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**SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)**

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 29th September, 2014 at 10.00 am

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*(A pre-meeting will take place for ALL Members of the Board at 9.30 a.m.)*

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**MEMBERSHIP****Councillors**

S Bentley	-	Weetwood;
J L Carter	-	Adel and Wharfedale;
J Cummins	-	Temple Newsam;
N Dawson	-	Morley South;
P Grahame (Chair)	-	Cross Gates and Whinmoor;
J Jarosz	-	Pudsey;
A Khan	-	Burmantofts and Richmond Hill;
A Lowe	-	Armley;
C Macniven	-	Roundhay;
T Wilford	-	Farnley and Wortley;
R Wood	-	Calverley and Farsley;

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*Please note: Certain or all items on this agenda may be recorded*

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**Agenda compiled by:**  
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**Scrutiny Unit**  
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# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Chief Democratic Services Officer at least 24 hours before the meeting).</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p><b>RESOLVED –</b> That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p><b>No exempt items have been identified.</b></p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p><b>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</b></p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notifications of substitutes.</p>	
6			<p><b>MINUTES - 22 JULY 2014</b></p> <p>To confirm as a correct record, the minutes of the meeting held on 22 July 2014.</p>	1 - 6
7			<p><b>LOCAL COUNCIL TAX SUPPORT SCHEME</b></p> <p>To consider a report from the Chief Officer (Welfare &amp; Benefits) outlining proposals to change the Local Council Tax Support Scheme from April 2015.</p>	7 - 36
8			<p><b>EFFECTIVE PROCUREMENT AND CONTRACT PROCEDURE RULES</b></p> <p>To consider a report from the Chief Officer PPPU and Procurement providing an update on the operation of Contracts Procedure Rules and the implementation of the Effective Procurement documentation.</p>	37 - 50

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<b>BEST COUNCIL PLAN 'SCORECARD'</b>  To consider a report from the Deputy Chief Executive presenting a set of key performance indicators that collectively are referred to as the 'Best Council Plan Scorecard'	51 - 56
10			<b>WORK SCHEDULE</b>  To consider the Scrutiny Board's work schedule for the 2014/15 municipal year.	57 - 62
11			<b>DATE AND TIME OF NEXT MEETING</b>  Monday, 27 October 2014 at 10.00am (Pre meeting for all Board Members at 9.30 am)  <b>THIRD PARTY RECORDING</b>  Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.  Use of Recordings by Third Parties– code of practice <ul style="list-style-type: none"> <li>a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</li> <li>b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</li> </ul>	

## SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

**TUESDAY, 22ND JULY, 2014**

**PRESENT:** Councillor P Grahame in the Chair

Councillors J L Carter, J Cummins,  
N Dawson, J Jarosz, A Khan, S Lay,  
A Lowe and C Macniven

### **11 Chair's Opening Remarks**

The Chair thanked Members of the Board for agreeing to the change of date for this meeting.

### **12 Late Items**

There were no late items.

### **13 Declaration of Disclosable Pecuniary Interests**

There were no disclosable pecuniary interests declared to the meeting.

### **14 Apologies for Absence and Notification of Substitutes**

Apologies for absence were received from Councillors S Bentley, T Wilford and R Wood.

Councillor S Lay substituted for Councillor S Bentley.

### **15 Minutes - 23 June 2014**

**RESOLVED** – That the minutes of the meeting held on 23 June 2014 be confirmed as a correct record.

### **16 Executive Board Minutes - 25 June 2014**

**RESOLVED** – That the Executive Board minutes of 25 June 2014 be noted.

### **17 Financial Performance - Outturn Financial year ended 31 March 2014**

The Deputy Chief Executive submitted a report presenting the Council's financial outturn position for 2013/2014 for both revenue and capital elements, whilst also outlining details regarding Housing Revenue Account and spending on schools.

Helen Mylan, Head of Finance was in attendance.

**RESOLVED** – That the outturn position as detailed within the submitted report be noted.

## **18 People Plan Performance Reporting**

The Chief Officer (HR) submitted a report detailing the latest position against four areas; FTE staffing, agency, overtime and attendance for the first 2 months of the financial year.

The following were in attendance and responded to Board Members questions and comments:

- Dave Almond, Head of Human Resources
- Sophie Thompson, Team Manager (HR).

### **RESOLVED –**

- (a) To note the current position as detailed within the submitted report
- (b) To request that the detail shown in appendix 2 of the submitted report in relation to Agency Challenge Panels are updated and issued to Board Members
- (c) That a Working Group of the Scrutiny Board be established to receive further People Plan performance reports.

## **19 Enterprise Leeds**

The Chief Officer Civic Enterprise Leeds submitted a report on trading and enterprise across the Council.

The following were in attendance and responded to Board Members questions and comments:

- Julie Meakin, Chief Officer (Civic Enterprise)
- Many Snaith, Head of Catering and Cleaning.

In summary the main areas of discussion were:

- Growth, turnover and profit
- Assurances around the integrity of the accounts and the role of the Council's statutory Section 151 officer (The Deputy Chief Executive)
- The offer from the Deputy Chief Executive Officer to meet with any Member for further briefings on the matter of the accounts
- The level of tendering and open competition with regards work undertaken
- The use of new technologies
- The use of the third sector.

**RESOLVED** – To note the contents of the report and to request additional information in relation to tendering and growth.

## **20 Interpreting and Translation Services**

The Chief Officer Customer Services submitted a report updating the Scrutiny Board on the progress of the Interpreting and Translation Team policy following the recommendations made by this Scrutiny Board in April 2014.

The following were in attendance and responded to Board Members questions and comments:

- Jayne Grant, CITU Co-ordinator
- Lee Hemsworth, Chief Officer (Customer Access)
- Geoff Turnbull, Senior Policy and Performance Officer.

In summary the main areas of discussion were:

- The intention to submit a report to Executive Board in September for approval of the policy
- The development of British Sign Language video interpreting
- The possibilities of using trained volunteers to reduce costs and enhance the service.

### **RESOLVED –**

- (a) To note the contents of the report
- (b) To congratulate the team on the development of the policy

## **21 Recommendation Tracking - Scrutiny Inquiry on Welfare Reform**

The Chief Officer Statutory Housing and Chief Officer Welfare and Benefits submitted a joint report setting out the progress made in relation to the recommendations arising from the Scrutiny Board Inquiry on Welfare reform Benefit Changes.

The following were in attendance and responded to Board Members questions and comments:

- Steve Carey, Chief Officer (Welfare and Benefits)
- Simon Costigan, Chief Officer (Strategic Housing)
- Mandy Sawyer, Head of Neighbourhood Services
- Dave Levitt, Recovery Manager
- Simon Swift, Service Manager.

In summary the main areas of discussion were:

- A resume of the general developments since the Board's last discussion on this topic in July 2013
- Statistics around Council Tax and Housing Leeds' rent collection
- The future pressures facing Discretionary Housing Payments
- The current process for applying for deductions from national benefits in relation to Council Tax arrears and the legal requirement for

Council's to secure a Liability Order from the Magistrates Court and the resulted costs placed on the debt

**RESOLVED –**

- (a) To note the contents of the report
- (b) That the Chair writes again to the Secretary of State, Department for Work and Pensions in relation to the process of applying for deductions from national benefits
- (c) That those recommendations made by the Scrutiny Board classified as complete will no longer be tracked.

