle Fleet Clean Air Zone	Time set aside to support the directorate in ensuring that appropriate plans are in place to	In progress

Audit Area	Overview of Assurance	Status / CGAC Meeting
Standards	mitigate environmental risks relating to LCC's vehicle fleet.	
Application of HR Policies	To gain assurance that a sample of HR policies are consistently and properly applied across the authority.	Reported June 2019
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.	In progress
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.	To be considered for future audit coverage
Invest to Save – Benefits Realisation	To review how the benefits realisation process has been implemented for a sample of Invest to Save projects.	In progress
IR 35 Legislation Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the June 2018 meeting	In progress
Leeds Building Services – Out of Hours (Lifts) Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting	Reported November 2018
Housing Disrepair Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting	Included in 2019/20 audit plan
Private Sector Legislation – Homes of Multiple Occupancy Follow Up	To review progress in implementing the recommendations made in the previous audit as reported to the Corporate Governance and Audit Committee at the January 2019 meeting.	Included in 2019/20 audit plan
Communities and Environment		
Parking Services	To review the systems in place for issuing parking permits and parking tickets, collecting income and managing appeals.	Reported June 2019
Child Poverty	A review of the arrangements in place to tackle child poverty across the city.	To be considered for future audit

Audit Area	Overview of Assurance	Status / CGAC Meeting
		coverage
Recycling Strategy	To provide assurance that the Council's recycling strategy is being effectively implemented.	To be considered for future audit coverage
Customer Satisfaction	A review of the processes that support continual improvement in respect of the customer experience.	In progress
Unannounced visits	Individual establishment visits to provide assurance over cash handling arrangements.	Included in 2019/20 audit plan
City Development		
Community Infrastructure Levy Follow Up	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.	Reported June 2019
Income collection	To provide assurance that all external income is identified and collected.	Reported November 2018
External Advertising Income – Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the June 2018 meeting.	Included in 2019/20 audit plan
Commercial Rents – Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan
Income Review - Room Hire Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan
Income Review – Leeds International Beer Festival Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the November 2018	Included in 2019/20 audit

Audit Area	Overview of Assurance	Status / CGAC Meeting
	meeting.	plan

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Report of City Solicitor

Report to Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Interim Annual Governance Statement

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

Summary of main issues

The Council has a duty to undertake an annual review of the effectiveness of its system of internal control. Following that review a committee, in our case the Corporate Governance and Audit Committee, must approve an annual governance statement.

The attached Interim Annual Governance Statement has been prepared in accordance with proper practices specified by the Accounts and Audit Regulations 2015 has been previously released as a draft in June to accompany the Statement of Accounts when put on deposit.

The document will require further update in light of assurances received by Committee at this meeting and will also need to reflect relevant matters considered by the Executive Board and others in the period prior committee approving the final document in July.

Recommendations

Corporate Governance and Audit Committee is note and comment on the attached Interim Annual Governance Statement for 2019.

1 Purpose of this report

1.1 The purpose of this report is to present the Interim Annual Governance Statement (AGS) 2019 to the committee for consideration.

2 Background information

2.1 The Annual Governance Statement is a public statement on the adequacy of the Council's governance arrangements, and, as directed by the Accounts and Audit (England) Regulations 2015, must accompany the statement of accounts.

2.2 The Regulations, specifically Regulation 6 requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with 'proper practices'[1]. These proper practices have been used as the basis for preparing the Interim AGS which appears at Appendix 1.

3 Main issues

3.1 The review of effectiveness of the Council's Governance arrangements, has been informed by matters considered by

- Executive Board
- Corporate Governance and Audit Committee (particularly assurance reports from officers reporting to the committee)
- Reports and opinions from;
- Internal Audit
- External Audit
- Inspectorates
- Peer Reviews
- Appropriate enquiries of management and staff with relevant knowledge and experience.

3.2 As a result of requirements contained in Accounts and Audit Regulations 2015 the Authority was under a duty to release an Interim Annual Governance Statement to accompany the Accounts when they are placed on deposit. That Interim document was signed by both the Council's Section 151 Officer and Monitoring Officer and is available for Member comment and consideration.

3.3 The Interim Statement will require further update in light of assurances received by Committee at this meeting and will also need to reflect relevant matters considered by the Executive Board and others in the period prior committee approving the final document in July.

3.4 Corporate Governance and Audit Committee is note and comment on the attached Interim Annual Governance Statement for 2019.

[1] CIPFA/SOLACE - Delivering Good Governance in Local Government: Framework (2016 Edition)

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Corporate Leadership Team and Best Council leadership Team have been consulted on content of the draft Annual Governance Statement, particularly to ensure that there are no omissions or misrepresentations.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The Annual Governance Statement links to the objectives of the Council Business Plan relating to Equality – specifically that all major decisions needing to evidence that appropriate consideration has been given to equality issues.

4.3 Council Policies and City Priorities

4.3.1 The Statement has been aligned with the Council's Corporate Governance Code and Framework.

4.4 Resources and Value for Money

4.4.1 The Annual Governance Statement makes links to the objectives of the Council Business Plan relating to the budget and financial planning and management – specifically that all directorates work within their approved budget and that arrangements ensure the Council maintains revenue reserves.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Annual Governance Statement is a public statement on the adequacy of the Council's governance arrangements, and as directed by the Accounts and Audit (England) Regulations 2015, must accompany the statement of accounts.

4.6 Risk Management

4.6.1 The Accounts and Audit (England) Regulations 2015, specifically Regulation 6, requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with proper practices. The system of internal control, including arrangements for the management of risk, assists the Council in effectively exercising its functions.

4.6.2 In addition the committee and the Executive Board have received regular reports which demonstrate that there is an on-going process for identifying, evaluating and managing risks.

5 Conclusions

5.1 The Annual Governance Statement concludes that key systems are generally operating soundly and, where weaknesses have been identified arrangements, arrangements are in place to resolve them.

6 **Recommendations**

6.1 Corporate Governance and Audit Committee is note and comment on the attached Interim Annual Governance Statement for 2019.

7 Background documents

7.1 None

Interim

Annual Governance Statement

2019

Approved as an Interim Statement
By City Solicitor & Chief Officer (Financial Services)
May 2019

Contents

1. SCOPE OF RESPONSIBILITY

1.01 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 Interim Annual Governance Statement (AGS) for 2019 to accompany the draft Accounts for 2018/19 when they are placed on deposit; the final Statement will be considered by our Corporate Governance and Audit Committee in July 2019.

Context

1.02 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. As set out in our Best Council Plan, we aspire to be the Best Council and the Best City in the UK, for Leeds to have a strong economy and be a compassionate, caring city that helps all its residents benefit from the city's economic growth. This is set against the challenge of austerity where some councils either face or have fallen into full financial crisis.

