



Interim Annual Governance Statement 2019

**Approved as an Interim Statement
By City Solicitor & Chief Officer (Financial Services)
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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 have 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 through 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 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 extremism 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 fets 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 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.

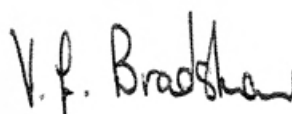
- 3.112 Although our previous auditor KPMG issued an audit opinion for our 2016/17 & 2017/18 accounts confirming that they presented a true and fair position, at the time our Corporate Governance and Audit Committee approved the 2018 Annual Governance Statement the audit for that year had not yet been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