(Councillor Lowe left the meeting during the consideration of this item.)

(Councillor Jarosz and Councillor JL Carter left the meeting at the conclusion of this item.)

**22 Corporate Centre Contact Performance**

The Head of Service Corporate Contact Centre submitted a report updating the Scrutiny Board on the performance of the Corporate Contact Centre since April 2013

The following were in attendance and responded to Board Members questions and comments:

- Lee Hemsworth, Chief Officer (Customer Access)
- Barry Ibbetson, Head of Contact Centre.

In summary the main areas of discussion were:

- The reasons for the drop in performance in 2013/14 and the measures to address this
- The challenges brought by the increased use of self service and the consequences for call lengths
- Staff retention
- The management of spikes in activity
- Plans for creating three Centres of Excellence to include, Health and Wellbeing, Welfare, Benefits and Revenues and Environment and Community Infrastructure
- Plans for other services to join the Contact Centre

**RESOLVED –**

- (a) To note the contents of the report
- (b) That further information be provided with regards staff leavers.



## **23 Work Schedule**

The report of the Head of Scrutiny and Member Development presented the draft work schedule for the forthcoming municipal year.

### **29th September 2014 Meeting**

To add a discussion on the planned new performance indicators to be used to performance manage the council and direct resources

### **27th October 2014 Meeting**

Mr Richard Corbett MEP to attend the Scrutiny Board.

**RESOLVED** – That the Board's work schedule be updated to reflect the work areas identified during today's meeting.

## **24 Date and Time of Next Meeting**

Monday, 29th September 2014 at 10.00am (Pre-meeting for all Board Members at 9.30am)

(The meeting concluded at 12.30pm).

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Report author: S Carey/  
J McManus

## Report of the Chief Officer (Welfare & Benefits)

## Report to Scrutiny Board (Resources and Council Services)

**Date:** 29<sup>th</sup> September 2014

**Subject:** Local Council Tax Support Scheme

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

### 1.0 Executive summary

1.1 The report sets out proposals to change the Local Council Tax Support Scheme from April 2015 and sets out a number of challenges that need to be addressed. The proposals are aimed at providing a scheme that works with citizens to increase the prospects of finding work and help citizens to improve their financial situation.

1.2 The proposed scheme continues to protect the amount of support received by the most vulnerable citizens but also introduces a requirement for jobseekers to engage with the council in work-related matters. Jobseekers will get Council Tax Support for the first 6 months of their claim with future Council Tax Support being dependent on jobseekers working with the council to improve their employment prospects. Although it is expected that jobseekers will work with the council and will continue to get Council Tax Support, those who don't work with the council will see their Council Tax Support stopped.

1.3 The proposed scheme recognises that the direction of travel of the current Council Tax Support scheme does little to deliver the council's ambitions around helping people into work or tackling financial hardship. It also recognises that the current scheme is creating Council Tax collection issues that will see some citizens faced with repaying Council Tax arrears over many years.

1.4 The council is required to consult on proposed changes to Council Tax Support scheme and a public consultation exercise has recently been started. A final decision will be taken by Full Council in January 2015 following a recommendation from the December meeting of the Council's Executive Board.

## **2.0 Recommendations**

2.1 Scrutiny members are asked to consider the proposed scheme, raise questions and provide comment on the design and administration of the scheme so that these may be fully explored as part of preparations and included in the report to executive board on 17 December 2014

## **3.0 Background information**

3.1 In April 2013, the national Council Tax Benefit scheme was replaced by local Council Tax Support schemes designed and delivered by local councils. Government funding for the local schemes was reduced by 10% and the allocation to Leeds, inclusive of the element paid directly to Police and Fire Services, was £49.2m. By comparison, the Council Tax Benefit Scheme if it were still in place would currently cost £54.2m.

3.2 To keep spend within the available budget, support is currently limited for around 29,000 households to 74% of what they would have received in Council Tax Benefit. The level of support is unchanged for around 47,000 households who are protected from reductions: 29,000 are pensioners with mandatory protection and a further 18,000 deemed vulnerable and protected under the Leeds scheme.

3.3 Ongoing scheme costs are determined by a number of factors, including the number of households claiming support, the number of these that are in protected groups and the level of Council Tax charged. Increases in scheme costs mean either that the council has to put more money into the scheme or non-protected groups get less support.

3.4 Each year the Council must decide on its Council Tax Support scheme. The decision is a Full Council decision and must be taken by 31<sup>st</sup> January each year. Where changes are proposed to the scheme, a public consultation exercise is required. The results of the consultation are reported to Executive Board which recommends a scheme for Full Council to consider.

3.5 A public consultation is underway in relation to the scheme proposals contained in this report. The views of Scrutiny Board are also sought in relation to the scheme.

## **4.0 Main issues**

4.1 Faced with the prospects of a scheme that, year on year, would become less effective, Executive Board agreed to consider looking at an alternative scheme aimed at supporting customers into work. The Executive Board report is attached at appendix A.

4.2 The aim of the proposed scheme is to support more people into work and in doing so reduce demand for Council Tax Support. When a Jobseeker moves into work their level of income is likely to be such that it will mean their entitlement to support will reduce. If their income is high enough, support will be removed entirely. If we can help jobseekers currently claiming Council Tax Support move into work, the cost of providing Council Tax Support to this group will reduce

4.3 As part of the Jobseekers agreement, Jobcentre Plus requires that jobseekers enter into a claimant commitment to undertake activity to prepare and search for work. Under the new scheme proposal *additional* support, delivered by the council, would be available to jobseekers to complement the support provided by Jobcentre Plus.

4.4 Appendix B provides further detail on the practical application of the proposed change

4.5 There are a number of issues that need to be addressed ahead of any changes to the current scheme. These are:

- Whether we have the power to introduce this level of conditionality;
- The scope of the cohort that will fall with the conditionality requirements
- The extent and type of conditionality to be introduced and the role of the key organisations
- The extent of the consultation we are able to carry out.

#### **Do we have the power to introduce conditionality?**

4.6 Councils are required to determine the 'classes' that are eligible for support. Some councils introduced a 'residence' requirement meaning that customers had to have been resident within the borough for a specified period of time in order to be able to apply for Council Tax Support. A recent judicial review confirmed that this approach is illegal and that councils are limited to looking at a customer's financial need when defining the classes that are eligible for support. This raised questions about our proposed scheme which requires Jobseekers to engage in work-related activity in order to continue to get Council Tax Support. Counsel opinion was sought on this matter and this has confirmed that, in counsel's opinion, the proposed scheme falls within the requirements of the relevant sections of the Local Government Act.

#### **The cohort falling within the conditionality requirement**

4.7 We need to consider who would fall within the conditionality requirements. As the aim of the conditionality requirements are about increasing employability, the scope is limited to out of work claimants. Income Support recipients are, in the main, single parents with a child under 5 and there is no expectation that Council Tax Support (CTS) for this groups should be conditional. Similarly, claimants in the support groups for Employment and Support Allowance are protected under the Leeds scheme and would not be subject to conditionality requirements.

4.8 This leaves Jobseekers Allowance (JSA) cases and Employment Support Allowance (ESA) - work related group and Employment Support Allowance - assessment phase cases.

