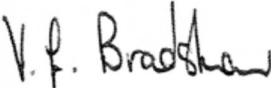# INTERIM
ANNUAL GOVERNANCE STATEMENT
2023

Approved by

Chief Officer (Financial Services)

July 2023

1 - INTRODUCTION AND ASSURANCE STATEMENT

1) Leeds City Council is obliged[1] to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

2) We have conducted a review of the effectiveness of our system of internal control[2]. The review reflects formal reporting to council and executive committees, and enquiries made of officers with relevant knowledge, experience, and expertise. The review has been undertaken in consultation with the council's Head of Paid Service, Monitoring Officer, and Chief Finance Officer.

3) We confirm, to the best of our knowledge and belief, and there having been appropriate enquiries made, that this Annual Governance Statement provides an accurate and fair view.

4) We are satisfied that in the period from April 2022, our framework of internal control has continued in place at the council for the year ended 31 March 2023 and up to the date of approval of this Interim Annual Governance Statement. We have concluded that, overall, key systems are operating soundly, and that there are no fundamental control weaknesses[3]. We are satisfied that where improvements have been identified, actions are in place with appropriate arrangements to monitor them.

V. f. Bradshaw		
Victoria Bradshaw		
Chief Officer Financial Services & Section 151 Officer		

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[1] Regulation 3 of the Accounts and Audit Regulations 2015

[2] Undertaken in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, and proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016)

[3] Whilst supporting the council's arrangements for risk management, the governance framework cannot eliminate all risk to the achievement of policies, aims and objectives and we note that this review can therefore only provide reasonable and not absolute assurance of effectiveness. Similarly, this review provides assurance that we have in place appropriate processes to ensure transparency and democratic oversight in decision making but does not necessarily mean agreeing with all decisions made.

Local Code of Corporate Governance

5) Our governance arrangements seek to ensure that our resources are used to achieve defined outcomes for the citizens and communities in the Leeds area.

6) Our local Code of Corporate Governance is framed around seven principles.

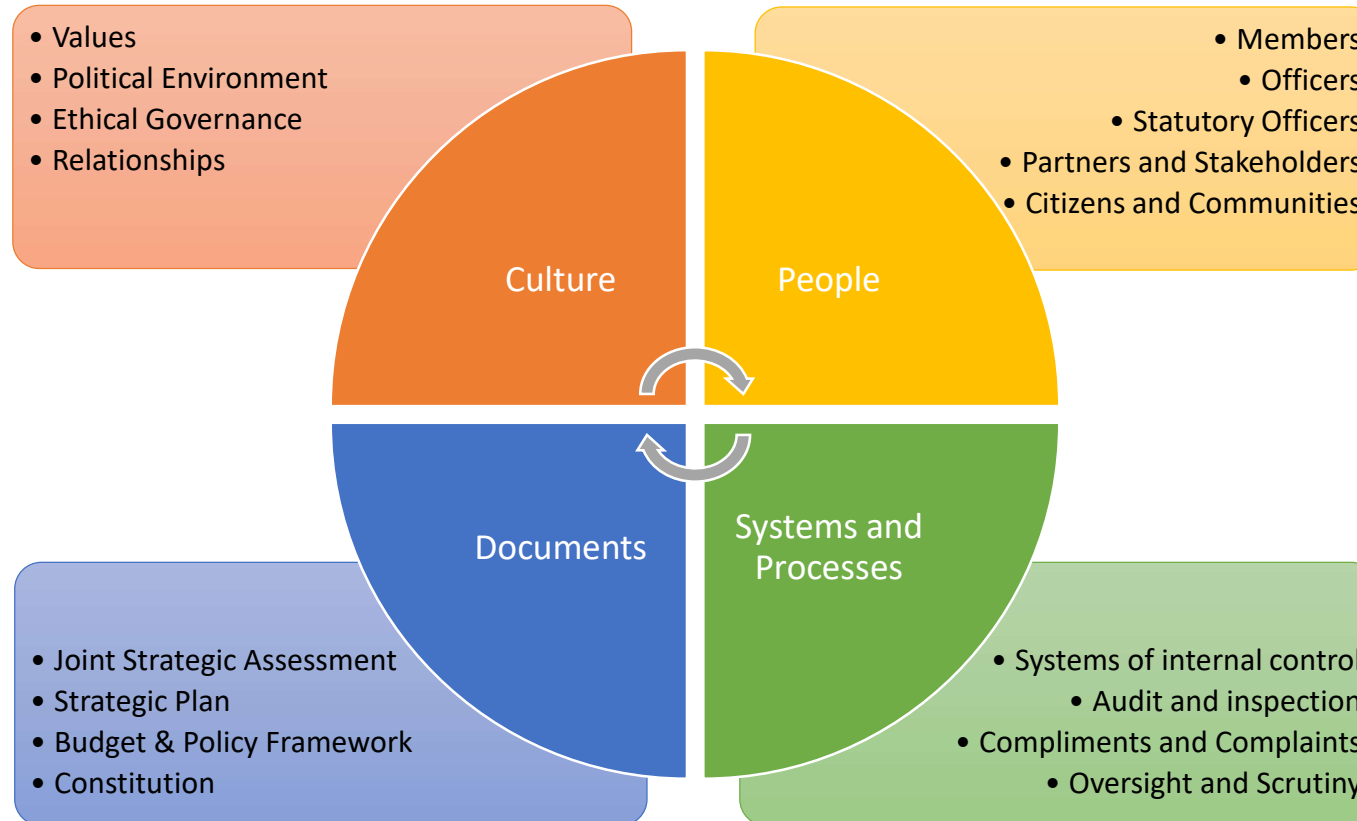| Principle	Description
Behaving with integrity	• Doing the right thing in the right way
Ensuring openness and engagement	• Sharing information and inviting participation
Defining outcomes	• Having realistic priorities for what we can and should achieve
Determining effective interventions	• Considering the options and taking informed decisions
Managing risk and performance	• Ensuring that we can implement our plans
Developing capacity	• Getting the best out of our resources and our people
Effective accountability	• Ensuring our processes are clear, robust, and open to review

7) These governance principles are supported by commitments which enable us to direct and control our activity to achieve our Best City Ambition: Tackling Poverty and Inequality. They bring together the systems, processes, and values and behaviours 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:

- Does the right things in the right way.
- Is open, and transparent about what it does and how and why it does it.
- Engages with citizens, partners, and stakeholders to plan and deliver outcomes; and
- Is held to account.

8) We have in place a variety of arrangements through which we give effect to our Code of Corporate Governance. These governance arrangements are a combination of the culture, people, documents, and systems and processes which together direct and control the council's activities, as demonstrated at Figure 1 below.
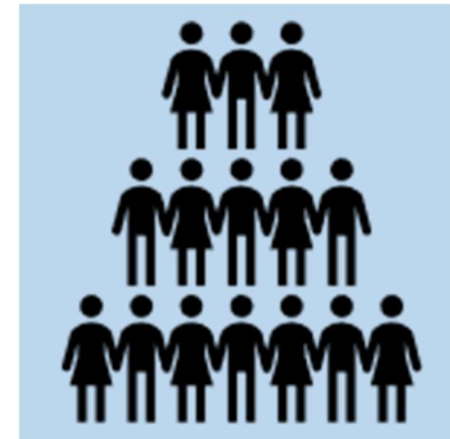
Figure 1 Governance Arrangements

- Values
- Political Environment
- Ethical Governance
- Relationships

- Members
- Officers
- Statutory Officers
- Partners and Stakeholders
- Citizens and Communities

Culture

People

Documents

Systems and Processes

- Joint Strategic Assessment
- Strategic Plan
- Budget & Policy Framework
- Constitution

- Systems of internal control
- Audit and inspection
- Compliments and Complaints
- Oversight and Scrutiny

People

9) Our organisational plan "Being Our Best", approved by Executive Board in June 2023, is designed for all managers (more than 2000 across the council) to support their staff to be their best. The plan, which focuses on our values and refreshed behaviours, sets out four expectations of all appraising managers and our five interdependent change priorities, together with a guide to the resources available to managers to deliver against these. This is channelled through the communication and engagement framework.

10) Our People Strategy 2020-25 sets out our commitment to best leadership and management and to best employee experience. Working through application of our Values this strategy underpins our approach to recruitment, work life, development, progression, and exit. We use our regular staff surveys to monitor this.

11) Officer remit and accountability is clearly structured, communicated and monitored through delegation and sub-delegation arrangements, appraisal objectives and regular supervision.

12) Statutory officers are designated (as set out in Article 12 of our Constitution), and there are protocols in place in our Constitution to ensure that statutory requirements are complied with, and the Monitoring Officer and Chief Finance (S151) Officer are afforded the resources, access and opportunities required to fulfil their roles.

13) We have well established arrangements for information management and governance overseen by the Senior Information Risk Owner (SIRO), Data Protection Officer (DPO) and Caldicott Guardian.

14) In addition, where no other officer is appointed, each Director is appointed as Proper Officer for matters within their remit in accordance with the Functions of Full Council set out in the Constitution.

15) We have appointed a Freedom to Speak Up Guardian encouraging people to speak up with any concerns around working practices.

16) Our relationship with partners, stakeholders and citizens is characterised by our values which embrace openness, engagement, transparency, and accountability.

17) The council's services are accessible through face to face, telephone, and digital channels. The council's values are routinely demonstrated in our interactions with customers; who receive a high quality, efficient and effective service when they contact us; and there are robust processes in place to receive and act upon customer feedback.

18) We are focussed on the needs of our communities, and use a variety of methods, including our Citizen's Panel to communicate and engage with our citizens and communities, to plan and deliver the right services in the right ways to achieve value for money.

