

Annual Governance Statement 2024-25

Draft Report for Public Deposit – 30th June 2025



Executive Summary

Leeds City Council is obliged¹ to ensure it has a sound system of internal control which not only facilitates the effective exercise of its functions and the achievement of its aims and objectives and but also promotes a strong and positive organisational culture. This includes ensuring that the financial and operational management of the authority is effective, that risk is managed proactively, and that the values and behaviours underpinning the Council's work support integrity, accountability and continuous improvement across all levels of the organisation.

This Annual Governance Statement provides a comprehensive overview of Leeds Council's Governance Framework, highlighting our commitment to transparency, accountability and continuous improvement. Throughout the course of another challenging year for Local Government, we have continued to make strides in enhancing our governance arrangements, ensuring that they align with best practice and regulatory requirements.

Key achievements include:

- **Strengthened Governance** – Responding to valuable feedback from the Local Government Association's 2023 peer review, the Council has taken steps streamline our decision-making procedure rules, reducing perceived bureaucracy and administrative burden; ensuring our processes are agile and transparent.
- **Transformational Initiatives:** We have successfully delivered the implementation of new computer systems enhancing our technological capabilities and operational efficiency.
- **Balanced budget:** We have successfully achieved a balanced budget, demonstrating our commitment to financial stewardship. We have also met the government backstop for our external audit work, ensuring compliance and accountability.

In addition to the governance frameworks defined in key legislation, we continue to embrace and strive towards the achievement of best practice principles to further develop and strengthen our governance framework.

Looking ahead, we remain committed and focused on further refining our governance practices, with a focus on sustainability, innovation and stakeholder value. Our ongoing efforts will ensure that we continue to uphold the highest standards of governance, driving long-term success and organisational integrity.

¹ [The Accounts and Audit Regulations 2015](#)

Scope of Responsibility

Leeds City Council is committed to ensuring that its business operations comply with all relevant laws and regulations, public funds are safeguarded and accurately accounted for, and its resources are utilized economically, efficiently, and effectively to achieve the organisations ambition to be the best city for those living and working in Leeds.

The Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) have established the Delivering Good Governance in Local Government Framework (2016). The principles of this framework have been adopted by Leeds City Council in its own Local Code of Corporate Governance². This Code outlines the framework for ensuring the council meets each of the seven core principles of good governance which is reviewed annually to support the council to maintain robust governance arrangements.

This Annual Governance Statement (AGS) outlines how Leeds City Council has complied with the Local Code of Corporate Governance and provides an overview of the council's governance arrangements during the past year. In line with the Accounts and Audit Regulations 2015, the publication of this Annual Governance Statement will be done so alongside the finalised accounts for the same period and will be expected to be published ahead of the audit backstop prescribed by central government.

Leeds City Council is committed to continuous improvement and review of its operations. The Annual Governance Statement is a “living” document and will be updated until the 2024-25 accounts are finalised, ensuring the statement accurately reflects the Council's current governance methodologies and issue.

Purpose of the Governance Framework

Our governance arrangements seek to ensure that our resources are used to achieve our Best City Ambition³ through defined outcomes for citizens and communities in Leeds. Our Local Code of Corporate Governance is framed around the values and behaviours at Leeds City Council and the seven principles of good governance, reflecting the principles of good governance set out in CIPFA's Delivering Good Governance in Local Government (2016).

Our governance framework is built around our seven governance principles:

1. **Behaving with integrity** – Doing the right thing in the right way
2. **Ensuring openness and engagement** – Sharing information and inviting participation.
3. **Defining outcomes** – Having realistic priorities for what we can and should achieve.
4. **Determining effective interventions** – Considering the options and taking informed decisions.
5. **Managing risk and performance** – Ensuring that we can implement our plans.