- There are currently 9,380 JSA cases getting CTS; and
- There are currently 6,839 ESA cases getting CTS (these are not protected)

4.9 This potential volume of cases to be dealt with under the conditionality requirements is significant and needs to be carefully managed. Alongside this, there is a requirement for us to consider transitional protection when making major changes to the scheme. It is proposed therefore to operate a scheme as follows:

- Implement a scheme which introduces conditionality after 6 months for Jobseekers Allowance based cases only;
- Apply transitional protection for 1 year for JSA-based cases already getting CTS. A number of these cases will come off JSA in that 12 months period and this would allow us to build up the capacity to provide additional support for all 6-month-plus JSA cases from April 2016 onwards.
- Apply the new scheme conditionality requirements to all new JSA-based CTS claims from April 2015. Based on the assumption that we receive around 360 new JSA-based claims a month and that 50% move off JSA within 6 months, this would see 1080 JSA-based cases moving into the conditionality group at the rate of 180 a month from October 2015 (Appendix C);
- Leaving ESA cases out of the scheme recognises that this is a more difficult group and that there are practical administrative issues to be addressed:
  - o We would need to get additional information to establish whether someone was in the work-related group or the support group;
  - o There is much more movement between the work-related group and the support group because of the high success rate of appeals against decisions to place in the work-related group;
  - o We'd be dependent on DWP decision-making with many cases remaining on the 'assessment' phase for long periods (people remain in the assessment phase while DWP decides whether they should be placed in the work-related group or the support group).
- None of these issues are insurmountable and we could extend the scheme to cover the ESA (work related group). The volume of cases overall would need to be addressed and one way of managing the volume is to apply the conditionality rules to JSA-based cases and ESA-based cases after 1 year of being on JSA/ESA – local Jobcentre Plus figures suggest that 75% to 80% of claimants come off JSA within a year. Based on 360 new JSA-based claims a month, this would mean only 75 cases a month moving to conditionality. We also get around 170 new ESA-based cases a month which would need to be considered

### **The role of Jobs and Skills**

4.10 The scheme requires input from 2 key services. Welfare and Benefits will assess entitlement, decide whether the case falls within a class that is subject to conditionality and make referrals to Jobs and Skills at the appropriate time for additional help with finding a job.

4.11 Jobs and Skills would be responsible for agreeing an action plan with the customer, delivering the additional support and monitoring compliance. Jobs and Skills will need to

work flexibly with each jobseeker who approaches them for a support package and take into account:

- jobseekers individual needs,
- the support already in place with Jobcentre plus;
- available resources; and
- agree what support and engagement is required.

Examples would be:

- Attending a Job shop for a 1:1 guidance appointment and completing appropriate tasks from an agreed plan eg: completing a CV; setting up an email account; having a mock interview; attending a signposted service etc.
- Attending scheduled appointments with an advisor for ongoing jobsearch support and receive guidance on further improving employability

4.12 For as long as the jobseeker engages in the agreed package they will continue to receive discretionary conditional support. Currently, 1,795 of the JSA cases getting CTS are also working with Jobs & Skills so this suggests that there is the capacity to deal with cases from April 2015 onwards (in reality this would be from October 2015 onwards).

## **Costs**

4.13 The current scheme has a budget provision of £49.670m (including contribution from police and fire and rescue services) but is currently projecting an underspend of £815k. This is due to a reduced caseload and it is recommended that the projected underspend is treated with some caution at this stage

4.14 The cost of providing support to jobseekers is currently around £5m per year, £1.3m of this to 2,400 Jobseekers who have claimed JSA and CTS for less than 6 months and £3.7m in respect of 7,000 Jobseekers that have claimed for more than 6 months.

4.15 The scheme is aimed at supporting people into work and reducing dependence on Council Tax Support. Scheme costs need to be based on the following assumptions:

- That all claimants in the conditionality group actively engage and remain entitled to Council Tax Support;
- That transitional protection will apply in the first year of the scheme for existing claims;
- That there is a Council Tax increase in 2015/16 and in future years;
- That Conditional Support will be paid at the same rate as unconditional support; and
- That no support at all is paid where claimants fail to engage. Options were considered around reducing the level of support where claimants did not engage. These were not taken forward on the grounds that it watered down the incentive to engage and further complicated the scheme.

4.16 Given these assumptions, it is proposed to increase the reduction from 26% to 30% in 2015/16 with the expectation that the reduction will remain stable at 30% in future years. Appendix D shows the cost comparisons of both a 26% scheme and a 30% scheme against the budget of £49.67m for next year, 2015/16. Appendix E shows the comparisons for year 2 (16/17) of the scheme and this shows that even with a 30% reduction scheme there would be an overspend of £507k on current caseload figures. However, if the scheme works as intended and helps 900 Jobseekers find work, the scheme will come in within budget and would not require a further reduction in the amount of support non-protected groups receive.

4.17 Although the assumption is that 100% of jobseekers will engage with the scheme, we need to recognise the possibility that some claimants may not engage and will lose entitlement as a result.

### **Impact on affected Jobseekers**

4.18 The jobseekers are currently subject to a 26% reduction in support. If these proposals are adopted it will mean new Jobseekers will be affected from April 2015 with existing Jobseekers cases coming on stream in April 2016 – some may come within scope sooner where they have a break in their Jobseekers Allowance claim or their Council Tax Support claim.

4.19 New JSA-based claims will receive 6 months unconditional CTS support. Further support will be subject to meeting conditionality requirements and where these are met, CTS support will continue at the same level as before – no JSA-based claim will be worse off if they engage. The expectation is that the additional support provided by Jobs and Skills will increase the prospects of getting a job.

4.20 New jobseekers who do not engage with the conditionality requirements will receive no support after 6 months. We need to develop procedures for continuing to encourage engagement and also to consider how best to support these residents.

4.21 Those who do not engage will see an increase in the amount of Council Tax they have to pay. Based on the current level of Council Tax and assuming 6 month support from 1<sup>st</sup> April and nothing thereafter:

- A single Jobseeker living in a Band A property would have to pay £435 compared to £174 payment required under the current scheme;
- A couple claiming Jobseeker's Allowance living in a Band A property would have to pay £581 compared to £232 payment required under the current scheme.

4.22 Appendix F provides information about the household make-up of the current JSA-based claims. This breakdown shows that the extent to which families, and large families at that, are included within the scheme. The presence of large families means that we need to be flexible when setting out conditionality requirements. We also need to make sure that we are joined up with Families First; just over 300 families on JSA have 4 or more children and only 144 of the JSA-based CTS cases are known to Families First.

4.23 We are required to undertake a consultation on the proposed scheme. The consultation process requires:



- That we publish our proposed draft scheme;
- That we consult with those likely to be affected;
- That we provide sufficient information to make the consultation meaningful; and
- That we allow sufficient time for an adequate consultation.

4.24 The public consultation has commenced and will run until 14 November, we will not be able to meet the 20 November deadline for submission of an Executive Board report for CLT and Cabinet clearance purposes. This is because we would need 2/3 weeks to analyse the results of the consultation and make an appropriate recommendation to Executive Board. It is proposed therefore to submit a report to the 17 December Executive Board.