19) As outlined in the Team Leeds approach and our values, we have a well-developed culture of partnership working in collaboration with public, private and third sector organisations across the city, and at regional and national level.

Systems & Processes

20) We operate a leader and cabinet governance model. Arrangements for delegation of council functions to committees and officers are set out alongside the Leader's executive arrangements in the Constitution to ensure clear arrangements for open, transparent, and accountable decision making.

21) Decision making, financial arrangements and procurement activity are bound by clear rules of procedure which focus our resources to the achievement of our strategic outcomes and are rooted in legal compliance.

22) Budget management and monitoring is a continuous risk-based process which operates at a number of levels throughout the council. Directors have responsibility for delivering directorate budgets whilst named accountable budget holders, supported by finance officers, manage, monitor, and forecast income and expenditure against budgets. All Directorates have contingency plans in place to help to manage unforeseen variations against the budget.

23) Our arrangements for treasury management comply with The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the Prudential Code.

24) We monitor progress against our strategic ambitions through a series of Key Performance Indicators (KPIs), with supporting performance monitoring taking place at Directorate level to identify any weakness in performance in order that appropriate effective action can be taken to bring performance in line with targets.

25) We have established arrangements for risk and resilience which work to identify, mitigate, and manage risk at corporate, directorate, service, and project level. We recognise that whilst risk management supports the delivery of our strategic ambitions, this framework cannot eliminate all risk to the achievement of policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. We have established arrangements for overview and scrutiny and have appointed five scrutiny boards with remits defined in Article 6.

26) Our activity is outcome focussed, and systems and processes are reviewed regularly to ensure that they are up to date and fit for purpose to deliver our strategic outcomes for citizens and communities in Leeds.

Documents
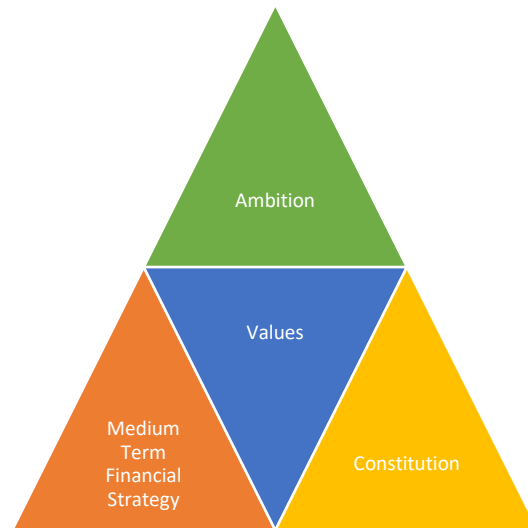
27) Our Joint Strategic Assessment (JSA) was updated in 2021 as part of a three yearly cycle, providing a detailed understanding of the citizens and communities in the Leeds area, and the challenges and opportunities as we emerge from the Covid-19 pandemic. This understanding is then used to underpin our strategic framework.

28) Our Best City Ambition, adopted in February 2022, highlights the city's mission to tackle poverty and inequality, and sets out the three pillars approach which flows through the city and council's wider strategic framework including through the Health and Wellbeing Strategy, Inclusive Growth Strategy and enhanced Climate Action Plan which draws together relevant cross cutting priorities and objectives.
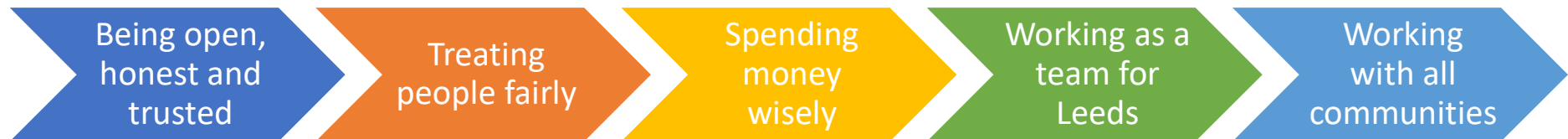
29) The Team Leeds approach set out in the Best City Ambition provides an important set of principles for partnership working, informed by engagement with partners and delivered by many across the city. It defines some important characteristics of a Team Leeds way of working – including being evidence-led, working with strengths and asset-based models, and adopting co-production and co-design with the citizen as standard. The approach includes useful check and challenge to ensure we are applying it consistently and going further where we can.

30) We recognise that the council's role in leading the Best City Ambition can only be delivered through a sound understanding of the organisation's longer term financial sustainability, enabling decisions to be made that balance the resource implications of the council's policies against financial constraints.

31) Through the adoption of budget principles in respect of capital and revenue budgets, we have ensured a robust and accountable approach to budget management, closely aligned to the principles of CIPFA's Financial Management Code (2019).

32) We recognise that the current and future financial climate present a significant risk to the council's priorities and ambitions, and that the council's financial position must be robust, resilient, and sustainable with a sufficient level of reserves available to deal with any future unforeseen circumstances. Our five-year Medium Term Financial Strategy, which is updated annually, is supported by our financial management systems, and underpins our sustainable approach.

33) Our budget is set annually and monitored regularly to ensure delivery of our strategic objectives.

34) Our Constitution, which is reviewed annually, is published in the library on our website.

Culture

35) Our culture is framed by our five values.

Being open, honest and trusted	Treating people fairly	Spending money wisely	Working as a team for Leeds	Working with all communities

36) Our values are articulated, communicated, and embedded through defined behaviours. These behaviours are evidenced through our relationships within the council; with our partners and stakeholders; and with citizens and communities.

37) We have Codes of Conduct for Members and officers which, together with several supporting protocols, set out clear expectations of behaviour. There are clear arrangements in place for both Members and officers to make declarations of interests and of gifts and hospitality.

38) Our ethical governance arrangements are supported by a robust suite of counter fraud and corruption arrangements, including a whistle blowing policy under which anyone, including members of the public can report concerns.

39) We have a culture of continual improvement, celebrating our achievements but being ever mindful of the risk of complacency and as a result we continually review the arrangements in place to identify opportunities for growth, development, and improvement, whilst balancing these with the need to make proportionate use of our resources.

40) We recognise the need for continual growth and development of both Members and officers and we have clear arrangements in place to access training and development opportunities appropriate to the role and aspirations of individuals.

41) We recognise the unique nature of the political environment in local government and expect and encourage a relationship of mutual trust and respect between all Members and officers as set out in the Protocol on Member/Officer Relations.

42) Our political environment is characterised by an approach of cross-party engagement through which we ensure that all our decisions are subject to rigorous oversight and robust challenge, for example including an Opposition Member on Executive Board to provide meaningful challenge to Executive decision making.

43) Our scrutiny function is delivered in line with the seven conditions for success identified in our Vision for Scrutiny at Leeds, set out in Article 6 of our Constitution. Scrutiny Board Chairs are drawn from both administration and opposition political groups.

44) Clear and embedded arrangements for the publication of key decisions enable effective democratic oversight of decisions taken by officers.

45) Regular performance reporting in relation to key strategies ensures effective accountability of those in operational control.

Assurance approach

46) We have used the three lines of assurance model (set out at Figure 2 below) to provide substantial assurance that our governance framework is operating soundly with no fundamental weaknesses. We are considering the assurance received to identify opportunities for improvement which we will capture in an action plan which will be set out in part 5 of the final iteration of this Statement.

47) Whilst our governance framework cannot eliminate all risk to the achievement of policies, aims and objectives, our review provides reasonable assurance of the effectiveness of our arrangements.

First line of assurance - operational and managerial oversight

48) We seek confirmation from those with operational and managerial responsibility that our system of internal control is effectively embedded.

49) Our Survey of Internal Control invited 129 officers with managerial responsibility at tier 3 and above and received a response rate of 93%. The survey focussed on our seven Corporate Governance principles and was designed to identify the extent to which managers believe staff in their service have relevant knowledge and skills and comply with those controls appropriately and proportionately to their individual roles and responsibilities. Survey respondents were invited to comment on arrangements which were working well and to identify any actual and/or perceived weakness, as well as suggesting opportunities for improvement.

50) Quantitative and qualitative analysis of survey responses has been completed provides assurance that from an operational perspective, governance arrangements appear to be embedded and effective. Where opportunities for further improvement have been identified these have been referred to the owner of specialist oversight in relation to the relevant system of internal control for further consideration.

Second line of assurance - specialist oversight and compliance

51) Those with specialist oversight and compliance responsibility provide assurance that arrangements are up to date, fit for purpose, embedded, and routinely complied with.

52) We have developed the Cycle of Internal Control (described in Figure 3 below) which underpins each of our systems of internal control and recognises that arrangements should be defined and documented; clearly communicated, effectively embedded; meaningfully monitored; and reviewed and refined. Throughout this cycle we seek to ensure that risks are identified, assessed, and appropriately managed.