1.03 The findings from the 2018 Joint Strategic Assessment (JSA) analysis corroborate our rationale for health and wellbeing and inclusive growth being the primary strategies to achieve our Best City ambitions. Our approach extends the analysis to cover the wider determinants of health and provides essential analysis down to a neighbourhood level. The JSA confirms our broadly strong economy but also highlights areas of socio-economic diversity and intensification of inequalities in parts of the city.

1.04 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. We have a unique and compelling offer based on our:

- Central geographical location in the UK;
- Achievements to date;
- Young demographic;
- Compassionate approach based on Social Value, supporting steps to improve mental health and being child focussed;
- Cultural, sporting and environmental assets;
- Collaborative approach and access to innovators.

1.05 Collaboration is at the centre of our civic leadership; working this way we have successfully attracted Channel 4, moved the proposed location of the HS2 Station, developed apprenticeships with all Leeds' law firms, helped tackle skills gaps in the digital sector, more closely integrated NHS and Social care services and developed citizen led social enterprises. We have also revitalised our approach to community engagement with local community committees.

1.06 Leeds is also becoming a technological powerhouse and investment in full fibre is accelerating. Our 100% Digital Initiative is looking to ensure everyone has digital skills and opportunities to use them with programmes in place that provide free Wi-Fi in libraries and tablet loan schemes. We will also work together with experts, policy makers and citizens and work collaboratively to improve the design and access to public services in the city.

1.07 Coupled with uncertainty nationally about our relationship with the EU and how we engage internationally the changing needs of our citizens and communities, ongoing significant reductions in resources, central government reforms and financial and governance risks all continue to present challenges to the public sector as a whole.

1.08 We will ensure that our 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 to deliver better social value outcomes as well as value for money.

1.09 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

2.01 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 that we operate in an effective and responsible way.

2.02 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 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 – these include our business continuity and resilience arrangements;
- Our **performance and accountability** arrangements that help us analyse and act on benchmarking and 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 people, engaging all 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 AND KEY ACTIONS

3.01 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 (CGAC) and Standards and Conduct 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);
- Periodic Peer reviews;
- Internal Audit;
- External Audit;
- Office for Standards in Education, Children's Services and Skills (Ofsted);
- Care Quality Commission (CQC);
- Local Government and Social Care Ombudsman.

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

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

3.02 Our **council values** provide a framework within which our organisational culture is 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.

3.03 An annual assurance report, compiled by the Chief Officer HR, will be considered by our CGAC in June 2019 in respect of **employee conduct** and employment policies detailing whether key policies and procedures are fit for purpose, effectively communicated, working as intended and have been regularly reviewed.

Key Action: Our Audit Plan for 2019/20 includes work to sample check HR policies to provide assurance as to the extent to which they are consistently and properly applied across the council.

Member Conduct

3.04 Our Standards and Conduct Committee has reported on their work to **promote and maintain high standards of conduct** by members and co-opted members of the authority – this was reported to full Council in March 2019.

3.05 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.

3.06 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. In addition, bespoke training has been provided to Parish and Town Council clerks ahead of the all-out Parish and Town Council elections in May. Guidance has also been provided to support the registration of Gifts and Hospitality.

3.07 The Committee on Standards in Public Life (CSPL is an Advisory Committee appointed by the Prime Minister) selected Leeds as a focus authority to inform their review of the local government standards regime. The Committee welcomed the detailed account we provided of our experiences of ethical standards in local government as well as our views relating to ethical standards in public life generally and concluded that it was clear that we have a positive culture in relation to ethical standards.

3.08 Our input helped inform the national review with full and open discussion about how we build and maintain an ethical culture and utilise standards arrangements on the ground - aspects of our practice were referenced in the final report. We have reflected on best practice proposed by CSPL to further strengthen our arrangements including changes to the Members' Code of Conduct and the guidance to Members on use of Social Media and await the Government's response to recommendations made to them.

Key Action: We will further review our ethical framework arrangements in light of any further legislative change or future statutory guidance issued by Government or the Local Government Association.

3.09 Our **Anti-Fraud policies** (Anti-Bribery Policy and Anti-Money Laundering Policy) have been reviewed during the year by the CGAC and updated by the Chief Officer (Financial Services). Assurances that these policies are routinely complied with were received by our Internal Audit team who report to each meeting of the committee on issues raised.

3.10 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**.

3.11 Our CGAC undertook an assessment of the committee's arrangements against best practice recommended by the Chartered Institute for Public Finance and Accountancy (CIPFA). As a result of the assessment we have strengthened the arrangements by now presenting an Annual Report to full Council. This was considered in March 2019.

3.12 The self-assessment exercise also highlighted a variance in Leeds' practice in relation to the appointment of Independent Members to the Committee. The merits for progressing such an appointment were agreed at our Annual Council meeting in May 2019.

Key Action: We will actively pursue the appointment of an Independent Member to the Corporate Governance and Audit Committee in the 2019/20 Municipal Year.

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

3.13 We are ever mindful of the pressures facing the council and the city in terms of the increasing demands on public services within the context of reduced funding and ongoing uncertainties related to Brexit. We recognise the persistent inequalities across Leeds and in specific localities in terms of poverty and deprivation, health and education attainment, access to employment and poor housing.

3.14 Our Annual Standards Report provides an opportunity to reflect on learning in Leeds over the last year. The report highlights areas of progress and success, but also creates one of the foundations for an open and honest conversation around the significant challenges we face in working towards our ambition of being the best city for learning. We have identified significant challenges that the local authority, education providers and the city are facing. These include the pressures on local government funding, complexities around the high needs block, the high rates of short term exclusions and the gap in educational outcomes between different demographic groups.

Key Action: We will progress the 15 Actions identified in our Annual Standards Report.

Best Council Plan

3.15 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 corporate plan, the '**Best Council Plan'**, which is updated each year. In February 2019, following consultation, the Best Council Plan was updated and refreshed. We h introduced a new 'Age-Friendly Leeds' priority, based on the existing, well developed strategy to make Leeds a place where older people are valued, feel respected and appreciated and are seen as the assets they are, and also prioritises their needs. We also strengthened the environmental aspects of sustainable development by establishing a '**Sustainable Infrastructure'** priority (replacing 21st Century Infrastructure) and highlighted linkages across all priorities.

3.16 A key element of this is our response to the full Council motion declaring a "Climate Emergency". Our Executive Board has considered and agreed arrangements for a Clean Air Zone (CAZ) as a strand of a whole package of work that is being undertaken to drive air quality improvements citywide including:

- the Leeds Public Transport Investment Programme;
- implementation of the recommendations of the Leeds Climate Change Commission for science based emission reduction targets for the city and support to a city conversation on how to achieve those;
- the inclusion of a new section on Executive Board reports that will highlight the impact of decisions to be taken to achieve the climate emergency aims

3.17 In May our Annual Council Meeting also established an **Advisory Committee on Climate Change** (to both the full Council and the Executive Board) and the Leader of Council strengthen the officer delegation and Executive Member Portfolios to place even greater emphasis on working to resolve Climate Change challenges.