4.25 In the event that Council adopts the proposed scheme, further work will be required between now and the publication of the scheme in January on the full extent of conditionality options and the opportunities to bring in other organisations to support this. If the scheme is approved by Council, there will be considerable work required around publicity and targeted information to the affected group as well as work on ensuring policies and processes are aligned and effective to deliver this change. We also need to develop a set of management information data that will enable us to monitor how effective the scheme is in supporting people into work and reducing dependence on Council Tax Support

## **Corporate Considerations**

### **5.0 Consultation and Engagement**

5.1 The Local Government Finance Act requires that a consultation is carried out. A consultation has commenced and will conclude 14 November 2014. The consultation will gauge the level of public support for the principle of introducing conditionality requirements for jobseekers, and withholding support for those that do not engage in activities that will prepare them for work.

5.2 The consultation is open to all on the Council's website through "talking point" and a number of working age recipients of Council Tax Support have been randomly selected and invited to respond.

5.3 The major pre-empting authorities are being consulted as part of the consultation process.

5.4 Issues raised at this scrutiny board will also feed into the consultation process

5.5 A summary report of the consultation will be provided to the Executive Board on 17 December

### **6.0 Equality and Diversity / Cohesion and Integration**

6.1 An Equality Impact Assessment in respect of the proposed change will be carried out and presented to executive board on 17 December 2014

### **7.0 Council policies and City Priorities**

7.1 The policy supports one of the 4 citizens@leeds propositions - to help people into work in order to tackle poverty and deprivation in the city

## **8.0 Resources and value for money**

8.1 The scheme has resource implications for the Council as once published the scheme cannot be changed during the financial year. Any additional expenditure over that forecast and budgeted for, must be met by the council and the precepting authorities

## **9.0 Legal Implications, Access to Information and Call In**

9.1 Counsel opinion has been obtained and referred to in paragraph 3.6

9.2 A decision is not required by the board and therefore the matter is not subject to call-in

## **10.0 Risk Management**

10.1 If a new scheme for 2015/16 is not published by the 31 January 2015 deadline for publishing a new scheme, by default the 2014/15 scheme would continue. This could have financial implications if there were a Council Tax Increase as this would increase the cost of providing support.

10.2 Scheme costs must continue to be constantly monitored as increased costs would need to be met from council budget

## **Recommendations**

Scrutiny members are asked to consider the proposed scheme, raise questions and provide comment on the design and administration of the scheme so that these may be fully explored as part of preparations and included in the report to executive board on 17 December 2014

### Report of Assistant Chief Executive (Citizens and Communities)

#### Report to Executive Board

Date: 16<sup>th</sup> July 2014

#### Subject: Localised Council Tax Support scheme

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

#### Summary of the main issues

- 1 Council Tax Benefit was abolished in March 2013 and local Council Tax Support schemes came into effect from 1<sup>st</sup> April 2013. Each year the Council must agree a local Council Tax Support scheme. This needs to be done by 31<sup>st</sup> January each year and failure to propose, consult upon and agree a scheme by 31<sup>st</sup> January in any year will see the previous year's scheme rollover into the next year.
- 2 In 13/14, the Council adopted a scheme that protected the most vulnerable groups and maintained these protections in the 14/15 scheme. This report also recommends maintaining those protections in 15/16. However, the impact on non-protected groups will be that we continue to see a year-on-year decrease in the level of support available, consequential on council tax rises and making the assumption that the existing budget will not be increased. The table below shows the year-on-year reduction in support for non-protected groups:

	% reduction in support	Amount to pay*	Increase
12/13 –baseline	0	0	-
13/14	19%	£167 pa	
14/15	26%	£232 pa	39%
15/16**	31%	£278 pa	20%

\* Band A Council Tax

\*\* assumes no additional funding and a Council Tax increase

- 3 Council Tax collection rates for 13/14 show that around half the households affected by Council Tax Support changes paid their Council Tax in full; overall the in-year collection rate for households previously entitled to 100% Council Tax Benefit was 65% in 13/14. An increased charge is likely to prove more difficult to collect in 14/15 and there are particular concerns for those households who have carried forward arrears into 14/15. The current approach, without additional funding or a decrease in numbers needing help, is likely to continue to deliver a less generous scheme year on year.

- 4 The current scheme is based on the national Council Tax Benefit (CTB) scheme that preceded it. The national CTB scheme did little to encourage and support households into work and was a standalone financial support scheme with limited conditions attached. This report sets out alternative scheme options with a focus on supporting people into work where appropriate. These options reflect the Citizens@Leeds approach to tackling poverty and deprivation and include options based around the concept of 'high levels of support and high challenge' to help households improve their financial and employment prospects.
- 5 Any change to the current scheme will require a public consultation exercise.

## **Recommendations**

Executive Board is asked to:

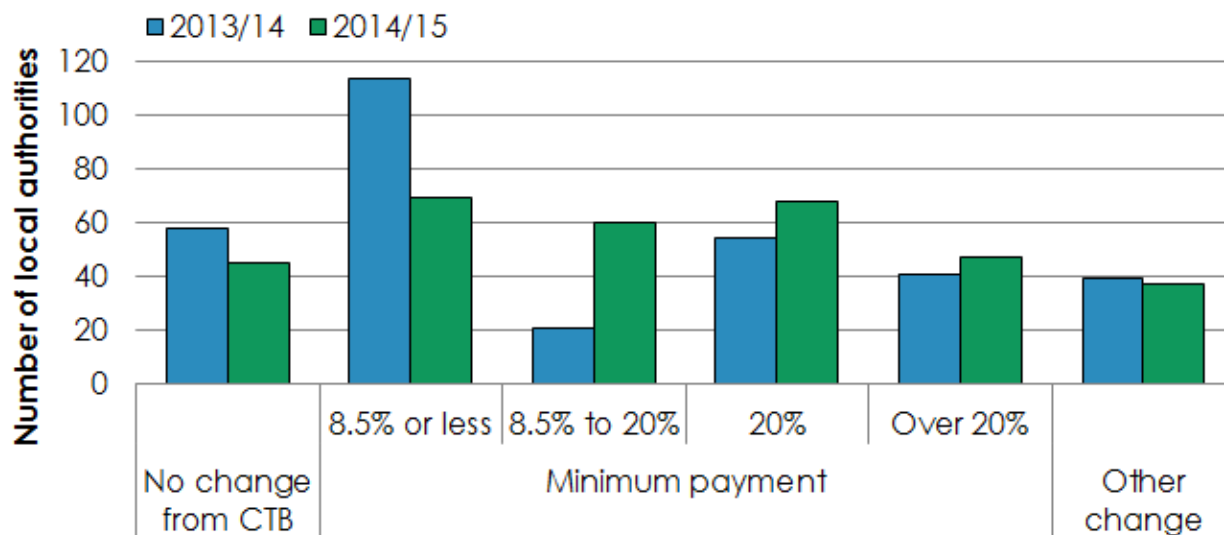
1. Note the issues created by the current approach to our Council Tax Support scheme and the need therefore to consider alternative approaches;
2. Agree that officers should undertake further work on options 2 and 3 and develop and consult upon a potential new Council Tax Support scheme, which is based around high levels of support and high levels of challenge with a focus on supporting people into work;
3. Confirm that funding for the 2015/16 Council Tax Support Scheme will be retained at the budgeted level for 2014/15.
4. Agree that the detail of developing a potential new scheme for consultation be delegated to the Assistant Chief Executive (Citizens and Communities). The decision to consult upon a new scheme would be made following discussions with relevant Executive Members and would be eligible for call-in. Any consultation would need to take place within the timescale set out in para 2.3.
5. Agree to receive a report in December 2014 outlining the outcome of consultation and making a recommendation based upon that consultation for the adoption of a new Council Tax Support scheme for 2015/16.