² [Local Code of Corporate Governance](#)

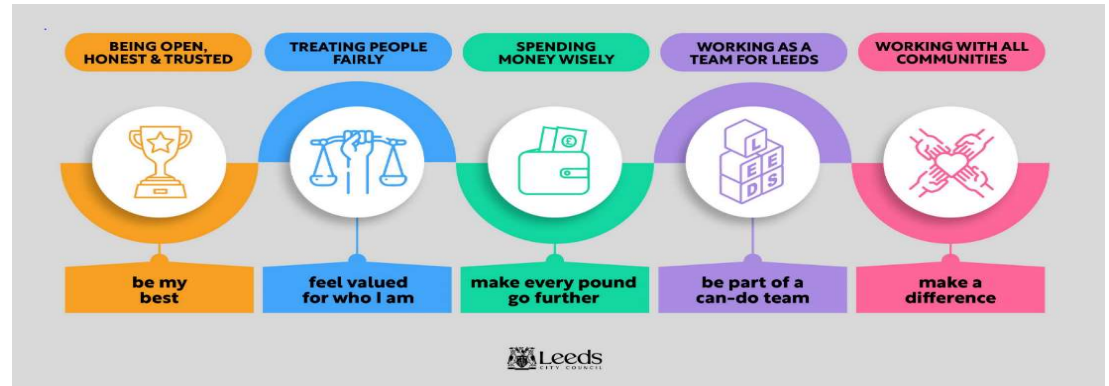
³ [Best City Ambition | Leeds.gov.uk](#)

6. **Developing capacity** – Getting the best out of our resources and our people.
7. **Effective accountability** – Ensuring our processes are clear, robust and open to review.

The governance principles are supporting by commitments which enable us to direct and control our activity to achieve our Best City Ambition and commitments in our organisational plan. These principles are set in our values and behaviours embedded across the organisation.

Together these values and behaviours bring together the systems, processes and culture in place across the Council by which we plan and deliver services to the citizens of Leeds in a way that shows how the Council:

1. Does the right things in the right way
2. Is open and transparent about what it does, how, and why it does it.
3. Engages with citizens, partners, and stakeholder to place and deliver outcomes.
4. Is held to account.



Review of Effectiveness.

We have developed a governance framework setting our accurate description of internal control arrangements in place to deliver against the principles and commitments set out in the Local Code of Corporate Governance. Based upon the 3-lines of Assurance approach, we have developed an Internal Control framework and Assurance map (Appendix A to this report) providing a breadth of assurance that our governance framework is operating soundly with no fundamental weaknesses.

First Line Assurance (Operational and Managerial Oversight) at Leeds City Council

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| First Line Assurances at Leeds City Council are obtained from | |
| <ul style="list-style-type: none"> • Directors • Heads of Service | <ul style="list-style-type: none"> • Chief Officers • Directorate and Service Leadership Team |
| Oversight of these assurances | |
| <ul style="list-style-type: none"> • Full Council • Scrutiny Board • Standards and Conduct Committee • Statutory Officers (Monitoring Officer, Chief Finance Officer, Head of Paid Services etc...) | <ul style="list-style-type: none"> • Executive Board • Corporate Governance and Audit Committee • Corporate Leadership Team (CLT) |

How are assurances obtained.

Officers with operational and managerial responsibilities were invited to complete a Survey of Internal Control which completed a focused assessment of the Council's internal control arrangements relating to Financial Management and Counter Fraud and Corruption.

Further assurances have been gathered from the assurance reports presented throughout the year at the Council's scrutiny and committee boards.

Assurance outcomes for 2024-25

Our system of internal control identifies and prioritises risks and aims to ensure that these risks are managed effectively, efficiently and proportionately within our resources.

We conduct our evaluation of internal control through an annual statement of internal control provided to all tier 1,2, and 3 managers at Leeds City Council. For the 2024-25 financial year, we carried out a "deep dive" review in two key areas within the Council's internal control environment, Financial Management and Counter Fraud and Corruption.

Second Line of Assurance (Specialist Oversight and Compliance)**Second Line Assurances at Leeds City Council are obtained from**

- Specialist Officers
- Proper Officers

Oversight of these assurances

- Full Council
- Executive Board
- Scrutiny Board
- Corporate Governance and Audit Committee
- Standards and Conduct Committee
- Corporate Leadership Team (CLT)
- Statutory Officers (Monitoring Officer, Chief Finance Officer, Head of Paid Services, etc...)

How are assurances obtained.