3.18 The 'Best Council' ambition of being 'An Efficient and Enterprising Organisation' was retained in the updated Best Council Plan but extended to include 'Healthy', adding further focus to the health and wellbeing of staff. The Best Council Plan key performance indicators were also updated to ensure they remain fit for purpose.

3.19 Our Executive Board and CGAC have both independently reviewed the progress made in delivering our Best Council Plan ambitions. The annual performance report considered in the autumn of 2018 looking back on progress in delivering the 2017/18 Best Council Plan priorities demonstrated that our strategic objectives have been reviewed and are fit for purpose and that supporting performance management arrangements are effectively communicated and monitored. Our Best Council Plan key performance indicators are reviewed quarterly. Both the scorecard and annual reports are publicly available on the leeds.gov website and the Leeds Observatory.

Key Action: We will produce a performance report in September 2019 to review our progress in delivering the Best Council Plan during 2018/19.

3.20 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.

Procurement

3.21 We are in the process of reviewing and updating our Procurement Strategy and in doing so have used the National Procurement Strategy self-analysis toolkit to ensure our arrangements remain fit for purpose and further reflect our ambitions for delivering value for money and social value.

Key Action – we will seek to agree our new Procurement Strategy early in the 2019/20 Municipal year.

3.22 In March 2019 our CGAC received assurance that, from the review, assessment and ongoing monitoring carried out, the Chief Officer (Financial Services) considers that, *overall*, procurement systems are operating effectively and that there are no fundamental control weaknesses. Our Scrutiny Board for Strategy and Resources also receives regular reports on procurement. Compliance though remains an issue in some areas, notably around justification in reports considering waivers, however the proposed process changes and amendments to Contract Procedure Rules (CPRs) are anticipated to be of benefit in this regard and will provide a much clearer picture of the actual number of, and justifications for, waivers of CPRs.

3.23 We recognise therefore that procurement assurance needs to be subject to regular review and assessment and the following actions are already being progressed:

- Adoption and communication of the New Procurement Strategy (including KPIs) and procurement documentation;
- Review of CPR’s in line with changes in legislation and Council policy.

Key Action - During 2019/20 Internal Audit will review and follow up the arrangements in place for the approval and management of waivers and report the outcome of their work to the Corporate Governance and Audit Committee. The committee will also review the implementation of the new Procurement Strategy though the Annual Procurement Assurance Report from the Chief Officer (Financial Services).

Better Care Fund

3.24 Each quarter, we report to NHS England (NHSE) on the performance of the Better Care Fund (BCF) and to the Ministry for Housing, Communities and Local Government (MHCLG) regarding the use of the additional Improved Better Care Fund (iBCF) funding allocated through the Spring Budget 2017. Routine monitoring of the delivery of the Better Care Fund is undertaken by the Leeds Plan Delivery Group (LPDG). Our Health and Wellbeing Board provide local oversight of these returns.

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

3.25 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; many of our KPIs are inequality focussed and we recognise the importance of taking account of equality considerations in the decisions we take.

Tackling Inequalities

3.26 We have retained our place on the **Stonewall Top 100** for LGBT+ Inclusive Employers in 2019 (at number 72). The ranking is against organisations of all sizes, including large multinational companies, government departments and universities. This is a lower position than 2018 where we placed 50th. An action plan has been developed by HR who will be working with Communities Team to address gaps in our evidence following feedback from Stonewall. Progress against the action plan will be monitored by the Executive Board Members for HR and Equality

3.27 2018 saw a review of our **Equality Improvement Priorities** which were refreshed and approved alongside our annual progress report to Executive Board. The Member Champions (Equality) Working Group continues to review and challenge progress against the council's Equality improvement Priorities and meets throughout the year.

3.28 The Annual Report on progress required by the Equality Act 2010 has also been completed and considered by Executive Board. We have reported on the gender pay gap; this has narrowed to 6.3% from 8.6% in the period 2017 to 2018.

3.29 Celebrations for International Women's Day in 2019 built on the approach in 2018 by holding more events in different communities across the city, the council supported 12 events across the city including a city centre event. The State of Women's Health report was launched on International Women's Day, it was developed in partnership with Women's Lives Leeds, Leeds Beckett University and Leeds City Council and is the first of its kind in the country. The report was developed following extensive consultation with women across different communities in Leeds and provides a great foundation for further work.

3.30 Our 9th annual 'Equality Assembly' Conference took place in 2018 bringing together people and organisations from across the characteristics protected by the Equality Act and had a theme of local government finance last November. Feedback from communities on the opportunity to discuss the challenges related to austerity was very positive. The Equality Assembly also saw the launch of the BME Hubs first annual progress report against its work.

3.31 Membership of our Equality Hubs continues to grow and 2018/19 saw several significant landmarks including the successful delivery of celebrations to recognise the 100th anniversary of (partial) women's suffrage and the adoption of the LGBT+ Inclusive City Report by Executive Board. The LGBT+ Hub was awarded, Best Organisation, and Rob Wilson, Senior HR Officer won best organisational worker at the cities LGBT+ awards, both for the second year running.

3.32 The Disability Hub and its sub group the Access and Usability Working Group have been heavily involved in providing advice and challenge against the many transport, city centre and planning related projects over the last 12 months including the redevelopment of West Yorkshire Playhouse, the Transport Strategy consultation, Our Spaces Strategy and redesign of the Headrow and surrounding roads.

Key Action: In 2019 we are seeking to accredit to "Disability Confident Leader" which is level 3 of the Disability Confident Employer framework (LCC is currently accredited at level 2)

3.33 Our Religion or Belief Hub held a Women and Faith event looking at the role and experiences of women in faith communities and how they contribute to community leadership, social policy and cohesion amongst other areas and how the we can work more closely to support women from these communities. We have also, through a motion at our full council meeting, formally adopted the IHRA definition on anti-Semitism. We continue our efforts to combat all forms of religious discrimination including Islamophobia through our work with Safer Leeds and partnerships with Communities, the Third Sector and Faith Organisations in the City.

Working with Communities

3.34 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. Our **Community Safety Strategy** for 2018-2021 was approved by Full Council in November 2018. This sets out the city's intent to reduce crime and disorder and deliver:

- A city that is inclusive and safe for all;
- A compassionate city that protects and safeguards vulnerable people;
- A City that challenges and seeks to change behaviours that negatively impact people in their homes, on the streets and the places that go.

3.35 We strive continually to 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 with an approach that places emphasis on tackling poverty and reducing inequality in some of our poorest neighbourhoods.