### **1. Purpose of this report**

- 1.1 The report provides Executive Board with information on the likely costs and implications of maintaining the current Council Tax Support scheme for 15/16. The report also provides information on alternative schemes that support people moving into work and incentivise households to engage with the council to help improve work prospects.
- 1.2 The report asks Members of Executive Board to agree to develop and consult upon a potential new Council Tax Support scheme which is based around high levels of support and high levels of challenge with a focus on supporting people into work given the issues created by the current scheme.

## 2 Background information

- 2.1 Each year the Council must agree a local Council Tax Support scheme. This has to be done by 31<sup>st</sup> January each year and failure to propose, consult upon and agree a scheme by 31<sup>st</sup> January in any year will see the previous year's scheme rollover into the next year
- 2.2. The process for agreeing a scheme requires:
- a) confirmation of the funding for scheme in 15/16;
  - b) estimates of caseload; and
  - c) estimates of Council Tax levels.
- 2.3 Following legal advice received last year, any proposed changes to the scheme are subject to a public consultation exercise. In the event of any proposed changes to the scheme, the timetable for introducing a changed scheme is as follows:
- July 14: approval to consult on preferred scheme;
  - September 14: start of 6-8 week public consultation process;
  - November 14: analysis of consultation responses
  - December 14: report to Executive Board with scheme recommendation
  - January 15: report to Council with recommended scheme for adoption
- 2.4 In January 2014, Council adopted a scheme that kept scheme spend at 13/14 budgeted levels and allowed for a Council Tax increase of 1.99%. The scheme maintained protections for vulnerable groups but other groups saw their Council Tax Support reduced to 74% of the amount they would have got under the national Council Tax Benefit scheme – in 2013/14 non-protected groups had their Council Tax Support limited to 81% of the amount they would have got under the national Council Tax Benefit scheme.
- 2.5 The outcome for a family in a Band A property was that their Council Tax contribution increased by 39% from £167 a year to £232 a year. It is clearly too early to say what the larger impacts of the change have been in Leeds. However, the change in Leeds reflected the general trend cross the country with Council Tax Support schemes becoming less generous. The graph below from the New Policy Institute shows fewer councils in 14/15 providing schemes at previous Council Tax Benefit levels, a significant reduction in Councils continuing to limit schemes to no more than an 8.5% reduction and more councils increasing the amounts that residents have to contribute.



- 2.6 This trend is confirmed by a Joseph Rowntree Foundation report<sup>1</sup> that stated that 580,000 households nationally had seen their Council Tax payment increase by 55% on average in 14/15 as a result of changes to local Council Tax Support schemes.

#### Impact of the 13/14 scheme on collection

- 2.7 It is too early to say what impact the 14/15 scheme will have on collection rates for Council Tax. Information is available about the impact of the 13/14 scheme on collection rates. Throughout 2013/14, financial circumstances and therefore entitlement to support changes for a significant proportion of households and the analysis below represents the position based on entitlement at the end of March 2014.

- The total amount for Council Tax due from households with reduced Council Tax Support was £7.55M of which £5.51M (73%) had been collected. Of this value £4.19M related to the cases who had previously received 100% relief, and £2.72M of this had been collected (65%).
  - Of those who previously would have received 100% support:
    - 12,787 accounts have paid in full (of which 1,575 accounts received a summons)
    - 13,319 had an outstanding balance at 31<sup>st</sup> March 2014. Of these:
      - 7,503 (59%) have been summonsed, and of these cases the current main areas of recovery are:
        - 172 - requests sent to DWP for deductions from benefits
        - 1,689 – awaiting current deductions for earlier debt to be cleared
        - 657 – have payment arrangements
      - Of the 5,816 cases not summonsed
        - 1,679 paid between 75% and 100% of the amount due
        - 955 paid between 50% and 75% of the amount due
        - 594 paid between 25% and 50% of the amount due
        - 339 paid something but less than 25% of the amount due
        - 2,206 no payments
- 2.8 Following requests to DWP for deductions to be made from benefits to pay Council Tax, we now receive monthly payments from DWP for 5,881 cases a month (£76,283.24). This has risen from 3,938 cases a month (£48,581.08 pm) previously. DWP deductions are set at £3.60 a week and in many cases will be insufficient to repay Council Tax arrears in full.

Appendix 1 sets out the scenario for a household where the only payment being made is the £3.60 a week deduction from benefit – it should be noted that we do take a sympathetic approach to summons costs.

### Estimated 15/16 scheme costs

- 2.9 Based on caseload as at the end of March 2014, the costs of maintaining the current scheme in the event of a 1.99% increase in Council Tax in 15/16 would rise from £49.7m to £50.7m. If no additional funding is provided then the current scheme would need to change and would see non-protected groups contribution increase to 30% or 31% in 15/16 (from 19% in 13/14 and 26% in 14/15). The table at appendix 2 shows how this figure is arrived at.
- 2.10 There is some evidence that the caseload is starting to reduce although it is too early to say whether this will be maintained for the rest of the year. If the caseload reduction is maintained this could potentially provide the scope for the Council to continue the current scheme, with its protections and a 26% reduction for non-protected groups, into 2015/16 with no additional funding requirements. This approach would carry a risk and if the council is ultimately minded to take this approach, it would be appropriate to consider creating a contingency for 15/16 in the event that the caseload reduction is not maintained.

## **3 Main Issues**

- 3.1 Considering the issues and risks arising from the current scheme, there is a need to look at other possible options that would provide a longer-term solution, support people into work and complement the Citizens@Leeds approach to tackling poverty and deprivation. In November 2013 and December 2013, Executive Board approved an approach to tackling poverty and deprivation based around 4 key propositions:
- The need to **provide accessible and integrated services**;
  - The need to **help people out of financial hardship**;
  - The need to **help people into work**; and
  - The need to **be responsive to the needs of local communities**.
- 3.2 The propositions are underpinned by an expectation that financial support is provided as part of a package of support that includes advice and personal support with customers required to actively engage with agreed initiatives in order to continue to receive support. The current local Council Tax Support scheme, which is based on the national Council Tax Benefit scheme, acts as a standalone financial support scheme requiring no engagement in order to continue to receive financial support.
- 3.3 In light of the ongoing challenges in respect of the current scheme, particularly in relation to costs, impact and collection issues, this report sets out alternative options that are aimed at providing greater incentives and support for households to improve their employment prospects and better reflect the Citizens@Leeds approach. The schemes have been developed in conjunction with the Welfare Reform Club who were commissioned to look at schemes that would support the Council's intention to help people into work. Appendix 3 provides a summary of the key elements of the schemes.
- 3.4 The pros and cons of each scheme are set out below

### **Option 1: The current scheme**

- Although the current scheme does little to encourage engagement in work-related activity, it has some advantages:
  - It is administratively simple to deliver;
  - It is familiar;
  - Costs can be controlled by changes to the % reduction in support; and
  - It protects some vulnerable groups
- The main drawbacks are:
  - It is limited in its aims
  - It requires little engagement from customers;
  - It provides no additional support;
  - It becomes increasingly less generous without additional funding or reductions in caseload