Officers with specialist oversight and compliance responsibilities provide assurance in accordance with the established cycle of internal control ensuring that arrangements are up to date, fit for purpose, embedded and routinely complied. These assurances are provided through formal reporting of control arrangements to Council and Executive committees supported by additional enquiries made to officers with specialist oversight, knowledge and responsibility.

Officers are also asked to complete a "Questionnaire of Officers with Specialist Oversight" annually confirming the level of assurance within their areas and where appropriate, an action plan to confirm steps that will be taken to improve the internal control environment.

Assurance outcomes for 2024-25

Our specialist oversight and compliance are completed through the annual questionnaire of specialist officers through which officers are asked to provide assurances as to the strength of internal control within their area. For all respondents to the questionnaire, it was reported that there were no serious concerns relating to the effectiveness of any governance system or process within their specialist area.

Responding to the complex nature of local government there was recognition in a small number of areas that additional work was required to strengthen the control environment to ensure that these areas remain robust and responsive to emerging risks. It is acknowledged that assurances that are obtained are reasonable, and we cannot eliminate all risk of failure within the Council’s internal control environment.

We have mapped the reports received at Full Council, Executive Board and Scrutiny Boards throughout the year against the seven governance principles of our Local Code of Corporate Governance and that these are demonstrated in the Internal Control Framework and Assurance Map received by the Corporate Governance and Audit Committee in June 2025.

Third Line of Assurance (Independent Assurance)

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| Third Line Assurances at Leeds City Council are obtained from | |
| <ul style="list-style-type: none">• Internal Audit• External Inspectors | <ul style="list-style-type: none">• External Audit |
| Oversight of these assurances | |
| <ul style="list-style-type: none">• Full Council• Scrutiny Board• Standards and Conduct Committee• Statutory Officers (Monitoring Officer, Chief Finance Officer, Head of Paid Services etc...) | <ul style="list-style-type: none">• Executive Board• Corporate Governance and Audit Committee• Corporate Leadership Team (CLT) |
| How are assurances obtained | |
| <p>Independent assurances are provided throughout the year through the various Internal Audit update reports received by Corporate Governance and Audit Committee, providing updates on how work completed assists the overall annual opinion of the Council’s internal control environment of the Chief Audit Executive (responsibilities completed by Senior Head of Internal Audit, Corporate Governance and Insurance).</p> <p>Our external auditors, Grant Thornton present several assurance reports during the year to Corporate Governance and Audit Committee covering the Council’s Value for Money arrangements and IT arrangements.</p> <p>Throughout 2024-25, the Council also received independent assurances from external inspections such as Ofsted, the Care Quality Commission (CQC) and the Information Commissioner’s Office (ICO).</p> | |

Summary of Third Lines Assurances received by Leeds City Council

Internal Audit

The Internal Audit service provides regular update reports in relation to Internal Audit and Counter Fraud and Corruption activities, to the Corporate Governance and Audit Committee. The reports provide assurances as to the services compliance with the Global Internal Audit Standards (GIAS) supplemented by the Customer Satisfaction Questionnaires completed to gain feedback following the conclusion of internal audit work. In addition, these reports update the Committee with some assurance on the control environment in place across the Council by providing oversight of work undertaken in line with the risk-based audit plan.

Global Internal Audit Standards in Public Sector.

Introduced in April 2025, the Global Internal Audit Standards in the UK Public Sector (the Standards) present a globally recognized framework for the evaluation and elevation of the quality of the internal audit function. Consisting of 5 Domains, broken down into 15 principles each with their own standards containing requirements, considerations of implementation and examples of evidence of conformance.

As these Standards have only recently been introduced, the Internal Audit service has been unable to complete a full self-assessment of conformance against the Standards. However, as part of the preparation for the implementation of the Standards a high-level self-assessment has been undertaken. This has been used, along with a SWOT analysis, to inform the Quality Assurance Improvement Programme to ensure compliance when the self-assessment is undertaken.

