

# Governance Matters



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Issue 29

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Welcome to the August issue of Governance Matters.

The Annual Council Meeting took place on 26<sup>th</sup> May 2011. At the Annual Meeting Councillor Alan Taylor became the [Lord Mayor of Leeds](#) for the 2011/12 municipal year. The Council chose not to elect a Deputy Lord Mayor as a cost saving measure. At the Annual Meeting full Council also agreed changes in committee memberships and amendments to the Council's Constitution, including changes to the Council's Scrutiny arrangements.

In this issue our regular in-depth feature 'Spotlight on...' focuses on the different sources of advice on decision making in the Council, and we ask for your ideas on how decision making processes and the Constitution can be simplified. Please let us know your ideas by emailing [cxd.corporategovernance@leeds.gov.uk](mailto:cxd.corporategovernance@leeds.gov.uk). We look forward to reading your suggestions!

As always, we also take a look at what the governance committees have been doing since the last issue and what's coming up in their meetings during the rest of the municipal year. We hope you find the information helpful and interesting.

## Front Page News...

### Report writing guidance and template

[New guidance for report authors](#) preparing reports to Executive Board or Council Committees, or to accompany a delegation decision have been issued. The guidance seeks to emphasise particular corporate considerations, either because there is a particular statutory obligation for the Council to do so or because there is a Leeds City Council policy on the matter. There is only one report template which can be downloaded from the intranet page.

### Petitions: Guidance for Directors

Governance Services have issued some [guidance for Directors](#) to help them manage any petitions they receive in accordance with statutory obligations. Petitions can be submitted to the Council in paper format or using our e-petitions facility.

### Important changes to the Localism Bill

The Localism Bill is currently being considered by the House of Lords and is due to enter the Report Stage on 5<sup>th</sup> September 2011. During the Committee Stage, the Government agreed to drop the provisions which would have been used to make the Leaders of some Councils in England (including Leeds) take the role of 'shadow mayors' until their areas hold a referendum to confirm whether or not local people wished to continue with the elected mayor and cabinet form of governance. Provisions requiring such councils to adopt mayoral management arrangements in which the elected mayor would be the most senior officer of the council have also been dropped. Please see [Issue 28 of Governance Matters](#) for more details about the contents of the Localism Bill.

## Spotlight on...

### Decision making

Because the Council is such a large and diverse organisation, we make many different types of decisions. To make sure we make decisions in the right way, there are rules setting out who can make which decisions, and how these decisions are made. These rules are set out in the constitution.

Some decisions made by the authority are, by law, the responsibility of full Council. These are called **council functions**. For example, full Council approves the authority's budget, and its most important policies.

Full Council may also appoint committees to make decisions on its behalf. Some important decisions, such as approving the Council Business Plan, cannot be delegated to committees. However most regulatory functions, such as planning and licensing are carried out by committees on behalf of full Council.

The **Terms of Reference** explain the role and decision making powers of each Committee. These are all contained in [Part 3 Section 2B of the Constitution](#).

Decisions taken about executive functions are defined as Key, Major, Significant Operational or Administrative. The type of decision is based on how many people it will affect, and/or how much money we will spend or save from the decision. How we make the decision will depend on the type of decision it is.

A **key decision** is one which results in us spending or saving

over £250,000 each year; or, which is likely to have a significant effect on communities living or working in an area of two or more wards.

A **major decision** is one which results us spending or saving over £100,000 each year; or, which is likely to have a significant effect on one ward.

A **significant operational decision** is one which fits the definition set out in the guidance notes in [Part 3 of the Constitution](#), for example where the decision proposes an alteration to the standard charges which the authority makes for any of its services.

An **administrative decision** is a decision which is within an approved budget, not in conflict with the budget and policy framework or other approved policies, and does not raise new policy issues.

There is a set procedure for decisions which are classed as key decisions. For example, the decision must be placed on the **Forward Plan** and only be implemented once the date for **call-in** has passed.

The Forward Plan shows the key decisions the Executive expects to take in the next 4 months and is [published on the website](#). Occasionally a key decision may need to be made urgently, which means it can not be entered on to the Forward Plan.

Full Council may authorise officers to make decisions on its behalf (council functions). The Leader may also authorise officers to make decisions on behalf of the

Executive (executive functions).

The authority's scheme of delegation sets out which officers have authority to make decisions, and which decisions they are authorised to make. The scheme of delegation is contained in [Part 3 of the Constitution](#). Each officer has two sets of delegations, one in relation to council functions and the other in relation to executive functions.

Some Chief Officers also have functions delegated to them directly by Full Council (for council functions) or the Leader (for executive functions). This is called a concurrent delegation – a delegation to two officers at the same time. Under a concurrent delegation, a Chief Officer may make decisions in their own right, and is accountable for these decisions. However, if the decision is classed as a "key" or "major" decision a Chief Officer **must** consult the Director before taking the decision.

An officer who is authorised to make decisions under the authority's scheme of delegation, may, in turn, authorise other officers of suitable experience and seniority to make these decisions on their behalf. This is known as **sub-delegation**. Each Director (and each Chief Officer with concurrent delegations) has a [sub-delegation scheme](#) available on the intranet. This sets out which officers may take decisions on their behalf and which decisions each officer may take.

Once an officer has made an executive decision, they must record the decision on a Delegated Decision Notice, unless the decision

is administrative. This notice is then made available on the [Council's website](#). Officers also record and publish some Council decisions.