### **Option 2: A work-incentive scheme that provides time-limited support**

- Such a scheme would rely on both the carrot of discretionary support, and the stick of strict conditionality in a scheme designed to incentivise behavioural change.
- All those expected to work would receive help at 90% of liability but for 6 months only, unless entering into work. Those entering work would continue to receive a level of Council Tax Support determined by their earnings.
- Support to protected groups is maintained at 100% of liability indefinitely.
- The savings from this time-limited and incentivised approach would be directed into a general hardship fund which would be used to support those whose time-limited support had expired with strict conditionality attached around engagement in activity aimed at improving work prospects. Early analysis suggests that between £2m and £3m could be generated for a hardship fund. An integrated service model involving advice, personal support and financial support would be an inherent part of such a scheme.
- The main advantages of this type of scheme are:
  - It's more generous at the start of a claim for non-protected groups both for in-work customers and out of work customers;
  - It best reflects the Citizens@Leeds approach to tackling financial hardship by providing wrap around support;
  - It provides an incentive for customers to engage in activity aimed at improving work prospects;
  - It continues to protect vulnerable groups;
  - Scheme costs can be contained through control of the discretionary element.
- The main risks are:
  - The scheme is more challenging to administer;
  - It requires effective intervention activity to help customers improve their work prospects and there would be resource implications arising from this. The scale of the intervention is significant and it may be more appropriate to move to such a scheme in phases over the next 2 years;
  - It could create hardship for individuals who lose entitlement and who do not engage after 6 months.



### **Option 3: A work-incentive scheme that supports those entering work.**

- This scheme is more generous than the current scheme for those in work and moving into work. This is achieved by disregarding more of the earnings before they are taken into account and by withdrawing CTS at the rate of 10% rather than 20%. This type of scheme would cost more for in-work customers with the additional costs being offset by reducing support for those expected to work after 6 months. For example, support would reduce from 74% to 65% after 6 months.
- The advantages of such a scheme are:
  - It retains protections for vulnerable groups;
  - It incentivises work by making the scheme more generous when people move into work. This more generous scheme also helps with in-work poverty and low pay;
  - The low withdrawal rate also better supports people increasing their hours of work.
- The main risks associated with this scheme are:
  - Dynamic measures such as the numbers moving into work are difficult to model and represent a risk to funding requirements;
  - Scheme costs increase for everyone that moves into part-time work;
  - Reductions in scheme costs from increased reductions after 6 months may not offset the costs of the additional awards for in-work customers and are likely to create more hardship and may mean the scheme is not affordable or not affordable in the medium – to long- term.

3.5 Appendix 4 shows the comparative impact of the 3 potential schemes on different household types with each household type being assessed against a) being out of work, b) working part-time (16 hours at £7.65 an hour) and c) working full time (35 hours at £7.65 an hour). Table 1 below shows the comparative position for different household types working part-time. Table 2 shows the comparison for out of work households

Table 1 – monthly CTS entitlement for households working part-time

	Current scheme	Option 2	Option 3
Single person	£2.47	£11.46	£45.56
Lone parent: 1 child over 5	-	0.18	£53.75
Lone parent: 2 children, 1 < 5	£18.54	£18.54	£59.66
Couple: 2 children	£73.92	£89.90	£99.89
Couple: severe dis. Premium	£87.40	£87.40	£87.40

Table 2- monthly CTS entitlement for out of work households

	Current scheme	Scheme 2		Scheme 3	
		1 <sup>st</sup> 6 mths	After 6 mths	1 <sup>st</sup> 6 mths	After 6 mths
Single person	£41.58	£50.57	-	£41.58	£35.56
Lone parent: 1 child over 5	£48.51	£59.00	-	£48.51	£41.49
Lone parent: 2 children, 1 < 5	£65.55	£65.55	£65.55	£65.55	£65.55
Couple: 2 children	£73.92	£89.90	-	£73.92	£63.22
Couple: severe dis. Premium	£87.40	£87.40	£87.40	£87.40	£87.40

3.6 Two other options are set out in appendix 3. However, neither of these schemes can be recommended at this time. One scheme removes protections for vulnerable groups in order to make the scheme more generous for others and does little to provide work incentives. The other scheme provides an option that could be considered alongside

Universal Credit but given that Universal Credit will not be live in Leeds until at least 2016, this option is not relevant at this time.

### **Annual benefits uprating**

- 3.7 Amendments are required to the scheme to take account of the annual benefit uprating. It is recommended that rates used in the Council Tax Support scheme are uprated in line with rates used in Housing Benefit administration. These are published by the Department of Work and Pensions each December. If the rates are not uprated this will increase some Council Tax Support awards and increase overall expenditure on the scheme. Scheme changes simply to reflect annual uprating are unlikely in themselves to trigger a requirement for public consultation.

### **Changes to Prescribed Regulations**

- 3.8 The Local Government Finance Act allows for further prescribed regulations to be laid. DCLG have not indicated that there are likely to be changes to the prescribed regulations and the Council Tax administration and enforcement regulations. However, any additional prescribed regulations must be incorporated within the local scheme

### **Universal Credit**

- 3.9 As indicated above, Universal Credit is not scheduled to be rolled out into Leeds in 2015 but under migration plans, claimants in the pilot areas who move into the local area may continue to claim Universal Credit if their circumstances mean that they qualify for it.
- 3.10 The Local Council Tax Support scheme provides that Universal Credit claimants are treated as set out in the national default scheme for 2013/14. The impact of this is that out of work claimants will receive a level of support similar to the level they received under the legacy benefits system; however working claimants whilst better off under universal credit will receive little or no Council Tax Support. It is recommended that until Universal Credit impacts are clearer that no change is made to the local scheme for 2015-16.

## **4. Corporate Considerations**

### **4.1 Consultation and engagement**

- 4.1.1 A formal consultation exercise will be required in order change the current Council Tax Support scheme.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 A detailed impact analysis was carried out during preparations for 2013-14. A further analysis will be undertaken in the event that the preferred scheme for 15/16 is different to the current scheme.

### **4.3 Council Policies and City Priorities**

- 4.3.1 The local Council Tax Support scheme plays a key element in tackling poverty and deprivation. The current scheme is no strong on engagement and personal support and a move towards a scheme of financial support within a package of advice and personal support would better complement the Citizens@Leeds approach approved by the Executive Board in November 2013 and December 2013.

#### **4.4 Resources and Value for Money**

- 4.4.1 The current scheme remains affordable only if early caseload reductions are maintained into next year. The alternatives for the current scheme are to increase funding for 15/16 by £1m, based on caseload at the end of March 2014, or change the scheme so that non-protected groups face a reduction of 31% in 15/16
- 4.4.2 Option 2 provides an alternative scheme that is likely to be affordable both in the short and the long term and demands engagement from customers who are expected to work. The scheme, if successful, would help to reduce the numbers dependent on Council Tax Support and ultimately reduce future scheme costs. Option 3 also seeks to encourage customers into work through extra support for in-work customers. The costs of option 3 are difficult to gauge and further work is needed to more accurately estimate the financial impacts of this scheme.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Councils are required to confirm existing scheme or adopt a new local schemes by 31<sup>st</sup> January each year and in order to do so need to undertake meaningful consultation with major precepting authorities, the public and groups with an interest in the scheme design.
- 4.5.2 Although a full consultation was carried out ahead of the 13/14 scheme being adopted and again in relation to changes for 14/15, legal advice is that further changes would require further consultation.