3.36 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; our Full Council meeting in September 2018 received and debated the joint Annual Report from the Community Committees which demonstrated the important role they play 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.

3.37 Executive Board considered an update on our locality working and priority neighbourhood approach in February 2019. Over the last year, working with partners, we have developed the arrangements for the new approach. The methodology has been predicated on doing things with and alongside local ward members, communities, partners and stakeholders, listening to local opinions and reflecting collectively, to develop an emerging approach for the priority neighbourhood's work. The Locality Working refresh is complete and the new governance and operational arrangements have been introduced. The aim to create a collective endeavour between elected members, local partners, council services and communities.

3.38 The local delivery arrangements are identifying strategic issues and opportunities to challenge some of the current approaches to delivery and investment. We are seeking to better align planned investment expenditure to priority neighbourhoods to accelerate improvement opportunities. As part of our ambition to tackle poverty and inequality we and our strategic partners are working together to accelerate the pace of change in key areas of policy and practice.

3.39 We believe that a young person's life chances, and their ability to access opportunities, should not be impacted by their home circumstance or the area in which they live. We also know the challenges that are faced, both by the people who live in poverty, and by the services who work across the city. For this reason, we are working with community services and our wider Child Friendly partners to share our understanding, knowledge and practice, to learn about the day to day impact of poverty for children and young people- and then to work with children and young people to tackle this impact. We recognise that we need a radically new approach to tackle child poverty, with all organisations sharing information, resources and good practice, to ensure that all barriers that young people face are broken down.

3.40 The Stronger Communities programme was established in 2016 to help build the city's resilience, improve community engagement and support communities to become more active in the life, and success, of the city. The programme bring together a range of projects and activities ranging from universal activities that take place in all communities to bring people together, through to more targeted work in those area where communities are perceived as being less engaged.

3.41 The city's work to tackle all types of extremisms and safeguard those most vulnerable to radicalisation continues to go from strength to strength, through the Prevent and Counter Extremism programmes of work. Leeds is well regarded at both local and national level in this area and has developed an extensive programme of activity to combat all types of extremism, coupled with a strong partnership working with community, schools, further and higher education, health and the police. Since 2017, Leeds has also co-chaired with Luton Borough Council, a national special interest group to **counter extremism**. This group is working at national level to share good practice, develop resources which improve resilience towards extremism and thereby creating more cohesive communities.

Key Action: Internal Audit will review assurance arrangements relating to Community Cohesion and report their findings to the Corporate Governance and Audit Committee as part of the delivery of the Audit Plan.

3.42 To meet our ambitions as our city grows we need to ensure we meet effectively the needs of both new and existing communities. This led to the development of a strategic, coordinated and inclusive approach to inward migration which sets out our long term strategic direction. It aims to ensure that people who migrate to Leeds are able to establish their lives quickly and successfully so that all people live in thriving and resilient communities, and migration continues to benefit the city.

We have identified five priorities to underpin our programme of work:
1) Improve access to services;
2) Change attitudes and behaviours;
3) Increase awareness and understanding;
4) Strengthen resilience and building capacity;
5) Strong partnerships approaches.

3.43 In March 2019 our Communities and Environments Scrutiny Board supported the continuation of the approach and endorsed the work going forward.

3.44 Customer satisfaction and feedback has been extremely positive in relation to the **Community Hubs** delivered to date with residents/partners appreciating the investment in the buildings and the range of services available in one place. In order to build upon the positive progress made so far, and to achieve our long-term aims around delivering integrated and accessible service 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 the Phase 3 programme.

Customer Satisfaction

3.45 CGAC has reviewed the council's processes and procedures around **customer access and satisfaction**. Additional work is required to further understand current customer interactions and make changes to improve contact using the most cost effective routes without compromising accessibility, particularly given the prevailing financial climate. Internal Audit will undertake a review of the arrangements for dealing with Member enquiries as part of their audit coverage and will aim to report prior to the receipt of the Chief Officer's annual assurance report in January 2020.

Key Action: Whilst work continues to find new ways of working to improve customer contact further, this has brought challenges which we will continue to address, particularly in respect of:

- **Improving telephone waiting times;**
- **Ensuring transitioning to digital channels, provides training and support as a priority in order that service users are not disenfranchised from the services they need to access.**

3.46 In the annual letter to Council the Local Government and Social Care Ombudsman stated that the volume of complaints considered does not, in itself, indicate the quality of a council's performance. The Ombudsman has indicated an intention to investigate and address a larger number of complaints as a means for Councils to identify improvements. The number of Ombudsman enquires in Leeds increased in 2017/18 and is likely to increase again this year. In the annual letter to us in July, the Ombudsman stated:

"Over the year my investigators have noted your Council's positive approach to complaint handling. It is very pleasing to see an example of a Council who constructively engages with us to ensure complainants are properly heard and matters resolved where appropriate."

3.47 The Ombudsman's letter recognises the importance of complaints and ensuring positive outcomes for customers alongside the potential for learning for services. This is in line with the work that is taking place, following the Customer Relations review to ensure focus on performance, improvement and learning. In continuing with this approach the council should maintain the positive comments that have been received from the Ombudsman.

Consultation

3.48 The more we work with service users, local people and staff to create better ways to do things, the better the outcomes for all. We strive to involve people right from the start when redesigning services, and helping people do more for themselves. Our approach to this is to embed **user-centred** design methodologies when implementing change, especially when the change involves technology. Many decisions we take are about ways to improve services or deliver services in a more efficient and effective way, so we can improve the experiences of both our citizens and staff.

3.49 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.

3.50 Our decision-making reports give evidence of the public consultation we have undertaken and the engagement that has taken place. Significant engagement activities have taken place during the year relating to:

- Best Council Plan;
- Budget;
- Polling districts and places;
- Community Asset Transfers;
- City Centre Vision and Our Spaces Strategy;
- Leeds Bradford Airport Transport Infrastructure;
- Increases in Learning Places;
- Air Quality;
- Core Strategy and Housing Allocations.

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

Finance Management – Strategic Landscape

3.51 The economic context in which public spending must be considered continues to be very much dominated by the debate concerning the impact of the EU referendum and the strength and resilience of the national economy. This is also set against, between the 2010/11 and 2019/20 budgets, our core funding from Government being reduced by around £266m. Additionally we have faced significant demand-led cost pressures, especially within Adult Social Care and Children's Services.

3.52 To date, we have responded successfully to these challenges through a combination of stimulating good economic growth, creatively managing demand for services, increasing traded and commercial income, growing council tax from new properties and a significant programme of organisational efficiencies, which has resulted in a reduction in head count of 3,300 or over 2,600 fetes since 2010. The environment in which local government operates continues to be one which presents **significant financial challenges** to us with some areas of significant uncertainty after 2019/20 which is the period covered by the Council's Medium Term Financial Strategy. The implications of the Government's future spending plans with regard to Local Government and other areas of the public sector from 2020/21 onwards remain unknown and therefore it is unclear to what extent "austerity" will continue after 2019/20.