53) The second line of assurance is developed through the formal reporting of control arrangements to council and executive committees and supported by additional enquiries made to officers with specialist oversight, knowledge and responsibility.
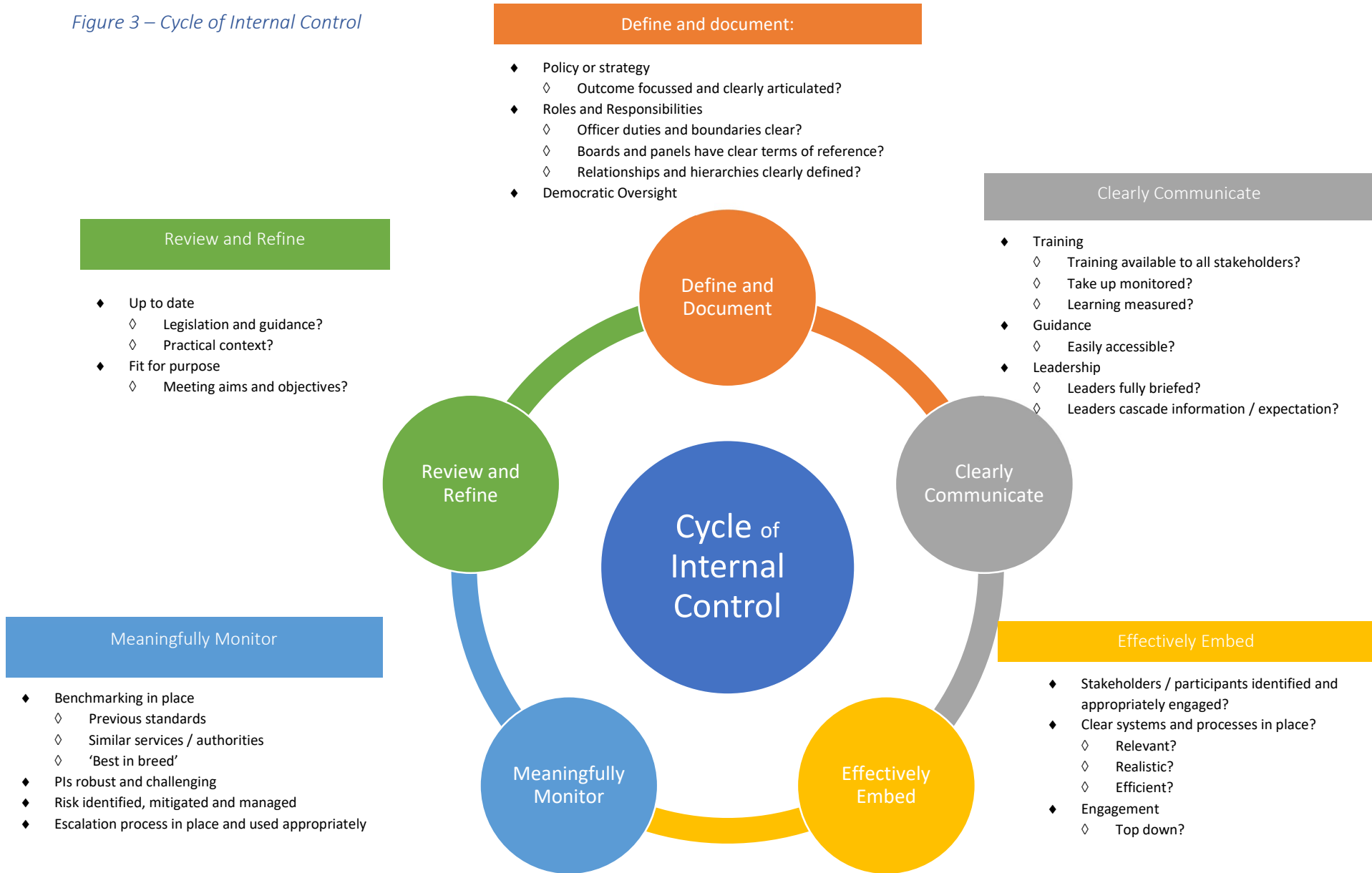
Figure 2 - Assurance Map

Bodies charged with governance:			1st line of assurance	2nd line of assurance	3rd line of assurance		
			Responsibilities for implementation and accountability		Arrangements for testing		
Full Council Corporate Governance and Audit Committee (Delegated responsibility)			**Operational ownership and management**	**Oversight and compliance specialists**	**Independent Assurance**		
			Directors and section heads sectional and directorate leadership teams	Specialist officers Proper officers			
Systems and Processes of Internal Control		**Define and Document**	Clear arrangements for sub-delegation of functions and responsibilities	Development of policy & procedure	Internal Audit	External Audit	External Inspectors
		Clearly Communicate	Leadership – cascading of information and expectation	Provision of guidance & training,			
		Effectively Embed	Systems of managerial control (Supervision / 121 / appraisal etc.)	Oversight and advice tailored to service need			
		Meaningfully Monitor	Local performance monitoring. Identification and mitigation of risk. Escalation of concerns	Development of robust performance indicators. Benchmarking			
		Review and refine	Feedback on systems and processes	Review of legislation, sector best practice and guidance. Strategic review of arrangements	Action Planning & Monitoring		
Officer oversight:			Corporate Leadership Team Statutory Officers (Monitoring Officer, Chief Finance Officer, Head of Paid Service)		**Officer oversight**		
Democratic Oversight			Executive Members Executive Board Scrutiny Boards Corporate Governance and Audit Committee Standards and Conduct Committee		**Democratic oversight**		

Figure 3 – Cycle of Internal Control

Define and document:

- ◆ Policy or strategy
  - ◇ Outcome focussed and clearly articulated?
- ◆ Roles and Responsibilities
  - ◇ Officer duties and boundaries clear?
  - ◇ Boards and panels have clear terms of reference?
  - ◇ Relationships and hierarchies clearly defined?
- ◆ Democratic Oversight

Clearly Communicate

- ◆ Training
  - ◇ Training available to all stakeholders?
  - ◇ Take up monitored?
  - ◇ Learning measured?
- ◆ Guidance
  - ◇ Easily accessible?
- ◆ Leadership
  - ◇ Leaders fully briefed?
  - ◇ Leaders cascade information / expectation?

Review and Refine

- ◆ Up to date
  - ◇ Legislation and guidance?
  - ◇ Practical context?
- ◆ Fit for purpose
  - ◇ Meeting aims and objectives?

Meaningfully Monitor

- ◆ Benchmarking in place
  - ◇ Previous standards
  - ◇ Similar services / authorities
  - ◇ 'Best in breed'
- ◆ PIs robust and challenging
- ◆ Risk identified, mitigated and managed
- ◆ Escalation process in place and used appropriately

Effectively Embed

- ◆ Stakeholders / participants identified and appropriately engaged?
- ◆ Clear systems and processes in place?
  - ◇ Relevant?
  - ◇ Realistic?
  - ◇ Efficient?
- ◆ Engagement
  - ◇ Top down?

Cycle of Internal Control

- Define and Document
- Clearly Communicate
- Effectively Embed
- Meaningfully Monitor
- Review and Refine

Third line of assurance - independent assurance

54) Formal independent assurance is provided by Internal Audit, External Audit, and other external inspection agencies.

Internal Audit

55) In accordance with the Public Sector Internal Audit Standards[4] (PSIAS) as the Council's designated Chief Audit Executive[5], the Head of Internal Audit delivered their annual internal audit opinion and report to Corporate Governance and Audit Committee in July 2023. This opinion for 2022-23 stated that:

> *The combination of audit work, including specific assurance reports and other auditing activities undertaken for the delivery of the 2022-23 Internal Audit plan, leads to a conclusion that the internal control environment (including key financial systems, risk, and governance) is well established and operating effectively in practice.*
>
> *.....*
>
> *As a result, a **satisfactory** overall opinion for 2022-23, based on the audit work detailed within this report, including both a range of audits and other value-adding activities.*

56) he Public Sector Internal Audit Standards (PSIAS) require a quality assurance framework to be established. The latest external review of our quality management system was undertaken in November 2022. The assessment confirmed that our arrangements continue to conform to the ISO quality management standards and certification was successfully awarded for a further 3 years. These arrangements have met ISO certification since 1998.

57) The Internal Audit Service provides regular update reports in relation to Internal Audit, and bi-annual updates in relation to Counter fraud and corruption activity, to the Corporate Governance and Audit Committee. Reports provide assurance as to the quality and conduct of the internal audit service through compliance with PSIAS and as measured through feedback obtained from audited services. In addition, these reports update the Committee as to the control environment in place across the council by providing oversight of work undertaken in pursuance of the Audit Plan.

External Audit

58) Grant Thornton is appointed as the council's External Auditor for the period covering the statutory accounts for the financial years 2018/19 to 2022/23. They are represented at each meeting of Corporate Governance and Audit Committee. They have quarterly meetings with the Chief Officer Financial

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[4] Performance Standard 2450

[5] Please note that for 2023-24 the Senior Head of Internal Audit, Corporate Governance and Insurance will be the Council's designated Chief Audit Executive.

Services (the council's designated Chief Finance Officer), and bi-annual meetings with the Leader of Council, Chief Executive and Director of Strategy and Resources in addition to the Chief Officer Financial Services. Additional meetings are arranged as necessary throughout the year.

59) The approved draft audit opinion 2020-21[6], considered by Corporate Governance and Audit Committee in February 2023, states that

> *In our opinion, the financial statements:*
> - *Give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its expenditure and income for the year then ended.*
> - *Have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and*
> - *Have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.*

60) Under the National Audit Office (NAO) 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. Auditors are required to report their commentary on the Council's arrangements in relation to financial sustainability; governance; and improving economy, efficiency, and effectiveness.

61) The executive summary to the Auditor's Annual Report on Leeds City Council 2020-21, states

> *Overall, we have not identified any significant weaknesses and related key recommendations, including in the Council's response to Covid-19. We have identified a small number of improvement recommendations to further enhance the Council's arrangements, which management has accepted and will implement.*

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[6] The External Auditor's review for 2021/22 is currently a work in progress, it is anticipated that the External Auditor will bring their findings to the Corporate Governance and Audit Committee in September 2023.