#### **4.6 Risk Management**

- 4.6.1 The main risk attached to maintaining the current is around affordability and the ongoing adequacy of the unconditional support provided. Changing the scheme to a scheme that provides greater work incentives and requires greater levels of engagement from customers is more likely to have positive outcomes and be affordable in the long-term. However, it does carry the risk that some households will face even greater hardship where there is not the level of engagement required. .
- 4.6.2 All schemes are at risk of costs pressures caused by increases in caseload and increases in Council tax levels.

#### **5. Conclusions**

- 5.1 The current approach to Council Tax Support schemes is providing reducing levels of support to households without providing significant incentives for people to move into work. The long-term approach to providing support needs to be based around helping people into work with elements of the scheme conditional on citizen engagement with initiatives that are designed to improve work prospects. Such schemes are dependent on a number of factors including the provision of wrap around support that incorporates financial help, advice and personal support and would also require integrated delivery models.
- 5.2 If successful the new approach to Council Tax Support schemes would ultimately reduce scheme costs to the council and allow additional funding to be made available to continue helping people to move into work.

## 6. Recommendations

Executive Board is asked to:

1. Note the issues created by the current approach to our Council Tax Support scheme and the need therefore to consider alternative approaches;
2. Agree that officers should undertake further work on options 2 and 3 and develop and consult upon a potential new Council Tax Support scheme, which is based around high levels of support and high levels of challenge with a focus on supporting people into work;
3. Confirm that funding for the 2015/16 Council Tax Support Scheme will be retained at the budgeted level for 2014/15.
4. Agree that the detail of developing a potential new scheme for consultation be delegated to the Assistant Chief Executive (Citizens and Communities). The decision to consult upon a new scheme would be made following discussions with relevant Executive Members and would be eligible for call-in. Any consultation would need to take place within the timescale set out in para 2.3.
5. Agree to receive a report in December 2014 outlining the outcome of consultation and making a recommendation based upon that consultation for the adoption of a new Council Tax Support scheme for 2015/16.

### Background documents<sup>1</sup>

*Background documents*

7 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## Appendix 1 – Impact on a household where payments is secured through deductions from benefit

### Year 1 scheme: 19% reduction in Council Tax Support

• 13/14 Council Tax charges	£166.74
• Summons costs:	<u>£ 90.00</u>
• Total to pay	£256.74

Summons action is normally only taken where there is no contact with the customer; it is required to secure a liability order which is needed to apply for deductions from national benefits

• DWP deductions (from 1/9, @ £3.60 pw)	£111.16
• Balance carried forward	£145.58

### Year 2 scheme: 26% reduction in Council Tax Support

• Balance brought forward	£145.58
• 14/15 Council Tax charges	£232.53
• Summons costs	<u>£ 90.00</u>
• Total to pay	£468.11

A liability order is needed for each year's Council Tax in order to apply for deductions for national benefits. Deductions for year 2 will be queued up and will only commence when year 1 charges have been cleared

• DWP deductions (£3.60 x 52)	£187.20
• Balance outstanding (to be carried forward)	£280.91

### Potential Year 3 scheme: 31% reduction in Council Tax Support

• Balance brought forward	£280.91
• 15/16 Council Tax charge	£278.00
• Summons costs	<u>£ 90.00</u>
• Total to pay	£648.91
• DWP deduction (£3.60 x 52)	£187.20
• Balance outstanding (to be carried forward)	£461.71

## Appendix 2– current scheme costs vs scheme costs with an increase in Council Tax

Col.1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7
	<b>Caseload</b>		14/15 budgeted scheme costs	15/16 scheme costs with Ctax increase		30.5% scheme
Elderly	29605	Protected	£21,446,746	£ 21,875,681	Protected	£21,875,681
War Pensioners	33	Protected	£24,852	£25,349	Protected	£25,349
Severe Disability	2525	Protected	£ 1,766,880	£1,802,218	Protected	£1,802,218
Enhanced Disability	5968	Protected	£ 4,340,916	£4,427,734	Protected	£4,427,734
Carer	1688	Protected	£ 1,364,757	£1,392,052	Protected	£1,392,052
Lone Parent Child Under 5	6733	Protected	£ 4,644,337	£4,737,224	Protected	£4,737,224
Other	31302	<b>26% reduction</b>	£ 16,175,982	£16,499,502	<b>30.5% reduction</b>	£15,496,154
<b>Total</b>	<b>77854</b>		<b>£ 49,764,473</b>	<b>£50,759,763</b>		<b>£49,756,415</b>

**Column 1:** describes the category of case

**Column 2:** shows the number of cases as at 31<sup>st</sup> March 2014

**Column 3:** shows whether the category of case is protected and, if not, the level of reduction in CTS

**Column 4:** shows costs of the scheme based on 14/15 Council Tax levels

**Column 5:** shows costs of the scheme in 15/16 with a 1.9% increase in Council Tax in 15/16, using same protections and reductions as in Col 3

**Column 6:** shows whether the category of case is protected and, if not, the level of reduction in CTS

**Column 7:** shows the new costs of the scheme using a 30.5% reduction

### Appendix 3 – options for alternative schemes

	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
	Current scheme	Work incentive scheme 1	Work incentive scheme 2	Minimum payment scheme	Best fit with Universal Credit
Protected groups	<p>Pensioners;</p> <p>Severe or enhanced disability;</p> <p>Carers;</p> <p>War pensions;</p> <p>Lone parent with child under 5</p>	<p>Pensioners;</p> <p>Severe or enhanced disability;</p> <p>Carers;</p> <p>War pensions;</p> <p>Lone parent with child under 5</p>	<p>Pensioners;</p> <p>Severe or enhanced disability;</p> <p>Carers;</p> <p>War pensions;</p> <p>Lone parent with child under 5</p>	Pensioners	<p>Pensioners;</p> <p>Severe or enhanced disability;</p> <p>Carers;</p> <p>War pensions;</p> <p>Lone parent with child under 5</p>
Reduction for non-protected groups					
In-work claims	26%	10%	0%	20%	26%
Out of work claims – 1 <sup>st</sup> 6 months	26%	10%	26%	20%	26%
Out of work claims – after 6 months	26%	100%	35%	20%	26%
Additional features					
	Support withdrawn at 20p for every extra £ earned	<p>Same as scheme 1 except:</p> <p>No mandatory support after 6 months for people expected to work;</p> <p>Discretionary hardship fund to support households engaged in initiatives to improve work options</p>	<p>CTS worked out using 100% entitlement for in-work claims</p> <p>More generous work allowances than current scheme;</p> <p>Support withdrawn at 10p for every extra £ earned</p> <p>Support further reduced from 26% to 35% after 6 months for those expected to work</p>	<p>Support withdrawn at 20p for every extra £ earned</p> <p>Minimum £2 payment below which no CTS is paid</p>	Support withdrawn at 65p in the £ to mirror Universal Credit position