3.53 Whilst it is the Government's intention to implement 75% business rate retention nationally in 2020/21 and consultation has been launched which focuses upon principles, it is unclear what the implications of any proposed reforms would be upon the Council. Similarly the Government has launched its Fair Funding Review of the methodology that determines local government funding baselines; based on an assessment of relative needs and resources, the approach has not been refreshed since 2013/14.

3.54 The outcome of this review won't be known until the autumn of 2019 through the 2020/21 finance settlement and will inform the level of resources available to support budgets from 2020/21 onwards. Adding to the uncertainty is the delay in the publication of the Government's Green paper on adult social care which will hopefully provide greater certainty around their future funding intentions for adult social care. Following the publication of the NHS Long Term Plan in January 2019 it was announced that the Green Paper will be issued by April 2019 although it is likely that this timescale will slip.

3.55 Recognising the financial challenge detailed in the **Medium Term Financial Strategy 2019/20 – 2021/22** received at Executive Board in July 2018, and in order to protect front line services as far as possible, especially those that provide support to the most vulnerable, in 2018/19 the council embarked upon a number of cross-cutting budget work streams that will contribute towards bridging the estimated budget gaps over the period of the Strategy. With regard to 2019/20, savings of £3.2m will be realised, largely through both the application of benchmarking to inform where cost efficiencies/additional income can be realised and further efficiencies through the digitalisation of processes across a number of different services. An updated Medium Term Financial Strategy will be presented to the Executive Board later in 2019.

Key Action: We will ensure that we continually review the financial landscape in order to alleviate the uncertainty and challenge to the delivery of our ambitions and our financial planning.

Financial Management – Oversight and Budget Management

3.56 Our Section 151 Officer has established an effective overall financial control environment framework for financial planning and exercises effective financial management and control which both discharge statutory responsibilities and are consistent with the Chief Financial Officer protocol which forms part of the Council's constitution.

3.57 Our Executive Board receives **monthly monitoring reports** during the year which set out the actions necessary to reduce net spend through the delivery of £34m of budget action plans (by March 2019). The reports identify actions that are on track to be delivered and highlight where in-year pressures have been identified along with the planned measures so that a balanced budget position can be delivered. The provisional financial outturn received by Executive Board in April 2019 reflected a planned underspend of £3.25m (which largely reflects revised accounting arrangements for PFI lifecycle costs). Following adjustments necessary for the closure of the Accounts (in May 2019) a revised planned underspend of £3.099m has been reported in our draft Accounts. The planned underspend will be used to contribute towards increasing the balance on the Council's reserve. The Housing Revenue Account also projects a small underspend and this will be brought into a balanced budget position after reviewing the use of HRA reserves. The Executive Board also receives updates on the Treasury Management and the Capital Programme in year. Treasury activity during the year was conducted within the approved borrowing limits for the year and resulted in overall savings to the revenue budget.

3.58 Our Corporate Governance and Audit Committee considered our **financial management arrangements** in March 2019 and concluded that they are fit for purpose, up to date, embedded and are regularly complied with. In reaching this view committee members took account of a number of rigorous reviews and assessments undertaken, including;

- Internal Audit provide 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 evaluated the Council's key financial systems as part of their audit work in respect of the 2017/18 accounts and will do so again as part of the 2018/19 audit. They also provide an opinion in respect of the Council's financial resilience.
- Treasury Management activities operated within the governance framework and comply with the CIPFA Treasury Management Code of Practice, Prudential Code and relevant guidance notes.

Key Action: The financial management arrangements will continue to be kept under review during the year.

Business Continuity

3.59 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, such as the O2 outage in 2018. Our CGAC has received assurance in March 2019 that our **business continuity plans** are in place for all our **critical services** and that these are subject to continuous review. The Committee concluded that our arrangements remain up to date, fit for purpose, effectively communicated, routinely complied with and monitored and that the arrangements meet the council's statutory duties as required by the Civil Contingencies Act 2004. This is achieved by:

- Engagement and close working with the West Yorkshire Resilience Forum.
- Continued monitoring and identification of risks and development of measures to mitigate the risks should they occur.
- Continued review and revision of Business Continuity Plans for our prioritised services and functions through the annual review cycle, which this year included a review of all plans as part of our Brexit risk management arrangements.
- Participation in exercising and training both internally and externally with partner agencies.
- Maintaining directorate engagement with and ownership of business continuity arrangements through the Directorate Resilience Groups.
- Providing guidance and support to commissioned service providers in relation to business continuity.
- Providing business continuity advice and assistance to businesses and the voluntary sector.
- Maintaining effective systems for public awareness and warning and informing.
- Development of new and enhanced existing collaborative working arrangements with partner organisations.

Risk Management

3.60 Our Risk Management arrangements set 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.

3.61 The council's most significant risks are captured in the Corporate Risk Register and are regularly reviewed by our Corporate Leadership Team. 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 – most recently considered by the Executive Board in July 2018, an updated position will be presented to the Board in July 2019. A corporate risk map is updated and published each quarter and senior politicians continue to be briefed on key risks. The Corporate Risk Register continues to document the most significant risks with seven 'standing' corporate risks being:

- Safeguarding children
- Safeguarding adults
- Health and Safety
- City Resilience (emergency planning)
- Council resilience (business continuity management)
- Finance (both in-year budget risks and medium-term financial sustainability)
- Information management and governance

3.62 Our CGAC has considered the council's preparations for the UK's exit from the European Union. The report demonstrated that we have considered the potential impact on both council services and the wider city. Our approach has been proactive in looking to implement a response plan to deal with the uncertainty and help guide the council and city's response. Our plan has been designed to be adaptable to a range of scenarios including a more prolonged period of uncertainty. In March 2019, an updated report on the council's and city's preparations and corresponding strategic response plan was considered by the Executive Board.

3.63 An annual assurance report is also provided to the CGAC on the council's risk management arrangements. This will be considered by the committee in June 2019 and will explore the extent to which our risk management arrangements are embedded with corporate, directorate, programme and project risk registers and how significant risks are escalated as necessary. The report will also provide details of updates made to our risk management policy and risk framework – particularly, as reported in our Annual Governance Statement in 2018, to provide guidance to help ensure there is a consistent and effective approach across the authority for managing partnership risks.

Information Governance

3.64 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.

3.65 As regards information access and compliance our Corporate Governance and Audit Committee has been assured in March 2019 that processes and procedures are in place regarding upholding citizen rights to request information and that we operate within the Information Commissioners Office (ICO) 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. Our GDPR Implementation Project has now formally closed. Work to ensure compliance with the Regulation has been embedded as business as usual.