In accordance with the Global Internal Audit Standards, as the Council's designated Chief Audit Executive, the Senior Head of Internal Audit, Corporate Governance and Insurance, delivers the annual Internal Audit report and opinion for 2024-25 to the Committee's meeting in July 2025. This states that:

The combination of work undertaken, co-ordinated and overseen by Internal Audit during 2024/25 leads to a conclusion that governance, risk management and internal control arrangements are well-established and operating effectively, leading to a satisfactory opinion overall. The outputs of Internal Audit activity, and the various sources of assurance reviewed, provide evidence that demonstrates a continued focus on identifying and responding to areas of risk, and embedding good practices to address the challenges that are faced by Leeds City Council and across the Local Government sector. There is evidence that senior management actively seek independent assurances and are engaged in responding to Internal Audit actions, fostering a positive culture of continual reflection and improvement.

External Auditors

Grant Thornton is appointed as the Council's external auditors and is represented at each of the meetings of the Corporate Governance and Audit Committee. The external auditors have quarterly meetings with the Assistant Chief Executive – Finance, Traded and Resources in their role as the Council's Chief Finance Officer, and bi-annual meetings with the Leader of the Council, Chief Executive and the Director of Strategy and Resources. Additional meetings are arranged throughout the year as and when required.

Under the National Audit Office Code of Practice, the external auditor is required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The 2023-24 Audit Report raised three key recommendations for Leeds City Council to address; the issues raised have been carried forward to the significant governance issues expanded in more detail later this assurance statement. Leeds City Council are committed to addressing these recommendations promptly to address the potential weaknesses raised, an update on the work undertaken will be provided in the 2024-25 Audit Report from Grant Thornton expected to be received at Corporate Governance and Audit Committee later in the municipal year.

Other External and Independent Assurances.

Throughout 2024-25, Leeds City Council participated in several external and independent inspections. We are anticipating the outcomes of these inspections to be received for the final annual governance statement to be completed later this year.

1. Information Commissioners Office

The service has progressed at pace with the action plan produced because of the Information Commissioner's Office (ICO) audit of Leeds City Council's compliance with the UK General Data Protection Regulation (GDPR) in November 2023. Updates were provided at both the September 2024 and February 2025 meetings of the Corporate Governance and Audit Committee. Although there is a small number of recommendations outstanding as of December 2024, the ICO confirmed that they were satisfied to conclude the audit engagement. The ICO audit has assisted the service to improve compliance in several areas and provided a foundation for the Council to move to an improvement model for future information governance audits.

2. Local Government & Social Care Ombudsman

There are arrangements in place to capture, record, and monitor ombudsman complaints regardless of whether a finding of maladministration leading to injustice is found. Where appropriate, a finding of maladministration is reported to a formal meeting of Executive Board, along with any appropriate proposed remedial action. The Monitoring Officer also reserves the right to make a report of unlawfulness to Full Council.

Significant Governance Observations

This section provides a high-level and concise summary of Leeds City Council's strategic actions to be taken to address the Council's governance challenges for 2024-25 and the arrangements for oversight of delivery. Throughout the year, relevant progress updates are taken to the relevant Scrutiny Boards.

In determining the significant governance observations, the following factors have been considered:

- the potential to significantly hinder or obstruct the achievement of a key objective
- failure would result in potential reputational or financial risk to the Council
- had a substantial impact on the financial statements
- deemed significant by the audit committee or independent inspectors
- attracted considerable public attention or severely damage the council's reputation
- led to formal action by the Section 151 officer / Monitoring Officer

- received substantial negative feedback in external inspection reports, which the council has been unable to address promptly.