External Inspection and Peer Review

62) We engage with all formal inspection agencies including the Care Quality Commission and OFSTED, and our Protocol for the Coordination of External Inspection Reports ensures that reports and action plans arising from inspections are shared as appropriate with Executive Board, Scrutiny Boards and Corporate Governance and Audit Committee.

63) Peer review arrangements provide informal independent assurance in relation to specific services. Leeds welcomed a peer review from the Local Government Association Corporate Peer Challenge in November 2022. The Executive Summary to the findings report states

> *Leeds City Council is a very well-led, ambitious, and collaborative council, a beacon of best practice, delivering for and with its communities, partners, and stakeholders. A uniform love, passion and ambition for the city shines through the organisation and through its many partnerships. Members, staff, stakeholders, and partners speak of their enthusiasm of working in and with the council for the benefit of the city, the region and beyond.*

64) All recommendations and findings from this review were accepted and an initial action plan presented at the February 2023 Executive Board. A follow-up peer review is expected to take place in September 2023.

Ombudsman

65) 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.

Democratic Oversight

66) As demonstrated by the Assurance Framework at Figure 4 below, there is considerable democratic oversight, providing assurance that our governance framework is effectively embedded and operating soundly.

Corporate Governance and Audit Committee

67) Corporate Governance and Audit Committee is the committee charged with oversight of the council's governance arrangements, with responsibility for approval of the council's accounting statements and this Annual Governance Statement.
   a) The Committee is also responsible for both the oversight of the council's Internal Audit Service and consideration of our external audit arrangements. Through approval of the risk based annual audit plan, receipt of regular update reports in relation to both internal audit and counter

fraud and corruption, and receipt of the annual report and opinion of the Head of Audit, the Committee is provided with independent assurance of the effectiveness of arrangements for internal control. External independent assurance is secured by consideration of regular updates and reports, the audit of the council's accounts, and the External Auditor's opinion.

68) In addition, the Committee receives assurance directly through its own work programme.

a) A programme of annual assurance reports in relation to service specific controls (e.g., planning regulation and enforcement), and in relation to corporate systems of internal control (e.g., financial management, the decision-making framework, and corporate risk arrangements) enable the Committee to critically examine arrangements for internal control, to provide robust and meaningful challenge and identify areas for growth and development.

b) The work programme is developed and managed flexibly by the Committee to enable consideration of further ad hoc reports in relation to matters of specific interest or concern. In this way the Committee has received assurance in relation to arrangements to embed the Best City Ambition, Estate Management arrangements, and integration of the council's Civica CX system.

Standards and Conduct Committee

69) Standards and Conduct Committee is responsible for promoting and maintaining high standards of conduct by elected and co-opted Members of the council. Through receipt of the Monitoring Officer's annual report the Committee has assurance that arrangements are effective in this regard.

Overview and Scrutiny Arrangements

70) The council has five Scrutiny Boards (Strategy and Resources; Infrastructure Investment and Inclusive Growth; Environment, Housing and Communities; Children and Families; and Adults, Health and Active Lifestyles), each responsible for the review and scrutiny of functions within their remit.

71) Overview and scrutiny arrangements seek to

- assist the development of the Budget and Policy Framework by in-depth analysis of policy issues.
- research, community, and other consultation in the analysis of policy issues and possible options.
- encourage and enhance community participation in the development of policy options.
- question Members of the Executive and Directors about their views on issues and proposals affecting the area.
- facilitate liaison with other external organisations to ensure that the interests of local people are enhanced by collaborative working; and
- question and gather evidence.

Executive Board

72) Under the Leader's executive arrangements, oversight of executive decision-making lies collectively with the Executive Board and individually with named portfolio holders in relation to matters within their remit. Through consideration of reports presented for determination, and regular briefing on

matters within their oversight, the Executive can monitor the way in which decisions meet policy objectives, are open and inclusive, and reflect relevant risks.

73) Executive Board is a key stakeholder in the formulation of our policies. Those which form part of the Budget and Policy Framework must be recommended by Executive Board to Council for consideration;[7] significant executive policies and strategies are approved by the Executive Board; and local policies for approval within directorates are subject to briefing with relevant executive Members. This provides assurance that the policy framework meets the strategic objectives.

74) The Executive Board carries out performance monitoring through receipt of service specific (including Locality Working, Tackling Inequality and Disadvantages in Communities: Locality Working) and corporate performance reports (including regular Financial Health Monitoring reports and annual reports on both Equality Improvement Priorities, performance and risk management). In this way it receives assurance that arrangements are effective in ensuring that resources are used efficiently to deliver strategic outcomes.

75) Where specific issues are raised in relation to the council's governance arrangements Executive Board can refer matters to Corporate Governance and Audit Committee for consideration.

Full Council

76) In addition to its role in holding the Executive to account, Full Council receives the annual reports of key committees[8], enabling it to hold them to account for the effective discharge of relevant council functions.

77) Arrangements are in place to enable the receipt of formal reports of Statutory Officers as necessary.

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[7] Relevant Scrutiny Boards must be consulted on Budget and Policy Framework as part of their development.

[8] Corporate Governance and Audit Committee; Standards and Conduct Committee; Scrutiny boards; Plans Panels; Licensing Committee; Climate Emergency Advisory Committee

Figure 4 - Assurance framework

	1st line of defence	2nd line of defence	3rd line of defence	Bodies charged with governance
	Operational ownership and management	**Oversight and compliance specialists**	**Independent Assurance**	
Published arrangements	Constitution Website			
Corporate Governance and Audit Committee	Service specific annual assurance reports Ad hoc reports addressing key projects and risks	Annual Assurance reports in relation to corporate systems of internal control	**Internal Audit** (Approval of risk-based plan, receipt of update reports; receipt of annual report and opinion) **External Audit** (agreement of nature and scope of annual audit plan; receipt of progress reports; receipt of ISA260 and annual audit report; certification of housing benefit grant claims) **External Inspection** (consideration of external inspection reports and action plans)	Approval of Annual Governance Statement and Statement of Accounts
Standards and Conduct Committee	Consultation on development of Members' Code of Conduct	Annual Report of Monitoring Officer		
Scrutiny Boards	Pre-decision scrutiny Arrangements for Call In Receipt of Performance reports	Consultation on development of budget and policy framework	**External Inspection** (consideration of external inspection reports and action plans)	
Executive Board	Executive Decision making Receipt of Service Specific Performance reports	Receipt of Corporate reports relating to performance and monitoring Strategy and policy approvals	**External Inspection** (consideration of external inspection reports and action plans)	
Full Council	Hold executive to account (executive questions and receipt of executive minutes)	Approval of Budget and Policy Framework Receipt of reports of Statutory Officers		Receipt of Annual Reports
Officer Information	Decision making reports Survey of Internal Control	Specialist Questionnaire		

Governance in Practice

78) In the main, our governance framework has proven to be robust, resilient, and responsive. The following points demonstrate the way in which our arrangements have been implemented or revised in line with our ongoing culture of continuous improvement and the continuing response to the financial challenge:

> **Principle 1 - Behaving with integrity: (Doing the right thing in the right way)**
> We will behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
> - We are committed to ethical governance and will embed our values and use them as the basis for planning and implementing services; have clear and enforced codes of conduct for Members and officers; and will work with external providers to ensure that they share our ethical standards.
> - We will abide by the rule of law and will act in accordance with the legal and regulatory framework, dealing effectively with any breach
> - We will have a zero-tolerance approach to corruption and misuse of power

Ethical Governance

79) The Annual Report of the Monitoring Officer, received in March 2023 by Standards and Conduct Committee, confirmed that:
- all Councillor's had received training in relation to the Councillor Code of Conduct, with advice and training provided on a 1:1 basis where specific issues have emerged during the year.
- the Monitoring Officer has supported Members of the authority (and of Town and Parish Councils) to meet their obligations in respect of the registration and notification of interests.
- the Monitoring Officer has operated and reviewed the complaints process, recommending no changes be made; and
- Full Council has appointed a second Independent Person effective from 1st April 2023.

80) In 2022, Leeds City Council became the first local authority in the country to appoint a Freedom to Speak Up Guardian. The role is central to achieving the Council's People Strategy and Best Place to Work ambitions, and the successful delivery of our LCC Equality Priorities for Employment and Organisation Culture.

81) We have also appointed a Head of Projects Equality, Diversity, and Inclusion (EDI) responsible for driving the Council's priorities in this area.

82) There has been a Council-wide rollout of Equality and Diversity Training for all appraising managers as part of the "Be your Best by bringing your whole self to work". EDI training is core to the LCC Values and Behaviours. This training is focused on making everyone who works for the Council feel included and valued as well as carrying out our city role. Be your Best on EDI is developing and supporting all LCC managers

to build inclusive teams and a work culture that is fair, celebrates difference, values all, eliminates discrimination and helps everyone to be their best.

83) An independent review of Organisational Culture by Internal Audit has been completed which provided increased focus on the organisational values and behaviours and the actions being taken to embed these across the organisation.

Counter Fraud and Corruption

84) We have reviewed and updated the Anti Money Laundering Policy and created a policy on a page. Throughout the year we have reminded staff of the counter fraud policies and how to raise concerns. We have promoted the Fraud Awareness Training package which is available to staff on the Performance and Learning System, including encouraging managers of staff with no digital access to present this at team meetings. A fraud awareness training package has also been developed specifically for schools.

85) The Chair of the Corporate Governance and Audit Committee has been our Counter Fraud Champion, and through the inclusion of forewords in our communication updates, has helped to raise the profile of the policies, the training available and key fraud risks. We have worked together, with other colleagues such as the corporate risk lead, to encourage ownership of fraud risks and controls throughout the authority. We have ongoing liaison with the Freedom to Speak Up Guardian, which ensures appropriate sign posting and action of concerns raised, and continuing dialogue helps to ensure that Internal Audit are appraised of any risks or control weaknesses which would necessitate audit input.