3.66 We have though reported one data security incident to the ICO. In evaluating the circumstances the ICO advised us that our response to the data breach was appropriate and helped ensure that the impact was mitigated – the ICO decision was that no further intervention was necessary. Our CGAC was assured that information governance practice and procedures are being managed and allow the council to work with partner organisations, third parties and citizens in a clear, transparent, but safe and secure way. The arrangements are also positively contributing to protect us from enforcement action and help to mitigate the impact of cyber incidents aimed at attacking and/or bringing down our information systems. The committee has also reviewed our approaches to password policies.

3.67 Significant work has been undertaken to enable us to become compliant with the more stringent compliance control arrangements to meet the Public Services Network (PSN) certification requirements. That work continues to ensure PSN compliance when we re-submit for certification in July 2019. We experienced a dip in performance in responding to Freedom of Information requests at the end of 2018 and in response established a single central requests team to handle all information requests – this provides for greater resilience in handling the large numbers of information requests that we receive.

Key Action: Our Corporate Governance and Audit Committee will regularly review plans to deal with outstanding and emerging issues relating to PSN Certification.

Scrutiny

3.68 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 full Council in July 2019. 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 value placed upon Scrutiny Boards by the Executive to help inform what are often high profile and sensitive decisions to be made.

3.69 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:

- Dementia
- Men's Suicide: The impact of problem gambling
- Child and Adolescent Mental Health Services
- Provision and quality of homecare services
- Adults Safeguarding
- Is Leeds a Child Friendly City?
- Kerb Collection of Domestic Waste and Recycling
- Inclusive Growth Strategy Implementation with specific focus on Employment - inquiry
- Embracing Digital Tech Solutions
- Maximising the Apprenticeship Levy
- Management and financial impact of council owned void properties.

3.70 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 and fit for purpose in focusing resources on outcomes and ensuring council tax payers and service users receive excellent value for money. During 2018/19 the Government has been reviewing National guidance for Scrutiny; at the time of writing the conclusions of the review are not yet known but will be reviewed when they become available.

Key Action – we will review the Guidance for Scrutiny issued by Government in May 2019 and report to Members any implications or proposals for change.

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

Electoral Arrangements

3.71 The Electoral Registration and Administration Act 2013 introduced a change to the timing of compulsory reviews of UK Parliamentary polling districts, places and stations meaning a compulsory review must take place between 1 October 2018 and 31 January 2020. We commenced and concluded the review this year in order for all changes to be implemented in time for the Local and Parish/Town Council Elections on Thursday 2 May 2019 (and any other elections or referendums which should take place on or after that date). Internal Audit have also reviewed the processes in place to ensure the integrity of information contained in the Electoral Roll and reported good assurance to the Corporate Governance and Audit Committee in January 2019.

Delegations and Sub Delegation

3.72 Executive leadership arrangements (including Executive Member Portfolios and Executive delegations to officers) were reported to our Annual Meeting. The Annual Council meeting also approved committee governance, officer delegations and outside body appointments. The City Solicitor has also provided assurance that the Council's Constitution has been kept up-to date during the year.

Partnership Arrangements

3.73 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. These include:

- West Yorkshire Combined Authority (WYCA)
- West Yorkshire Joint Services
- North and West Yorkshire Business Rates Joint Committee
- West Yorkshire Adoption Joint Committee
- West Yorkshire Joint Health Overview and Scrutiny Committee
- West Yorkshire Police and Crime Panel
- Health and Wellbeing Board
- Partner Executive Group
- Integrated Commissioning Executive
- Leeds Plan Delivery Group
- Leeds Children and Families' Trust Board
- Safeguarding
  - The Leeds Safeguarding Children Partnership
  - Leeds Safeguarding Adults Board
- Safer Leeds Executive
- West Yorkshire Resilience Forum
- Third Sector Partnerships
- Leeds Strategic Housing Partnership
- Connecting Leeds Expert Advisory Panel
- Inclusive Growth Delivery Partnership

3.74 Partnerships reviewed/established during the year by Executive Board have included arrangements with:

- West Yorkshire and North Yorkshire Councils concerning Business Rate Pooling
- West Yorkshire Joint Services
- Leeds Credit Union
- West Yorkshire authorities regarding Urban Traffic Management and Control
- London and Continental Railways

3.75 The Corporate Governance and Audit Committee received assurances from the Chief Officer Financial Services that the Corporate Financial Integrity Forum has the oversight of the financial governance risk of partnerships and other joint working arrangements within its remit.

Key Action: Internal Audit Plan will review our governance arrangements for partnerships

Key Action: We will aim to develop guidance to help ensure there is a consistent and effective approach across the authority for managing risk with partners.

3.76 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.

3.77 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.

3.78 A **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 operation of the new arrangements and, due to changes in (now nationally set) inter-agency placement rates, sought to mitigate in year budget pressures.

3.79 In October the Chancellor announced investment of £84m over the next five years for the Department for Education's Strengthening Families, Protecting Children programme. Along with North Yorkshire and Hertfordshire we are at the forefront of arrangements to support a number of under-pressure local authorities to improve their social work practice and decision-making, so that – when it is in their best interests – children can stay safely at home, thriving in a stable family environment. We continue to work collaboratively with the Department of Education on how to we can best operationalise the Strengthening Families, Protecting Children programme.

3.80 The delivery of our 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 groups to major providers of services and we are recognised as a centre for best practice for our partnership working with the third sector.

3.81 Our **Inclusive Anchors** programme brings together a range of institutions to take collective action on employment matters including pay, terms and conditions and health and wellbeing, and procurement and supply chain management. Local institutions signed up in principle to working individually and collectively on an anchors programme include - Leeds City College, Leeds College of Building, the University of Leeds, Leeds Beckett University, Leeds Trinity University and Leeds Community Healthcare, Leeds Teaching Hospitals NHS Trust and Leeds and York NHS Foundation Trust.

Key Action: Further work will be undertaken to extend the Inclusive Anchors programme beyond the largely publicly funded anchors to private sector businesses and exploring the development of an inclusive business charter for SME businesses with a particular focus on encouraging more employers to pay the Living Wage as promoted by the Living Wage Foundation.

Safeguarding

3.82 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.

Key Action: We will continue to ensure that the Independent Chairs of the Safeguarding Boards in the City report annually to our Executive Board.

Take informed and transparent decisions.

3.83 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 (June 2019) will consider assurances relating to whether decision making arrangements remain are up-to date, fit for purpose and are functioning well.