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| <p>1. Significant Governance Observation</p> <p>A key recommendation raised by Grant Thornton The Council should maintain its focus on the delivery of transformation and savings plans within the Children and Families Directorate including accelerating the pace and capacity to deliver savings and transformation plans in-year and by reviewing the level of service provision in Children and Families which could contribute to reducing service costs in a safe and sustainable way. The Council should develop options to make substantial additional savings in non-statutory spending across the whole organisation which may need to be implemented if continued overspending in Children's Services cannot be contained</p> | <p>Council Response to the governance challenge.</p> <p>The Council recognises the need to address budget pressures within the Children and Families directorate in a sustainable way to ensure that the Council's revenue budget is financially robust and resilient. In accordance with the Council's Revenue Principles managing the budget and identify options to manage the budget within Children and Families. Cross-council groups support the delivery of Children and Families savings continue to be in place. Several savings plans are complex and require lead in periods, progress against these timescales is regularly reviewed and issues escalated where needed.</p> |
| <p>How this will be monitored Progress reported through the Full Council, Executive Boards, Scrutiny Boards and Corporate Governance and Audit Committee and through senior officer groups, such as the Corporate Leadership Team.</p> | |
| <p>2. Significant Governance Observation</p> <p>A key recommendation raised by Grant Thornton The Council should assess the growing risk to its reserves policy of continued revenue budget overspending, including the impact on its strategy to re-build the General Reserve, its approach to managing the projected Dedicated School Grant (DSG) deficit and the potential future removal of the DSG statutory override. Changes to the reserves policy should continue to be monitored and reported regularly at management and member levels, recognising its significance for the Council's overall financial sustainability.</p> | <p>Council Response to the governance challenge.</p> <p>At the end of 2024-25, the Council's Dedicated School Grant (DSG) reserves projected a deficit of £13.223m. This comprised of a deficit of £14.248m for general DSG offset with a £1.025m contingency for de-delegated contribution. Responding to this, the Council is required to submit a management plan detailing how these DSG deficits will be addressed. The negative DSG reserve position is allowed for within the management arrangements for the DSG by Local Authorities by means of a "statutory override" to the requirement for the DSG to remain balanced. This statutory override comes to an end in March 2026 and therefore the increasing level of deficit needs careful consideration and will be considered within the overall context of the Council's financial arrangements. The Council have also engaged with independent consultants to undertake a review of our Medium-Term Financial Strategy to identify proposals that will contribute to the Council meeting the financial challenges it faces. This review</p> |

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| | | will have particular focus following the financial sustainability themes, revenue generation, locality, early help / prevention and organisational effectiveness. |
| How this will be monitored | | |
| Progress is monitored through regular reporting at Executive Board and through senior officer groups, such as the Corporate Leadership Team. | | |
| 3. Significant Governance Observation | Council Response to the governance challenge. | |
| <p>A key recommendation raised by Grant Thornton</p> <p>The Council should strengthen its focus on budgetary control in relation to Children’s Services by increasing the level of detail about performance in achieving savings and transformation plans in its public reporting at member level. Clear explanations of the reasons for delays or under performance, revised timescales and nominated responsible officers would improve accountability. Mitigations and alternative plans should be specified with clear targets and timescales. Given the scale of savings and transformation plans in Children’s Services, and their importance to the Council’s overall financial sustainability, the associated risks should be identified and reflected in the Council’s Strategic Risk Register, with an appropriate range of controls and mitigations identified and reported to Executive Board on a monthly basis.</p> | <p>The budget and transformation plan relating the Children’s Services, is incorporated into the reporting of the in-year financial position and the Medium-Term Financial Strategy. As both these relate to the financial sustainability of the Council, they are identified as separate risks within the Strategic Risk Register along with specific risks relating the SEND and EHCP’s.</p> <p>Work continues with Children’s Services to manage relevant risks, and this informs the updates to the Strategic Risk Register, reported to the Executive Board.</p> | |
| How this will be monitored | | |
| Progress is monitored through regular reporting at Executive Board and through senior officer groups, such as the Corporate Leadership Team. | | |
| 4. Significant Governance Observation | Council Response to the governance challenge. | |
| <p>Internal Audit outcomes and observations are regularly reported to the Corporate Governance and Audit Committee throughout the year. Assurance on the implementation of Internal Audit recommendations is a key indicator of senior management engagement in recognising and making improvements to governance, risk management and control arrangements. The recommendation tracking process has continued in development over the course of 2024/25, with high and medium priority Internal Audit recommendations logged and tracked across each Directorate and service area. Outcomes regarding the timely</p> | <p>The Corporate Leadership Team has now implemented a structured framework of quarterly assurance meetings which provide the platform for oversight and challenge over progress. Directors are asked to provide assurance over plans in place to ensure timely implementation of actions. The Corporate Governance and Audit Committee has continued to influence the quality and transparency of reporting on Internal Audit recommendation tracking.</p> | |