86) We continue to review the outputs of the National Fraud Initiative data matching exercise, and we are developing our use of data analytics to identify potential instances of fraud, in addition to undertaking proactive fraud reviews, and action to ensure the recovery of fraudulent payments.

> **Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)**
> We will ensure openness and comprehensive stakeholder engagement
> - We are committed to a culture of openness and will be transparent in our decision making
> - We will use appropriate means to consult and engage with service users, local communities and other stakeholders to inform our activity
> - We will develop formal and informal partnerships to ensure efficient use of resources and sustainable achievement of outcomes

Customer Contact

87) Our Customer Contact Centre is at the heart of our arrangements for customer contact. There are several key principles which govern this to:
  - Eradicate as many service failures as possible to minimise the need for contact
  - Provide clear public communications to minimise the need for clarification
  - Ensure effective feedback and completion of tasks one actions by the public are raised to minimise repeat contact
  - Enable those who have access to digital technology to self-service as a first preference
  - To widen participation in the use of digital technology.
  - Provide excellent face-to-face and telephony contact for key services which require complex handling or for customers who are unable to realistically self-serve.

88) An external review of the Contact Centre resource planning and forecasting practices has been undertaken as well as enhancing our performance management and reporting framework.

89) We have established strategic and operational Cost-of-Living response structures to ensure those accessing our services receive a consistent message and assistance. Executive Board have received a series of Cost of Living reports.

90) Our Community Hubs and Libraries continue to deliver face-to-face and telephone appointments. We have reviewed our "One Team" approach with face-to-face customer services to better manage customer access.

Engagement tools

91) A review has been completed into the effectiveness of the Council's online engagement platform(s), led by Information and Digital Services (IDS) with strong input from Intelligence and Policy. This is exploring a way to enhance or expand provision, whilst reducing costs, through more efficient approaches to procurement and licensing, among other issues.

92) There have been positive engagements with Strategy and Resources Scrutiny Board about the potential to improve the governance around consultation and engagement. There is an agreement to continue the dialogue in future years.

93) There have also been iterative improvements to the Consultation and Engagement Toolkit on Insite.

Partnerships

94) We have used an adapted Boston Matrix approach to understand our key relationships with partners at a corporate and directorate level and to plan the way in which we can work through these to achieve the city ambitions. We will refresh and review our key partners using this approach over Summer 2023.

95) There has been a promotion of the partnership governance and risk checklist and guidance via Inclusion on a Risk Prompt Checklist circulated to all Directorate Management Team from February 2023 onwards.

Principle 3 - Defining outcomes: (Having realistic priorities for what we can and should achieve)

We will define outcomes in terms of sustainable economic, social and environmental benefits

- We will maintain a clear strategic plan which sets out our priorities, and the intended outcomes for the citizens and communities of Leeds now and in the future.
- We will work to deliver our strategic plan in a way that is economically, socially and environmentally sustainable and demonstrates excellent value for money
- We will ensure that our services are appropriate to the different needs of citizens and communities and that we deliver fair access to our services

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Best City Ambition

96) The Best City Ambition was adopted by Full Council in February 2022 and has been reviewed using a set of 18 interim key performance indicators during a transitional period. These are to be replaced with a medium-term progress monitoring framework including the Social Progress Index (SPI).

Medium-Term Financial Strategy.

97) The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. The financial challenges faced by the Council, including those resulting from Covid-19 and the current cost of living crisis, and the requirement to address these so that a balanced budget can be delivered, has re-enforced the need for the council's financial position to be robust, resilient, and sustainable and that it has a sufficient level of reserves available to deal with any future unforeseen circumstances. This

requirement underpins the Council's Medium-Term Financial Strategy 2023/24 – 2027/28 which was agreed at Executive Board in September 2022.

98) Recognising the challenge of bridging the estimated budget gaps for the period of the Strategy, whilst at the same time seeking to ensure that the Council's budget is robust, resilient, and sustainable, another savings programme has been established. The cross council financial challenge savings programme is in place to identify robust, realistic, and deliverable budget savings proposals for Member consideration, with support provided across support services around service reviews. Progress against the delivery of approved savings is included in the monthly financial health reporting to Executive Board.

Pre-Decision Scrutiny

99) Our Scrutiny Boards undertake pre-decision Scrutiny ensuring openness and transparency in our arrangements. Our Scrutiny Boards have
- Provided collective observations on proposals in relation to the Understanding of the Cost of Living to the Executive.
- Supported the budget setting process, with early engagement and enhanced transparency in relation to savings proposals within the process
- Advised in relation to the refresh of the Children and Young Peoples Plan and Leeds Health and Wellbeing Strategy
- Advised in relation to the adoption of strategies and policies including Local Integrated Care Board Arrangements and a Reducing Gambling Review.

Principle 4 – Determining effective interventions: (Considering the options and taking informed decisions)
We will determine the interventions necessary to optimise the achievement of the intended outcomes
- We will ensure that decision makers are provided with relevant, timely information to support decisions which are proportionate, sustainable, and realistic to meet identified aims and outcomes.
- We will ensure that our financial planning, and budgeting processes inform, reflect, and support our decision making.
- We will consider best value in respect of all strategic objectives through the delivery of service specific outcomes.

Decision making

100) We have developed sample checking arrangements to ensure that officer decisions include relevant, timely information and comply with decision making framework requirements. No significant issues have been identified.

Planning Control

101) A thorough review of several key documents has commenced, including:

- Chief Planning Officer's Sub-Scheme of Delegation to reflect changes to the staffing establishment and the inclusion of enhanced signing off processes for tree work application to give greater assurance.
- Planning Code of Good Practice for members is being reviewed to ensure continued relevancy.
- Review of the Public Speaking Protocol to reflect the operational changes which mitigate the chance of accidental disclosure of personal information under GDPR.
- Completion of the review of Local Enforcement Plan and publishing on the Leeds website in accessible format.

102) A review has been completed of the process for all officers across Planning and Sustainable Development regarding declaration of interest and update and re-circulation of the note for officers on this matter.

103) The Planning and Sustainable Development's privacy notice has undergone a significant overhaul, providing greater clarity for the public on how their data is being used and processed.

104) Use of digital platform for the compulsory member training to ensure members can access the training more easily, at the convenience if they are unable to attend the virtual sessions and monitoring of completion of the training to ensure compliance by all those who are required to complete.

105) The Householder Protocol has been further refined to include retrospective applications, in the interests of clarity and consistency.

Procurement and Contract Management

106) The Council's Contract Procedure Rules (CPRs) have been subject to an annual review and refresh

107) The Scheme of Delegation has been updated to also delegate to the Directors of Resources (with sub-scheme to Head of Procurement and Commercial Services) responsibility for "setting, supporting and monitoring the Council policies and procedures for managing …contract management and commercial activity".

108) Significant progress has been made in develop of a Council-wide approach to contract management with a view to ensuring that the processes are user friendly, efficient, and effective for all scales of procurement activity.

109) Work is in progress to analyse opportunities for greater use of technology to enable systems to be more user friendly, efficient, and effective.

110) We are implementing an action plan responding to recommendations arising from a review undertaken in preparation for the core business transformation of Procure to Pay arrangements (P2P) and from the LGA peer review of procurement and commercial

arrangements. Actions are designed to ensure compliant procurement activity, to deliver value for money in relations to external spend, and to have the capacity / capability to be effective. Actions to date include:

- New e-procurement platform
- Developing contract management best practice guidance and contract management system.
- Reviewing procurement processes, guidance, and documentation to improve efficiency and ensure fitness for purpose.
- Improving supplier and market management capability.

111) There has been development of additional corporate resource proposals to support the services' procurement and commercial activity with a view to delivering savings in response to the Council's financial challenge and the delivery of service transformation.

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)
We will manage risks and performance through robust internal control and strong public financial management

- We will integrate robust and effective risk management arrangements into all our activity and decision making to identify, mitigate and manage risks to the achievement of our goals.
- We will have effective arrangements to plan and monitor our performance in line with our strategic objectives, and to identify and deal with any failure in service delivery.
- We will have robust arrangements for internal control which are defined and documented, clearly communicated, effectively embedded, meaningfully monitored and regularly reviewed.

Performance Management

112) Key performance indicators are reviewed, monitored and managed by directorate leadership teams on a quarterly basis. Concerns are escalated to corporate leadership team, who also consider corporate performance indicators on a quarterly basis. We plan to focus reporting to Corporate Leadership Team in order to improve their ability to more closely monitor the dynamic risk and performance environment.

113) Scrutiny Boards provide democratic oversight through bi-annual reporting of relevant key performance indicators within the remit of the Board. An annual dialogue with each Scrutiny board Chair ensures that the indicators received are relevant and reflect democratic priorities.

Risk and Resilience

114) Work has been undertaken in conjunction with the Resilience and Emergencies Team to consider the impact of heatwaves and power outages on our critical services (linked to the corporate risks of major incidents in the Council / City).

115) The Resilience and Emergencies Team Manager became a member of ALARM (a not-for-profit organisation for members with responsibility for (but not limited to) risk, insurance, business continuity, emergency response, governance, health & safety, assurance, audit and counter fraud. Membership provides education, training, guidance, networking, and industry recognition for best practice across risk management and related services.

116) Emergency Planning Officers within the Resilience and Emergencies Teams are to take on operational duties regarding Business Continuity Plans, e.g.: reminding plan owners and key contacts about the annual updates and dealing with any queries about the plans and their content.