3.84 In particular, assurance will consider whether 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. During the year we have reviewed the processes and financial thresholds for Executive decisions with a view to simplifying the arrangements in place whilst also ensuring compliance with relevant legislation, supporting the democratic oversight provided by members whilst also allowing the authority to be agile and responsive. The changes will take effect from 1st July 2019.

Key Action: The implementation of our new decision making will be effectively communicated with arrangements monitored during the year and reported back to the Corporate Governance and Audit Committee

3.85 During 2018/19 CGAC also reviewed the operation of the decision making arrangements within Children's Services where opportunities for improvements in decision administration were identified.

3.86 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 (specifically including);
    - Climate Change
    - Inclusive Growth
    - Health and Wellbeing
- Resources and value for money
- Legal Implications, Access to Information and Call In
- Risk Management

3.87 The City Solicitor (as the Senior Responsible Officer for the Regulation of Investigatory Powers Act 'RIPA') has provided ongoing assurance (via a regular commentary in Internal Audit reports) to our CGAC that the council has complied with the requirements of the RIPA 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

3.88 As community leaders, it is vital that our councillors are supported to be as effective as possible. This was particularly important following the 2018 all-out elections in Leeds where a large number of new councillors were elected. The role of an elected Member on Leeds City Council is essential to the well-being of the city, but it is also very demanding and complex. In order to lead the organisation and city, and continually improve performance, Members require a dedicated learning and development strategy.

3.89 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.

3.90 In order to sit on the Panel members must complete mandatory training; 100% of Plans Panel members completed this training in 2017-18. Council Procedure Rules allow flexibility around the appointment of substitutes to Plans Panels subject to members having the appropriate training and abide by the *Planning Code of Good Practice*. All members substituting on the Plans Panels have received this training. In addition, the service has started on its roll out of workshop style training for members with the first on tall buildings being delivered. A programme of training will be developed for 2019.

Employees

3.91 Scenario planning for our future workforce and skill requirements remains a key consideration for us, particularly in light of demand changes, external factors such as Brexit, budget pressures and changes in the way we work. The **digital landscape** is a central factor shaping all workplaces (and sectors) which will facilitate different ways of delivering services and how work is undertaken.

3.92 The use of **apprenticeships** to develop new skills and talent is an increasingly important part of our workforce strategy. We have grasped the opportunity provided by the Apprentice Levy to work differently as an employer. In recent months we have developed our Apprenticeship Programme within the Council from supporting a handful of apprenticeship frameworks, mostly at entry level for traditional roles, to managing apprentices spanning over 70 different frameworks and standards, from Level 2 – Level 7, across the Council.

3.93 To assist in addressing **engagement survey** results and in order to provide a clear leadership career pathway, we have introduced a leadership & management apprenticeship programme that contributes to the wider management development programme. This programme invites colleagues to apply for apprenticeship development specifically across management apprenticeship standards from levels 3 to 7. The initial cohort was launched in September 2018 and 180 members of staff are now on the programme. A further cohort will start in September 2019.

3.94 The DfES have set a public sector apprenticeship target for which we will have to give due regard. This is 2.3% of our head count. Meeting the target on an annual basis means employing over 500 Apprenticeships: 350 in LCC and 200 in schools. With such great strides in development of apprenticeships and pathways for our workforce we must now work on maintaining this positive start and ensure the link between apprenticeships and our workforce development strategy stays strong, the Levy is spent effectively and our public sector target continues to be met.

Key Action: To sustain our Apprenticeship approach we will:

a. **Improve identification and forecasting through work-force planning, setting out where our future Apprentices will come from.**
b. **Look at how we use opportunities to support priority groups to access work with us – especially with entry level Apprenticeships.**
c. **Ensure that meeting the target also reconciles with the resources we have via the Levy.**

Health and Safety

3.95 Our health and safety team deliver or advise on a range of training and development to ensure that we meet our statutory obligations and that all employees have the necessary knowledge and skills to carry out their roles safely.

3.96 The Head of Health and Safety has monthly assurance meetings with the Director of Resources and Housing to discuss **Health and Safety performance** and the high hazard group meets quarterly to discuss 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 our Corporate Leadership Team and the Corporate Health and Safety Forum each year. The annual report highlights Health and Safety performance across the year and also identifies new priorities and strategies for the coming years. This will be considered by our Executive Board in June 2019.

3.97 The Committee on Standards in Public Life reported in 2017 on the intimidation experienced by Parliamentary candidates, and others in public life, and how this has become a threat to the diversity, integrity, and vibrancy of representative democracy in the UK. The **health and safety of our elected members is of paramount concern to us** and we have approached requests from Members to have their residential address withheld from publication sympathetically when actual or potential threats of violence or intimidation have been brought to our attention. Unfortunately the number of these instances has continued to increase.

3.98 We have introduced personal safety measures for elected members including all members having the opportunity of being provided with a safe lone working device. In addition, we provided all members with personal safety briefings and provide a specific session on "Keeping Safe – Members Personal Safety Your Skills" as part of our revised member induction programme.

Key Action: We will keep the arrangements for Member Safety under review during the year through our Member Management Committee.

An Independent opinion of effectiveness

3.99 CGAC 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 due to be received in July 2019. This will examine, evaluate and report on the control environment within the council and provide an opinion about the adequacy of the systems and processes in place.

3.100 The 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.

3.101 The CQC undertook a review of health and social care services in Leeds in December 2018. The Leeds review was undertaken in October and followed a programme of 20 reviews carried out between August 2017 and July 2018. The review concluded that system leaders in Leeds had a shared vision that was supported and understood across health and social care organisations, with a shared understanding of the challenges ahead. Reviewers found that there was a good voluntary, community and social enterprise sector in Leeds with many opportunities for people to receive support, particularly for people at risk of social isolation and loneliness.

3.102 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.

Key Action: We will deliver an action plan with our partners to address areas of improvement highlighted by the CQC in their review of health and social care services in Leeds.

3.103 In December the Office for Standards in Education, Children's Services and Skills (Ofsted) reported on their inspection of Inspection of our social care services to children. The judgement of the inspector is that these services are **Outstanding**.

3.104 Ofsted noted that children and families in Leeds are receiving a consistently good service which ensures that their needs are met at the right time by the right service. Well-established multi-agency partnerships aim to meet the needs of children and families at the lowest level of intervention. A clear focus on providing support providing support at the earliest opportunity is helping families to make changes before concerns increase.

3.105 Ofsted concluded that leaders have established a well-understood practice model that promotes child-centred work and productive working relationships between workers and families, as well as giving a clear overview of the outcomes desired. The inspector also reported that we are a committed corporate parent and that we are ambitious for our children, that we encourage children to realise their potential and that we celebrate their achievements with substantial progress being made on delivering our vision to make Leeds a child-friendly city.