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| implementation of recommendations are reported to the Corporate Governance and Audit Committee. | |
| How this will be monitored Progress will be monitored through continued Internal Audit update reporting to Corporate Governance and Audit Committee. Oversight will also be delivered through the framework of Assurance Meetings held with the Corporate Leadership Team. | |
| 5. Significant Governance Observation Whilst risk management is well embedded within Leeds City Council, opportunities have been identified to strengthen the arrangements for defining and recording risk appetite and co-ordinating reporting on the assurance in place to establish how effectively risks are being managed. The value of these developments within the Council's governance framework has been highlighted by the Corporate Governance and Audit Committee and will support management across the organisation in determining where interventions need to be prioritised. | Council Response to the governance challenge. A Task and Finish Group has been established by the Intelligence and Policy Manager (part of the risk management function) to review and determine the optimal arrangements for developing risk appetite statements for the Council's corporate risks and recording risk assurance in alignment with these. |
| How this will be monitored Progress will be monitored and reported through the Corporate Leadership Team, reported annually to the Executive Board and an annual assurance report on Risk and Resilience presented to the Corporate Governance and Audit Committee. | |
| 6. Significant Governance Observation Whilst emerging technology presents numerous opportunities in Local Government, it also continues to present a series of risks and governance challenges. These include cyber-security risks, data management, workforce (and service-user) skills gaps, and the need for effective digital leadership. These challenges can impact across the Council's operations and strong governance is vital to embracing and addressing the challenges posed in such a way that supports transformational requirements, delivers value for money and mitigates the risks associated. | Council Response to the governance challenge. The Integrated Digital Service (IDS) lead on the Council's digital priorities. There are several boards and committees set up to ensure informed and joined up decision making, and an Internal Audit review of digital governance arrangements has provided assurance on the arrangements in place to ensure decisions are taken in alignment with digital priorities. IDS have committed to bringing a report to the Corporate Governance and Audit Committee that will review and provide assurance on the arrangements in place to address the risks and opportunities posed by Artificial Intelligence. |
| How this will be monitored Progress will be monitored through reporting to be received by Executive Board during 2025-2026 and through regular established reporting to Scrutiny Board and the Corporate Governance and Audit Committee. | |

Conclusion and Assurance Statement.

We have conducted a review of the effectiveness of our system of internal control⁴. The review reflects on the formal reporting to Council and Executive committees; enquiries made of officers with relevant specialist knowledge, experience and expertise, and officers with operational control, in addition to independent assurance that has been provided. The review has been undertaken in consultation with the Council's Chief Executive, Head of Paid Services, Monitoring Officer and Chief Finance Officer.

We confirm, to the best of our knowledge and belief, that this Annual Governance Statement (AGS) provides an accurate and fair view on our internal control arrangements. Whilst our governance framework cannot eliminate all risk to the achievement of policies, aims and objectives, our review provides reasonable assurance to the effectiveness of our arrangements.

We are satisfied that for the accounting period 1st April 2024 to 31st March 2025, our framework of internal control has continued in place up to date of approval of this AGS. We have concluded that, overall, key systems are operating soundly, and that there are no fundamental control weaknesses⁵. We are satisfied that where improvement have been identified, plans are in place to address these improvements with appropriate arrangements to monitor them.

Victoria Bradshaw

Assistant Chief Executive (Finance, Traded and Resources)

Councillor Mahalia France-Mir

Chair of the Corporate Governance and Audit Committee

Ed Whiting

Chief Executive

Councillor James Lewis

Leader of Council

Annual Governance Statement 2023-24 – Action Plan Update (Draft)

The table below presents the actions highlighted in the 2023-24 Annual Governance Statement and the progress that has been made against those actions.