### Further advice and training

There is a [page on the Council's intranet site](#) for those who are responsible for making decisions, or for anyone who wants to learn more about how decisions are made at the Council. You can also download the following documents which explain the Council's decision making framework in more detail:

- Plain English Guide to Decision Making;
- Briefing Note on Executive Decision Making;
- Decision Making Structure Diagram;
- Jargon Busters;
- Guide to Delegation of Functions;
- Questions to Ask When Planning to Make a Decision; and
- Decision making skills criteria.

If you are involved in making decisions and want to learn more, there is a training course available from the Corporate Governance Team. Please email us if you would be interested in attending.

### WE NEED YOUR IDEAS!

It is essential that decisions are taken properly in the Council and that we maintain high standards of probity with public money. However some of the Council's decision making processes may be seen as too onerous. Do you have ideas on how the Council's decision making processes and the Constitution can be simplified? If so please email us with your suggestions at [cxd.corporategovernance@leeds.gov.uk](mailto:cxd.corporategovernance@leeds.gov.uk).

## Corporate Governance and Audit Committee

As a result of the Annual Council Meeting there were some changes to the Committee membership, as shown in the box on the right.

### 15<sup>th</sup> June and 18<sup>th</sup> July 2011

The Committee received the following reports in these meetings:

- Annual Internal Audit Report
- Planning Decisions Process
- Annual Report on Community Engagement
- Future of local public audit; consultation response
- Risk management and the Budget process
- The accurate recognition of assets on the Council's balance sheet
- KPMG Interim Annual Report
- 2010/11 Statement of Accounts
- Annual Risk Management Report
- Annual monitoring of Key and Major decisions
- Localism Bill – Outcome of initial consultation
- Council Housing Assurance Framework
- Procurement & Commissioning Efficiency Savings

### Future meetings

The next meeting will take place on 30<sup>th</sup> September 2011, and the agenda will include the following items:

- Annual Governance Statement; and
- Local Government Ombudsman's Annual Letter.

### NEW COMMITTEE MEMBERSHIP

- Councillor Geoff Driver (Chair)
- Councillor Pauleen Grahame
- Councillor Neil Taggart
- Councillor Colin Campbell
- Councillor Graham Kirkland
- Councillor Alison Lowe
- Councillor Judith Elliott
- Councillor William Hyde
- Councillor Ted Hanley
- Councillor Clive Fox
- Councillor Ghulam Hussain
- Gordon Tollefson – (Chair of the Standards Committee (non-voting))

### THE STATEMENT OF ACCOUNTS 2010/11

The Committee received a report which introduced the 2010/11 Statement of Accounts for Leeds City Council prior to the accounts being made available for public inspection on the 25<sup>th</sup> July 2011. The report provided a summary analysis of the accounts to aid understanding of the main financial issues.

Members discussed the report in detail and questioned figures featured in the accounts specifically around employee remuneration and organisations which are subsidiaries of the Council.

Members also raised the issue of the pension deficit at the Council and the change from pensions being based on the retail price index to the consumer price index and the effect that this would have on Council staff.

The Committee were given details on the pension deficit and its effects on the accounts and an explanation of the factors that determine whether an organisation is a subsidiary organisation for the purposes of the accounts.

The Committee agreed to release the Statement of Accounts for public inspection.

## Standards Committee

There were some changes to the Standards Committee membership following the Annual Council Meeting and the retirement of two co-opted members. The changes are shown in the blue box on this page.

### 6<sup>th</sup> July 2011

The Standards Committee met to consider the following items:

- Appointment of its Sub-Committees following the Annual Council meeting
- Members' Induction Period 2011
- Consultation on the Localism Bill – standards of conduct

### Future meetings

The Standards Committee will meet again on 1<sup>st</sup> November 2011. There are no items scheduled to be considered at this meeting, and it is possible that this is the last time the Standards Committee will meet in anticipation of the abolition of the current standards regime in early 2012.

### STANDARDS COMMITTEE ANNUAL REPORT 2010/11

The Standards Committee Annual Report has been published on the [Leeds City Council website](#), and has been received by Corporate Governance and Audit Committee and Full Council. The report provides an interesting insight into the work of the Committee over the past year, and the implications of the abolition of the standards regime following the implementation of the Localism Bill.

### NEW COMMITTEE MEMBERSHIP

#### Independent Members

Mr. Gordon Tollefson (Chair)  
Mr. Philip Turnpenny  
Mrs. Joanne Austin

#### Parish Representatives

Councillor Mrs P Walker  
Councillor P Cook

#### Leeds City Councillors

Councillor C Campbell  
Councillor J Dowson  
Councillor B Gettings  
Councillor J Harper  
Councillor B Selby  
Councillor E Nash  
Councillor R D Feldman

## General Purposes Committee

### 17<sup>th</sup> May 2011

The Committee met in May before the Annual Council Meeting in order to consider the proposed amendments to the Constitution and make recommendations to full Council. In particular the Committee considered the review of the Council's scrutiny arrangements. The Committee is scheduled to meet again on 3<sup>rd</sup> November 2011.

### THE NEXT ISSUE OF GOVERNANCE MATTERS

We hope you have found this issue of Governance Matters useful.

If you have any questions you would like answering, please contact the Corporate Governance Team on 0113 39 50261 or email us at [xcd.corporategovernance@leeds.gov.uk](mailto:xcd.corporategovernance@leeds.gov.uk)