117) Work is ongoing to embed reporting of Risk and Resilience at Directorate Management Team level, where risk, emergency planning and business continuity are all included in a single report for each management team.

118) There have been ongoing challenges regarding staff resources (capability) "single point of failure" and succession planning for risk management, i.e.: the Intelligence and Policy Manager has a formal risk management qualification.

119) Responsibility for administering the update of the corporate and directorate risks for Communities, Housing and Environments Directorate have been de-centralised from the Intelligence and Policy Team back to the directorate. Close links are still maintained between both services ensuring that risk management information and updates are shared.

Financial Planning

120) The Budget Accountability Framework for senior officers and budget holders has been strengthened with the Chief Officer (Financial Services) attending Directorate management teams to reinforce the key aspects of the framework and subsequently with Finance Business partners also ensuring the framework's requirements are communicated fully at a more localised level. In addition, the framework has been strengthened with formal budget sign-off arrangements for budget holders and the requirement to ensure that standardised budget roll-out packs are received by all budget holders.

121) During 2022/23 cross-directorate multi-disciplinary Task and Finish working groups have worked with services projecting overspends to support them to reduce cost pressures. To monitor and identify progress on these working groups, savings action plans are developed to record pressures and proposals to monitor improvement.

122) Our Core Business Transformation programme is ongoing and will bring about fundamental changes in the way Finance, Procurement, Human Resource (HR) and Payroll activities are undertaken across the Council. The new technology will enable services to standardise

and simplify how they work freeing up capacity by removing manual processes and" off-line" manipulation and processing of data and providing decision-makers with timely, consistent, and standard management information in relation to their people and finances. It is anticipated that this programme will be rolled out by April 2024.

Information Management and Governance

123) The Council's Data Protection Impact Assessment Process has been reviewed, will utilise the Power Apps functionality and will go live in late Summer 2023.

124) The complete suite of Information Governance Policies and Protocols has been mapped out for complete visibility and rationalisation. This will feed into the Council's Corporate Policy Refresh through which a Policy Management System will be developed.

125) Training has been delivered to all Information Asset Owners across the organisation updating them on their responsibilities.

126) A project to review the Council's Information Asset Register has been instigated and the register will be expanded to provide better information governance compliance and business intelligence.

127) A review of how the Council implements Information Risk Management was undertaken with the Council's Intelligence and Policy Manager.

128) Phase 1 of 3 of the Council's review of its Information Request Process was completed and has resulted in improvement to performance whereby the Council is more consistently meeting its current KPI.

129) The Council's Information Management Board was reviewed and transitioned to an Information Assurance Board.

130) A review of the workload management was instigated and is ongoing to make the service more efficient to cope with demand and provide a higher standard of service to the public and Council Services.

Principle 6 – Developing Capacity: (Getting the best out of our resources and our people)
We will develop the council's capacity, including the capability of its leadership and the individuals within it.
- We will continually review how we use our assets and information to achieve outcomes efficiently and effectively.
- We will develop, maintain, and implement arrangements which support and develop the capacity of Members and Officers.
- We will ensure that leadership roles are clear and defined and that relationships between elected Members and officers work effectively to set and implement our strategic goals.

Estate

131) We work in partnership with a range of public and third sector organisations to ensure best use of the Council's estate by sharing space both in the city centre and the wider locality estate. Where necessary, appropriate, and affordable, we also consider the use of partner estate to meet the needs of the Council in delivering services. This partnership working is developing the potential to deliver public sector hubs, meeting the needs of citizens and communities in Leeds, and is reflected the West Yorkshire Combined Authority's of the Public Estate partnership of which the Council is a member.

Officer Capacity

132) 'Being Our Best – our organisation plan for 2023 onwards' sets four clear expectations for our appraising managers: live the council values and behaviours; lead your teams to be their best; engage in the Be Your Best Manager programme; and influence and deliver the changes affecting us all. Managers will be supported through the Be Your Best Manager Development Programme.

133) In addition to ensure we continue to evolve to meet the ongoing financial and demand pressures, Being Our Best identifies five interdependent cross council change priorities to ensure we modernise as an organisation: improving efficiency in how we do business in the council; improving our digital offer; improving how we serve customers; improving how we work with people and families; and improving the coordination of our services locally.

134) As part of the CBT Core HR & Payroll tender, we are actively looking for solutions that will aid a better collection of EROI information and manager compliance with review following an audit in 2022/23.

135) The Employment Policy framework has been reintroduced (following covid).

136) We began the delivery of the 5 step EDI training process with managers, for culture change programme and embed our values led approach to equality, diversity, and inclusion in the organisation. These began in 22/23 and is continuing throughout 23/24 with clear expectations set by managers.

137) We began the delivery of 'Be your Best' training available to new and existing managers to help upskill them around our values and approach to management. The new leadership and management development framework has been rolled-out which builds on established high quality learning opportunities, and is structured into three parts, core, self-directed, and community-led. The framework supports and enables leaders and managers to be their best in changing times, evidenced through leaders and managers who are capable, confident, and compassionate in their roles.

138) We have introduced a new and refreshed corporate induction, with representation from the political and officer leadership to all new starters

139) The Recruitment and Resourcing team have been carrying out a review of the Recruitment and Selection Toolkit for recruiting managers. The toolkit covers the end-to-end recruitment process from seeking sign off for the vacancy through to onboarding the preferred candidate. This will ensure that managers are aware of what good recruitment practice looks like, help managers make good recruitment decision and provide various options for the advertisement of opportunities.

140) We have built on learning from working practice developed during the pandemic to enhance our officer communication strategy. Quarterly BCLT (Best Council Leadership Team) events are supplemented by monthly Extended BCLT sessions to engage directly with a broader range of colleagues. There is a weekly update note, and a weekly all staff vlog or email from the Chief Executive. The Chief Executive has participated in several visits to engage directly with teams. A weekly manager email communicates key issues to all managers.

141) Similarly, we continue with our learnings from the post-pandemic external communications strategy in the form of regular emails from the Chief Executive and Leader of the Council shares key messages with elected members in addition to approx. 600 partners and stakeholders across the city.

142) We are continuing to partner with the Chartered Institute of Personnel Development (CIPD) to understand more about out people-related activities using the "CIPD People Impact Tool". The tool offers insight into the current impact of the people activities in the organisation, informs us what is working will and provides an action plan for the future. This helps to both ready the service for Core Business Transformation and to access the impact of the HR service and the People Strategy.

Member Development

143) During 2022/23 an improved offer for Members has included improved communication and access to a wider range of dates for the training sessions in formats that are easier to access, these include links to external partners/online training offers and in-person training where that is the most appropriate method of delivery.

144) There has been the delivery of further enhanced Member Induction programme, EDI training for all Members, a continued focus on Member safety, local government finance and funding, Education, Health and Care Assessments and Skills training for Committee Chairs.

145) There has been continued focus on Planning and Licencing training to ensure compliance with the requirements of the Constitution (in accordance to Article 8 Planning Code of Good Practice and Article 8A Licencing Arrangements respectively).

146) There has been continued deliverance of the Member-led Induction Scrutiny Training (led and delivered by Opposition Scrutiny Chair) which is a popular approach with Members.

147) The Complaints procedures for the Members Code of Conduct have been reviewed and amended. There has also been an appointment of an additional Independent Member to support the Standards and Conduct Committee.

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

We will implement good practices in transparency, reporting and audit, to deliver effective accountability.

- We will provide clear, accessible, and timely information so that we can be held to account for the decisions we take and for our performance
- We will have effective arrangements to provide independent assurance in respect of our governance arrangements
- We will welcome peer challenges, reviews, and inspections from regulatory bodies, and will implement action plans which arise from them

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Effective Scrutiny

148) Our Scrutiny arrangements enable our five Scrutiny Boards to:

- Make recommendations to the Executive and / or appropriate committees and / or Council arising from the outcome of the scrutiny process.
- Review and scrutinise the performance of other public bodies in the areas and invite reports from them by requesting them to address the Scrutiny Board and local people about their activities and performance.
- Report and make recommendations to external partners (underpinned by statue in some cases, e.g.: NHRS bodies and those authorities responsible for crime and disorder strategies); and
- Respond to referrals from external bodies (e.g.: Healthwatch Leeds)

149) Our scrutiny arrangements have been further improved by reviewing reporting arrangements to improve the clarity of evidence-base for scrutiny outcomes; developing end of municipal year summary reports for each Board; building on existing arrangements to utilise the Internal Audit Plan as a tool to assist in determining and scheduling scrutiny work; reviewing work categorisation to ensure it remains fit for purpose; and reviewing the communication and engagement approach.

150) Further scrutiny can be demonstrated by receipt of various reports received at scrutiny boards through the year, including Safeguarding : the notification of arrangements within the Safeguarding partnership at Children and Families, Gambling Harm at Community Housing and Environment, 100% Digital Infrastructure at Infrastructure, Investment and Inclusive Growth, Dentistry at Adults, Health and Active Lifestyles, and Equality, Diversity and Inclusion (EDI) at Strategy and Resources scrutiny boards.

151) During 2022/23, in conjunction with Scrutiny Board Chairs, work has been carried out to review the way in which performance data is presented to Scrutiny Boards. From January 2023 a new format of performance reporting has been used to more directly link to the three pillars of the Best City Ambition.

152) A joint report was provided to Executive Board in February 2023 to set out the conclusions and recommendations of all five Scrutiny Boards in relation to the proposed budget. The Scrutiny Boards jointly welcomed the publication of Business-as-Usual savings, as recommended in February 2022, alongside the budget proposals. This increased transparency strengthened the budget consultation (which is required under the Budget and Policy Framework), and the Boards have recommended this approach continues in future years.