| Principle 1: Behaving with integrity. <i>(Doing the right thing in the right way)</i> | |
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| 2023-24 action <ul style="list-style-type: none"> We maintain clear processes that reinforce good behaviours and working relationships and maintain high standards of conduct. We will learn from feedback received to enable us to further embed our internal control environment for Counter Fraud and Corruption | 2024-25 action update <ul style="list-style-type: none"> The Survey of Internal Control was refreshed for 2024-25 to focus in key areas of control within Counter Fraud and Corruption and Financial Management. This review will enable services to fully evaluate how well controls are embedded and where areas can be strengthened. |
| Principle 2: Ensuring openness and engagement. <i>(Sharing information and inviting participation)</i> | |
| 2023-24 action <ul style="list-style-type: none"> We have moved to a single leadership and management approach for customer contact and customer relations as part of organisational design and have introduced strategic governance through the Best Council Team – Customer. We work closely with our communities through Asset Based Community Development (ABCD) projects in a “bottom up” approach to develop sustainable community driven initiatives and support. We will continue with a light touch review of partnership assurance to ensure that the governance arrangements in place are applied appropriately and proportionately to support this work. | 2024-25 action update <ul style="list-style-type: none"> We will continue to provide a light touch review of assurances relating to our partnership governance arrangements. The value of community working and initiatives and support such as those offered by the Asset Based Community Development team continues to be promoted throughout the Council. |
| Principle 3: Defining Outcomes. <i>(Having realistic priorities for what we can and should achieve)</i> | |
| 2023-24 action <ul style="list-style-type: none"> We will implement our core business transformation, ensuring the new arrangements are introduced in a timely way with a view to effective transition. New arrangements will be communicated, embedded and monitored to ensure their ongoing success. We will work to further strengthen the Best City Ambition progress monitoring framework to better evidence how the ambition is meeting its aims. | 2024-25 action update <ul style="list-style-type: none"> Work is continuing to ensure that key performance indicators relating to the Best City Ambition and the Organisational Plan are embedded. |

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| <ul style="list-style-type: none"> We will review our use of Key Performance Indicators (KPIs) to better enable democratic oversight of the council's performance monitoring framework. | |
| Principle 4: Determining effective interventions. <i>(Considering the options and taking informed decisions)</i> | |
| 2023-24 action <ul style="list-style-type: none"> We will continue to focus on the delivery of proportionate and timely information to ensure that decision makers are able to consider all relevant information and evaluate options available to them. | 2024-25 action update <ul style="list-style-type: none"> Following the review of decision-making procedures in May 2024, we will monitor compliance with the new procedure rules and their impact on perceived bureaucracy and administrative burden within the Council's decision-making arrangements. |
| Principle 5: Managing risk and performance. <i>(Ensuring that we can implement our plans)</i> | |
| 2023-24 action <ul style="list-style-type: none"> Reflecting on the need to produce a balanced budget and with full awareness of the ongoing financial challenge, we will: <ul style="list-style-type: none"> Work to embed purchase card arrangements to prevent fraud and ensure that value for money is achieved. Continue to provide sound financial management, to identify and track the implementations of savings proposals through strengthened reports of budget actions plans. Provide specific wrap-around support for Children and Families Leadership Team to help with the in-year position. Update the MTFS providing the financial position for 2025-26 to 2029-2030. Seek to identify and develop robust savings proposals to close the budget gap over a three-year period whilst continuing to provide sustainable services for the citizens and communities of Leeds. We will continue to improve our information governance framework following the consensual audit from the Information Commissioner's Office, reporting on progress against action to the Corporate Governance and Audit Committee. We will review our cyber security risk management arrangements in line with recommendations from internal audit and record progress against the recommendation tracker and through the annual assurance report to Corporate Governance and Audit Committee. | 2024-25 action update <ul style="list-style-type: none"> Specific earmarked reserves have been established to ensure that the Council's budget is robust, resilient and sustainable. Wrap-around support for Children and Families leadership team remains in place to assist with the in-year financial position. A small number of actions resulting from the ICO audit in in progress working with colleagues in Integrated Digital Services to effectively resolve the recommendation. Work has been undertaken to update the corporate risk of a major cyber incident within the corporate risk register which will be reviewed each quarter. |