3.106 The Ofsted inspection set out a number of areas (already known to us) for improvement.

- The consistent involvement of health agencies in strategy discussions.
- The consideration given to children's culture and identity in all assessments.
- The quality, recording and review of personal education plans (PEPs) so that they provide clear, consistent and purposeful targets, covering both short- and longer-term objectives.
- Pathway planning to be better reflected in case records and pathway plans to be reviewed to ensure that they are meaningful documents for young people.

3.107 It is important that this Ofsted judgement does not lead to complacency and a slowing pace of reform.

Key Action. We will, through the delivery of our Service Improvement Plan, build on the city's recent progress and seek to continually improve services for children and families in the city. Our plan sets out how we will achieve these ambitions.

3.108 In 2018 Grant Thornton took over the External Audit role for Leeds City Council from KPMG. Our CGAC has considered the approach and process of transition between the two Audit teams and received assurance that the handover had been completed in accordance with the processes laid out by Public Sector Audit Appointments (PSAA).

3.109 Grant Thornton anticipate completing their review of the AGS in July 2019 – this review seeks to ensure the statement is not misleading or inconsistent with information they are aware of from their audit of the financial statements.

3.110 Grant Thornton will also issue an audit opinion in relation to our Accounts. This will assess whether we have made proper arrangements to ensure we took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. Grant Thornton will also provide an opinion on the Housing Benefit Subsidy claim.

3.111 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 AGS introduced in 2018, the audit will not be concluded in time for inclusion in the 2019 AGS.

3.112 Although our previous auditor KPMG issued an audit opinion for our 2016/17 & 2017/18 accounts confirming that they presented a true and fair position, at the time our Corporate Governance and Audit Committee approved the 2018 Annual Governance Statement the audit for that year had not yet been closed pending resolution of an objection made by a local elector.

3.113 The objection concerned the lawfulness of the council's borrowing via LOBO (Lender Option Borrower Option) loan instruments. We can report in this Statement that KPMG were satisfied with the Council's treatment of these loans and issued an audit closure certificate for both 2016/17 and 2017/18. We can also report that KPMG's final audit report on the certification of grant claims and returns was successfully completed and confirmed that, whilst a number of minor errors in the Housing Benefit Subsidy claim were identified which required qualification and amendment, the final approved claims were submitted to the relevant granting organisation.

3.114 We are anticipating receiving the Local Government and Social Care Ombudsman (LGSCO) Annual Letter to the authority with statistics on the complaints made to the Local Government and Social Care Ombudsman for the year ended 31 March 2019 in July 2019. Our final AGS will seek to provide a commentary on the Ombudsman's letter.

4. ASSURANCE CONCLUSION

4.01 Good governance is about running things properly and ‘doing the right thing’. It is the means by which we show we are taking decisions for the good of the people of the area, in a fair, equitable and open way. It includes how we do things, including our values and standards of behaviour that support good decision making - collective and individual integrity, openness and honesty. Good governance is the foundation for the delivery of good quality services that meet all local people's needs. It is also fundamental to showing public money is well spent as well as maintaining credibility and public trust. Without good governance we will not achieve our ambitions to improve services and outcomes for local people.

4.02 From the review, assessment and on-going monitoring work undertaken and supported by the work of Internal Audit, we have reached the opinion that, overall, key systems are operating soundly, that there are no fundamental control weaknesses and that where improvements have been identified, actions are in place.

4.04 We can confirm, to the best of our knowledge and belief, and there having been appropriate enquiries made, that this interim statement provides an accurate and fair view.

Catherine Witham
City Solicitor
& Monitoring Officer

Victoria Bradshaw
Chief Officer Financial Services
& Section 151 Officer

Agenda Item 16

Report author: A Hodson

Tel: (0113) 37 88660

Report of City Solicitor

Report to Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Draft Work Programme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for Call-In?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	☒ 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 2019) 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.

Appendix 1

CORPORATE GOVERNANCE AND AUDIT COMMITTEE
DRAFT WORK PROGRAMME

26th July 2019		
Internal Audit Annual Report and Opinion	To receive the annual Internal Audit report and opinion	Sonya McDonald Head of Audit
External Audit Report and ISA 260 Report	To receive the annual report from the External Auditor to those charged with governance.	Victoria Bradshaw Chief Officer (Financial Services) & Grant Thornton
Annual Risk Management Report	To receive an annual assurance report on the Council's Risk Management arrangements.	Coral Main Head of Business Planning & Risk
Final Annual Governance Statement	To approve the Annual Governance Statement	Andy Hodson Head of Democratic Services
Approval of the Leeds City Council Accounts	To approve the accounts	Victoria Bradshaw Chief Officer (Financial Services)

22nd November 2019		
Annual Audit Letter 2018/19	To receive the Annual Audit letter from the External Auditor	Victoria Bradshaw Chief Officer (Financial Services)
Applications Portfolio Programme	To receive an update on the Access 2003 project	Louise Whitworth Head of Information Management and Governance
Internal Audit Update Report	To receive an update report on Internal Audit's work.	Sonya McDonald Head of Audit
Treasury Management Annual Report	To receive the annually Treasury Management Report providing assurance on the processes used by the department	Victoria Bradshaw Chief Officer (Financial Services)

27th January 2020		
Audit of Housing Benefits Subsidy Claim	To receive a report from the appointed Auditor	Victoria Bradshaw Chief Officer (Financial Services)
Applications Portfolio Programme	To receive an update on the outcome of the Access 2003 project	Louise Whitworth Head of Information Management and Governance
External Audit Plan	To receive a report from the External Auditor presenting the external audit plan for 2020/21	Victoria Bradshaw 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)
Annual Business Continuity Report	To receive the annual assurance report concerning the Council's Business Continuity arrangements.	Mariana Pexton (Chief Officer Strategy and Improvement)
Internal Audit Update Report	To receive an update report on Internal Audit's work.	Sonya McDonald Head of Audit

16th March 2020		
Internal Audit Plan	To receive a report seeking views on the Internal Audit Plan for 2018/19	Sonya McDonald Head of Audit
Internal Audit Update Report	To receive an update report on Internal Audit's work.	Sonya McDonald Head of Audit
Annual Assurance Report on the Procurement, Policies and Practices	To receive the annual assurance report concerning Procurement, Policies and Practices	Victoria Bradshaw 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	Victoria Bradshaw Chief Officer (Financial Services))
Treasury Management Annual Report	To receive the annually Treasury Management Report providing assurance on the processes used by the department	Victoria Bradshaw Chief Officer (Financial Services)
Information Governance Annual Report	To receive an annual Assurance report on the Council's Information Governance arrangements (Including addendum in respect of Caldicott Guardian Role)	Louise Whitworth, Head of Information Management and Governance
Draft Annual Report of the Committee	To receive and approve a draft annual report from the committee for presentation by the Chair at Full Council	Andy Hodson Head of Democratic Services