Internal Audit

153) Work has been continuing in relation to the Recommendation Tracker and its roll-out across the directorates. The Recommendation Tracker has been developed to provide assurance that the high and medium priority recommendations raised during Internal Audit reviews are implemented by the service, the details are entered to a Recommendation Tracker to which key directorate personnel have access to update progress against those recommendations during their implementation process.

154) There has been the development of a Data Analytics strategy and greater use of data analytics to provide key assurances.

155) Increased support has been provided to emerging and transformational projects in addition to audit and assurance work. Increased support has also been provided to Integrated Digital Service (IDS) to address concerns that have been raised in relation to governance and decision making. Work is ongoing with the service to strengthen these arrangements.

Ombudsman

156) We have engaged with Ombudsman investigations and seek to learn from findings. For example:

a) In September 2022, Executive Board received a report from the Director of Adults and Health informing the Board of the Local Government and Social Care Ombudsman's findings and recommendations, as contained within a public report, in respect of a complaint made against the Council regarding the standard of residential care provided to an individual and charges made for care. The report provided an update on, and assurance regarding the effective actions which the Council was taking in response to the Ombudsman's recommendations, as detailed within the associated Action Plan.

b) due to adverse findings in relation to a small number of planning cases during the year, we have made changes to system and processes in the interests of good governance and transparency and to mitigate the changes of reoccurrence, these included:

- Update of the Local Enforcement Plan on the circumstances when CCTV can be used as evidence in investigations
- New process ensuring applicants provide a summary of the material changes in minor material amendment applications.

External inspection

157) In November 2022, Leeds hosted the Local Government Association (LGA) Corporate Peer Challenge (CPC). Most Councils have a Peer Challenge approximately every five years, with the last one in Leeds taking place in 2016. The outcome of the CPC was received in December 2022 and all findings and recommendations were fully accepted. An initial action plan was presented in February 2023 Executive Board which informed Being Our Best – our organisational plan adopted in June 2023. The action plan will support the provision of evidence for the follow-up visit from the Peer Challenge team expected in Summer 2023.

158) We are preparing to host the Information Commissioner's Office for a consensual audit in the Autumn / Winter 2023.

2022 Action Outcomes

159) We have monitored the actions identified in the 2022 Annual Governance Statement and those action identified as "in progress" from the 2021 Annual Governance Statement and include at Annex 1 to this Statement a summary of the outcomes in relation to each of these.

Actions Identified	Outcomes	Status
Principle 1 - We will behave lawfully, with integrity and in the public interest and demonstrate this through our conduct and behaviour.		
Organisational Culture		
The Chief Executive has requested an internal audit review of Organisational Culture to offer a view on • The actions taken to embed the council's values and behaviours across all services and activities. • How we assess the extent to which values and behaviours have been embedded; and • How our values and behaviours shape the culture of the organisation.	The Internal Audit review concluded in March 2023. Recommendations have been made which are aligned with the services intended plans to carry out work in 2023/24 in areas including: • the development of the organisational plan, • leadership and management framework, • appraisals review, • the continual review of pan authority communication, • the Core Business Transformation programme addressing staff not digitally enabled; and • staff access to their key employee information.	Complete
We have requested a review of arrangements in place to manage the risks associated with employee outside interests.	The Internal Audit review was completed September 2022 Recommendations led to plans to review and embed the Employee Outside Interest policy throughout the employee life cycle, publishing declarations reintroduced, annual high risk post data capture, recording and retention to be refined and EOI risk added as prompt on the risk register	Complete
Ethical conduct of Member:		
We will progress a process for the recruitment and induction of a new Independent Person.	A recruitment process has been undertaken and an Independent Person was appointed for a period of two years, beginning on 1st April 2023. There is an option to extend this appointment for a further two years.	Complete
Fraud & Corruption:		
We will review and further embed our communication plan to raise awareness and understanding of the council's counter fraud arrangements, policies and strategies including in particular: • whistleblowing arrangements • Anti-bribery and anti-money laundering arrangements • The Counter Fraud Strategy • Fraud awareness training including the provision of bespoke sessions.	We have undertaken comprehensive reviews of the control environment to assess the adequacy of counter fraud arrangements. We have rolled out our fraud awareness training to schools via the Leeds for learning platform, reviewed and refreshed the Anti Money Laundering Policy, and we will continue to review and refresh the counter fraud communication and training plans. We will continue to develop the counter fraud reporting to the CGAC, plus hold regular meetings with the FTSUG and colleagues from across the council to share knowledge of key fraud risks.	Complete (Arrangements in place)

Actions Identified	Outcomes	Status
• Strengthen working arrangements with Freedom to Speak Up Guardian (FTSUG), Counter Fraud champion and the key counter fraud contacts within the Council.		
Principle 2 - We will be open and engage with local communities, service users and our other stakeholders.		
Customer Contact		
In connection with the locality asset review, we will review and restate the Community Hub / Library proposition to deliver further services from sites.	Work is ongoing and now linked to the corporate work being done on locality asset rationalisation and locality working. The aim is to move towards more integrated, front-facing public service buildings within localities and the Community hubs and libraries are central to this.	Complete (Arrangements in place)
Decision Making		
We will review and develop the training provided in relation to the decision-making framework to support officers in decision-making activities.	There is a decision-making toolkit available on Insite and training videos have been produced which are available to all officers on the PALs system. Written guides to decision making have also been provided to all Members, with new Members receiving a copy on induction.	Complete
We will review arrangements from decisions in relation to the receipt of income.	This action will be carried forward to 2023/24	Carry Forward
Consultation and Engagement		
We will continue to improve and signpost towards the Consultation and Engagement Toolkit on InSite for info on best practice methods and approaches.	The Consultation and Engagement Toolkit is available on Insite which is updated as required. Officers are signposted to this, as necessary.	Complete
We will continue to work with IDS to rationalise the number of tools and systems the council procures for online consultation and engagement activity, moving towards a single online engagement hub for the council in the longer term.	MS Teams Planner is available to assist with consultation planning and expert input for this is in development. This is currently in the early stages and is only used internally. The intention is to open up access to external partners once the approach is established across the council.	Complete (Arrangements in place)
Partnerships		
We will develop and implement a communication plan in relation to partnership governance and risk tools. We will develop and implement a plan to further communicate and embed light touch arrangements for partnership governance and risk.	Partnership Governance and Risk has been added as an item on a recently developed Risk Prompt Checklist that is circulated to all Directorate Management Teams as part of their routine Risk Management quarterly reporting arrangements. This entry prompts these teams to identify any issues or concerns with Partnerships within their remit and escalate these as appropriate. It also includes a link to the Partnership Management Insite page.	Complete (Arrangements in place)

Actions Identified	Outcomes	Status
Principle 3 – We will focus our resources on outcomes and ensure council taxpayers and service users receive excellent value for money		
Strategic Framework		
We will develop and deliver an internal communication plan to: • Communication a clearer strategic framework for LCC, led by the Best City Ambition • Provide the context for all upcoming strategy reviews, and • Set principles to reduce amount of strategy and focus on fewer but more aligned and impactful strategy documents.	• A report was presented to Strategy and Resources Scrutiny Board on 16th January 2023 on the Council's approach to corporate communications and consultation and engagement • A shared calendar is being developed in Microsoft teams of future mass communications • The implementation of this is ongoing. We have agreed that existing strategies will be reviewed, adjusted and if necessary, challenged as they come up for renewal, rather than generating a large and disruptive additional review job. • The strategic framework of the Best City Ambition focuses efforts on the r cross-cutting three pillar strategies, and a small number of essential thematic priorities:	Complete
We will develop an externally facing strategy hub to be created where strategic framework above can be clearly outlined, and relevant documents hosted.	This is currently on hold as the council website is yet to be replaced. We are working on whether reformatting the current Strategies and Plans section of the website is an appropriate interim measure to improve what is currently available. The web team is supportive of this so some small adjustments to improve clarity and accessibility are to be made in the coming weeks/months. Longer term plans for the new website remain the same.	Carry Forward
We will review the Best City Ambition in a light-touch way annually, providing opportunities to strengthen connections and keep its profile high.	The 2022 refresh was pushed back given ongoing implementation work. An Ambition update will be received by Executive Board in November or December 2023. This will both provide a refresh of the Ambition and set out with clarity future refresh approach and timetable.	Complete (Arrangements in place)
We will refresh the Leeds Policy Network, supported by the Three Pillars Group, to continue to facilitate connections between Best City Ambition and themed policy/strategy areas.	The Leeds Policy Network holds meetings approximately every two months for a cross section of staff to share updates related the Ambition and the three pillars. Every other meeting is extended to external colleagues.	Complete (Arrangements in place)
Social Value:		
We will continue to implement Procure to Pay review action and will: • Amend CPRs to strengthen requirement to include social value in all Council contracts	CPRs have been updated to record that a minimum 10% of the evaluation needs to be allocated to Social Value and officers must consider Social Value	Complete
	The commissioners guide, the Social Value toolkit and process documents have all been updated since Social Value Portal (SVP) was removed.	Complete