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| Principle 6: Developing Capacity. <i>(Getting the best out of our resources and our people)</i> | |
| 2023-24 action <ul style="list-style-type: none"> • We will continue to communicate and embed our Be Your Best priorities for 2024-25, including Be Your Best, Equality, Diversity and Inclusion to develop and support all Leeds City Council Managers to build inclusive teams and a culture that is fair, celebrates difference, values all, eliminates discrimination and helps everyone to be their best. • We will review our People Strategy • We are developing an Employment Policy framework and will report this to Strategy and Resources Scrutiny Board. | 2024-25 action update <ul style="list-style-type: none"> • Our people policies continue to be reviewed in line with legislative changes and in line with our employee relations consultation and engagement framework. |
| Principle 7: Effective Accountability. <i>(Ensuring our processes are clear, robust and open to review)</i> | |
| 2023-24 action <ul style="list-style-type: none"> • We will continue to welcome and encourage robust independent challenge. • We will consider and respond to the outcome of the ongoing internal audit of Leeds City Council complaints, to ensure that complaints are addressed in a consistent, comprehensive, and timely manner in line with policy requirements, and appropriate steps are taken to ensure lessons are learnt from complaint findings. | 2024-25 action update <ul style="list-style-type: none"> • The internal audit relating to Leeds City Council complaints is now at the point of conclusion and the outcome of this engagement will be reported as part of the Internal Audit update reports received by Corporate Governance and Audit Committee. |

Annual Governance Statement 2024-25 Action Plan (Draft)

The table below provides detail of the high-level actions that have been identified to develop and improve the Council's internal control and governance structures going forward. These actions are mapped against the seven principles of Corporate Governance as detailed in the Council's Local Code of Corporate Governance.

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| Principle 1: Behaving with integrity (<i>Doing the right thing in the right way</i>) |
| <ul style="list-style-type: none">• Responding to the introduction of the new Global Internal Audit Standards in the UK Public Sector on 1st April 2025, to develop our Internal Audit Strategy, Audit Charter and other local policies and templates to ensure compliance.• Continue to monitor the impact that new decision-making procedure rules introduced in May 2024 have had on the Council's decision-making arrangements and review and refresh if required. |
| Principle 2: Ensuring openness and engagement (<i>Sharing information and inviting participation</i>) |
| <ul style="list-style-type: none">• To focus on sharing and improving best practice through the strengthening of links to other networks where consultation and engagement takes place.• Following changes to resources within Corporate Governance, to strengthen collaboration with the Internal Audit team to obtain independent assurances for key areas of internal control to support the Annual Governance Statement. |
| Principle 3: Defining Outcomes (<i>Having realistic priorities for what we can and should achieve</i>) |
| <ul style="list-style-type: none">• The introduction of Microsoft Dynamics in June 2025 will be supported by an extensive training offer that will aim to strengthen budget accountability.• To continue to provide quarterly updates relating to contract management to Financial Challenge.• To monitor the impact of the new Customer Strategy, introduced in November 2024 to improve customer contact and access to services. |
| Principle 4: Determining effective interventions (<i>Considering the options and taking informed decisions</i>). |
| <ul style="list-style-type: none">• To implement a pilot project to improve compliance with GDPR legislation and records management within Microsoft 365 using Purview. This pilot will be concluded in February 2026. The pilot will be evaluated before next steps are determined.• To continue with local asset rationalisation to develop multi-functional public offices, with Community hubs and Libraries at the heart. |
| Principle 5: Managing risk and performance (<i>Ensuring that we can implement our plans</i>) |
| <ul style="list-style-type: none">• There will be a continuation of Business Continuity service reviews to ensure all plans are robust and allow services to effectively respond to circumstances that may impact the efficiency of service delivery.• A review of corporate wide risk assurance will be undertaken by the end of the 2025-26 financial year.• Work will be undertaken to review and develop risk appetite statements for our corporate risks.• A review will be undertaken to ensure that the Council's risk management policy and strategy is up to date. |
| Principle 6: Developing Capacity (<i>Getting the best out of our resources and our people</i>). |

- To review the resource structure within Cyber Security with consideration made to the introduction of apprenticeships to develop talent within the service.
- To review our employee relations consultation and engagement framework which covers consultation relating to employee policies and wider consultation and engagement on other workforce related matters.

Principle 7: Effective accountability *(Ensuring our processes are clear, robust and open to review)*

- Our Contract Procedure Rules (CPRs) and related documentations will be reviewed in line with the recent implementations of The Procurement Act in February 2025.
- To review the Council's Procurement Strategy to consider recent changes to procurement legislation, changes to national policy and focus on contract management best practice within the Council.