Actions Identified	Outcomes	Status
• Refresh delivery documents & tools to ensure they are user friendly. • Further improve connectivity with staff in Procurement and Commercial Service	Procurement Officers have been given training on the new process and system and also working with SVE (Social Value Engine) on the wider Social Value Communications which will include services areas.	Complete (Arrangements in place)
To review arrangements for delivery and monitoring of social value (as current arrangements with Social Value Portal expire)	A new process has been identified and documentation prepared. Recruitment is ongoing and it is anticipated that the new team will be in place by mid-June 2023 and the dashboard updated to manage performance.	Complete (Arrangements in place)
Principle 4 - We will ensure we have clear responsibilities and arrangements for transparent and effective accountability		
Decision Making:		
We will embed arrangements for the sample testing of key and significant operational decisions taken by officers.	Internal Audit undertake sample testing of 5 key and 10 SODs each month for assurance the report content is sufficient. The key decisions are shared with specialist staff for their comment on the sections related to their area	Complete (Arrangements in place)
Directors will monitor the impact of June 2022 changes to the report template aimed at improving accountability for decisions against the priorities in the Best City Ambition and Three Pillars.	Spot checking of reports is ongoing, with Internal Audit prompting this monthly. Outside of that formal check, more informal arrangements to check and input into reports is being done by the Head of Policy. Evidence from these assurance processes suggests the Ambition has been well understood and decision-making reports are reflecting impact to a good standard. This understanding of the Ambition and its relevance to the council's work was also reflected in the 2022 LGA Peer Review.	Complete (Arrangements in place)
We will continue to consider our informal governance arrangements (panels, boards, groups) to ensure that they are able to appropriately influence and add value to our decision making.	This work remains an ambition, but has not progressed in a large-scale way due to capacity limitations	Complete (Arrangements in place)
Procure to Pay Review Action Plan (P2P)		
We will continue to progress with P2P stream of Core Business Transformation Programme to procure and implement modern integrated cloud technologies to exploit digital capability, but also to drive down costs and achieve better value for money through efficient and standardised practices, and will:		
• Review and simplify Contract Procedure Rules (CPRS), procurement documentation and tools to make user friendly and aid self-service.	CPRs and some supporting documentations have been reviewed and simplified and a user-friendly version created in draft format. This is currently awaiting review by relevant officers. Case for Change also considered for external support in reviewing procurement and contract management documentation.	In Progress

Actions Identified	Outcomes	Status
• Develop and embed contract management best practices across the Council	• 400+ contract managers have been identified across the organisation. • Research has been undertaken to identify best practices in contract management and over 60 staff have now undertaken Foundation training. • The contract management module became mandatory training for all awarded contracts in October 2022. • A contract management newsletter has been developed and circulated across the council sharing key updates. • A Market Sounding Exercise is ongoing to determine what technology is available to facilitate procurement in contract management, with focus on automation, integration, and efficiencies.	Complete (Arrangements in place)
• Provide additional, targeted commercial support services to improve commercial skills.	The trial of the Strategic Commercial Business Partner has been evaluated and determined a success, therefore a proposal to create a new permanent Strategic Commercial Business Partner post assigned to 'Peoples' under Procurement and Commercial Services category management approach has been approved as part of Procurement and Commercial Services authorised restructure.	Complete (Arrangements in place)
• Improve supplier management and market intelligence to support supplier negotiations.	• We have been engaging with potential local suppliers via a new comms and marketing plan. • We are providing potential suppliers with training, support, and guidance regarding bidding for public contracts. • We have undertaken work to understand the barriers to bidding for Council contracts. • External platforms like Tussell intelligence platform can assist us in gaining a better understanding of our market expenditure. This understanding will be valuable when we need to negotiate with suppliers in the future. By using the platform to gather expenditure data that can be across different markets and regions, will provide an insight about local suppliers, we will be able to identify potential suppliers and understand the council's position in the market. This knowledge will put us in a better position to engage with potential suppliers, negotiate contracts, and ultimately provide better services to the citizens of Leeds.	Complete (Arrangements in place)
• Review and update Procurement Strategy and processes when Procurement Bill enacted to ensure compliance with the new regulatory regime.	Carried forward pending implementation of the new Procurement Bill.	Carry Forward
Principle 5 - We will take informed and transparent decisions		
Performance Management		

Actions Identified	Outcomes	Status
We will review the Best City Ambition performance framework.	• A mapping exercise and review of the council's strategic framework has been undertaken. • Discussions with Executive portfolio holders about all the strategies that fall within their remit and further engagement with Directors and CLT led to an agreement on a revised strategic framework to support the Best City Ambition. • Moving forward elected members have agreed to focus efforts on our cross-cutting three pillar strategies and a small number of essential thematic priorities. Framework relates to city outcome-focused strategies.	Complete
We will work with directorate leadership teams, CLT and scrutiny boards to improve performance reporting, using the resources we have (including Power BI) to best effect by focusing more selectively on the indicators and performance information which can drive improvement and evidence-based policymaking.	Interim key performance indicators have been identified and used to report progress pending development of the medium-term performance framework (to be reflected in 2023 action plan.)	Complete (Arrangements in place)
Risk and Resilience		
We will make refresher training available to all services on all aspects of risk and resilience (risk management, business continuity planning, and emergency planning).	• Training is tailored to suit the needs of the service requesting it. The scope usually includes what risk is, the benefits of risk management, how to identify and assess risks, options for treating risks, how to develop and maintain a risk register and risk reporting arrangements. • One to one training sessions are also available on how to use the Risk Management System to administer corporate and directorate risks	Completed
We will develop and implement a communication plan in relation to the refreshed corporate business continuity policy and strategy.	• The main source of risk management information and guidance is available on InSite which contains the Policy and Strategy and toolkit. Membership of this site is determined by stakeholder role. • The main source of Business Continuity guidance and information within the council is the Insite Business Continuity Management toolkit	Completed
We will facilitate risk review sessions with directorate leadership teams.	In Spring 2023, all Executive Board Members were offered the opportunity to have a one-to-one briefing with the Intelligence and Policy Manager on the corporate risks, prior to the finalisation of the Annual Corporate Risk Report.	Completed
Information Management and Governance		
We will develop and deliver a service action plan to: • Review IMG governance bodies, systems, and processes in relation to information requests; Data	• The Council maintained its Public Services Network (PSN) certificate which was achieved in October 2022 which ensures that the Council can continue to share information securely.	Complete (Arrangements in place)

Actions Identified	Outcomes	Status
Protection Impact Assessments (DPIA); information security incidents; information risk management.	• Significant work has been done on the Internal Audit recommendation to improve the oversight, recording and completion of Data Protection Impact Assessments. In line with the Council's Digital Strategy work started Dec 2022 with Integrated Digital Services (IDS) to create suitable technology to support the process. New process and software are due to go live in late summer 2023. • Performance in relation to Information Requests has improved from the previous year and with significant changes made earlier in the year performance had reached just under KPI target of 90% in Q2. Consistency had been an issue due to ongoing resource pressures – plans in place to improve this. • Working in conjunction with Risk Management to centrally coordinate the risk which is currently done collectively and added to the directorate registers.	
• Develop and implement an IMG communication strategy to include reviewing policy framework; relationship development; reporting arrangements including dissemination of lessons learned; a cross council training programme.	• Work began on this in the middle of 2022 which included identifying our existing communication channels and stakeholders. Owing to the recruitment of a Communications and Marketing Officer within IDS, this formal work task was however paused. • Improvements in communication, relationship development and reporting has however progressed through the review and transition of the Information Management Board into an Information Assurance Board. Membership was reviewed which has improved all interaction with services and currently in the works are IDS specific update items at each DMT on a regular basis. Work on bringing this together in the form of an IMG Communication Strategy will be restarted during Q1 of 23/24.	Complete (Arrangements in place)
• Implement a workforce development programme for the Information Governance Service.	• The workforce development programme was progressed with the IMG team securing Practitioner level GDPR and FOI courses for all IMG staff. This is supplemented by regular in-house bitesize sessions held by staff who are either working on a particular task or who have been asked to researched and present on a particular topic for their development. • In May 2023, the IMG team will be moving from 4 multi-disciplinary pods to 3 more resilient and efficient workstreams. As a result of this change of approach to managing workload and the extent of training being provided through the Practitioner courses, the workforce development programme will require a review to fit the new way of working. This will be progressed as we transition to the new approach over the course of Q1 and Q2 of 23/24.	Complete (Arrangements in place)

Actions Identified	Outcomes	Status
Principle 6 - We will ensure that we have robust and effective audit, scrutiny, information governance, risk, and financial management controls		
Integrated Digital Services (IDS)		
We will undertake an iterative review of arrangements for governance and decision making in relation to Integrated Digital Services to ensure controls articulated, communicated, and embedded within the service and across the Council.	The annual report concerning the decision-making arrangements within IDS was presented to Corporate Governance and Audit Committee in February 2023 to provide assurances around the arrangements in place. The report provided assurance that the arrangements provide a framework for transparent and accountable decision making within IDS in accordance with the Council's Corporate Governance Code and Framework. Further work in this area will be considered over the course of the next year.	In Progress
Human Resources		
We will launch a new corporate induction process and seek and review feedback for this will be done during 2023 after initial sessions.	Induction has been refreshed and was relaunched in 2022. This outlines the council values and behaviour as well as including a talk from both the Chief Executive and the Leader of the Council.	Completed
Principle 7 - We will develop our capacity and capability to be effective.		
External Inspection and Review		
Corporate Peer Challenge (CPC) We will engage with the LGA CPC review team to ensure robust, strategic, and credible challenge.	The LGA CPC review was presented to Executive Board in December 2022. An action plan has been developed to respond to this which was presented to Executive Board in February 2023.	Completed
Internal Audit		
We will establish and implement an internal audit communication strategy to enhance the profile of the service, encourage early engagement, and develop understanding of audit review process.	This work remains an ambition for the service but has not progressed. This will be carried forward to 2023/24.	Carry Forward