# Appendix 4 – illustrations of impact of alternative schemes on different households

Single Person, Under 35, Band A, Shared room rate, No children								
Gross Monthly Earnings	Scheme 1 Current scheme		Scheme 2 Strong work incentives Strict conditionality with enhanced front-line advice. Non-protected groups receive 90% support for 6 months only.			Scheme 3 Strong work incentives 10% Taper, run-on, cut in support after 6 months		
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 786.62	£ 41.58	£ 795.61	£ 50.57	£ -	£ 786.62	£ 41.58	£ 35.56
£531.86	£ 837.67	£ 2.47	£ 846.66	£ 11.46	£ 11.46	£ 880.76	£ 45.56	£ 45.56
£1,163.44	£ 1,265.92	£ -	£ 1,265.92	£ -	£ -	£ 1,265.92	£ -	£ -
Lone parent, One Child over 5, Band B, Two bedrooms								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,253.19	£ 48.51	£ 1,263.68	£ 59.00	£ -	£ 1,253.19	£ 48.51	£ 41.49
£531.86	£ 1,572.40	£ -	£ 1,572.58	£ 0.18	£ 0.18	£ 1,626.16	£ 53.75	£ 53.75
£1,163.44	£ 1,795.41	£ -	£ 1,795.41	£ -	£ -	£ 1,795.41	£ -	£ -
Lone parent, Two Children, one under 5, Band B, Two bedrooms								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,558.28	£ 65.55	£ 1,558.28	£ 65.55	£ 65.55	£ 1,558.28	£ 65.55	£ 65.55
£531.86	£ 1,917.38	£ 18.54	£ 1,917.38	£ 18.54	£ 18.54	£ 1,958.49	£ 59.66	£ 59.66
£1,163.44	£ 2,099.17	£ -	£ 2,099.17	£ -	£ -	£ 2,101.59	£ 2.42	£ 2.42
Couple, Two Children, Band C, Three bedrooms								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,871.46	£ 73.92	£ 1,887.45	£ 89.90	£ -	£ 1,871.46	£ 73.92	£ 63.22
£531.86	£ 1,914.92	£ 73.92	£ 1,930.90	£ 89.90	£ 89.90	£ 1,940.89	£ 99.89	£ 99.89
£1,163.44	£ 2,298.81	£ -	£ 2,298.81	£ -	£ -	£ 2,349.41	£ 50.60	£ 50.60
£1,662.05	£ 2,582.07	£ -	£ 2,582.07	£ -	£ -	£ 2,582.81	£ 0.74	£ 0.74
Couple, no children, severe disability premium, Band B (permitted work)								
	Take Home Income	CTS paid	Take Home Income	CTS paid	CTS after 6 mths	Take Home Income	CTS Paid	CTS after 6 mths
Out of Work	£ 1,883.12	£ 87.40	£ 1,883.12	£ 87.40	£ 87.40	£ 1,883.12	£ 87.40	£ 87.40
£531.86	£ 2,998.66	£ 87.40	£ 2,998.66	£ 87.40	£ 87.40	£ 2,998.66	£ 87.40	£ 87.40
£1,063.71	£ 2,434.65	£ 36.26	£ 2,434.65	£ 36.26	£ 36.26	£ 2,435.54	£ 37.14	£ 37.14



## APPENDIX B

### **Outline of Changes**

#### **There will be no change for the protected groups.**

The scheme will continue to protect:

- War Pensioners
- Disabled people in receipt of a an enhanced or severe disability premium
- Carers
- Lone Parents of children under 5

#### **The reduction for those affected will increase from 26% to 30%.**

This will provide support at 70% of what would have been paid under Council tax Benefit

#### **Changes for Job Seekers Allowance (Income Based) cases**

From 1 April 2015 Jobseeker's entitlement to Council tax Support (CTS) will be limited to 6 months at 70%.

#### **Transitional Protection for existing Jobseekers**

Jobseekers who are in receipt of for JSA(IB) and CTS at 31 March 2015 will be transitionally protected and continue to receive CTS at 70% during 2015/16.

- Transitional protection will continue whilst ever the Jobseeker continues to receive JSA(IB) and CTS.
- If there is a break in either the JSA(IB) or CTS award the transitional protection will end.
- If there is no break in the JSA(IB) and CTS award, transitional protection will end on 31 March 2016

#### **Discretionary Conditional Support**

As Jobseekers approach the end of the 6 month award or transitional protection period, they will be offered a package of support provided by Jobs and Skills to provide help to prepare for, and find work.

If the Jobseeker takes up the support package offer, discretionary CTS will continue to be paid at the "Conditional Support Rate" whilst ever they continue to receive Jobseekers Allowance and work with Jobs and skills to prepare for work. If the jobseeker ceases to engage with Jobs and Skills the conditional support will cease.

The conditional support rate in 2015-16 will be 70%, the same rate that non protected claimants will receive.

The basis for the financial assessment of need will be identical to the assessment for Council Tax Support.

### **Identifying affected Jobseekers**

It is proposed that the changes will apply only to Jobseekers who receive Income Based Jobseekers Allowance, a means tested benefit paid by Jobcentre Plus to Jobseekers who are actively seeking work. The means test applied by Jobcentre Plus is sufficient to determine that Jobseekers are in financial need of Council Tax Support. The method of assessing need mirrors the assessment that is made in the Council Tax Support assessment.

The changes will not apply to Jobseekers receiving contribution based Jobseekers Allowance which is based on the National Insurance contributions made prior to unemployment, and is time-limited to 6 months, after which subject to means test requirements the Jobseeker will move on to Income Based Jobseeker Allowance. The changes will affect these jobseekers 6 months after they move onto Income Based Jobseekers Allowance

The changes will not apply to Jobseekers that fall into the vulnerable groups, their support will continue to be protected at 100%.

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## Appendix C

	New Claims	Customers expected to "Sign off"	Cumulative new claims	Moving to Conditional Group	Cumulative conditional group claims	Cumulative net claims<6m
April	360	0	360	0	0	360
May	360	0	720	0	0	720
June	360	0	1,080	0	0	1,080
July	360	108	1,332	0	0	1,332
August	360	108	1,584	0	0	1,584
September	360	108	1,836	0	0	1,836
October	360	180	2,016	180	180	1,836
November	360	180	2,196	180	360	1,836
December	360	180	2,376	180	540	1,836
January	360	180	2,556	180	720	1,836
February	360	180	2,736	180	900	1,836
March	360	180	2,916	180	1,080	1,836
Total	4,320	1,404		1080		
					Average = 315	Average = 1494

### New Claims

Jobcentre Plus advise that they are receiving around 300 new claims each month to date in 14/15 compared to 371 in 13/14

Data on new claim statistics suggests an average of 360 new claims have been paid based on JSA each month to date in 14/15

Calculation is based on the assumption that we will receive 360 new claims each month

### DWP State in the oakley response

50% will sign off within 3 months

75% within 6 months

90% within a year

### Local JCP state:

30% will sign off within 3 months

50% will sign off within 6 months

### Calculation based on

30% will sign off after 3 months

50% will sign off after 6 months

## Appendix D a) – costs based on the current 26% reduction in support

### FEATURES

Existing protections continue

No change for Existing Jobseekers

No change for new Jobseekers for first 6 months

Conditional Support for new jobseekers after 6 months - All engage

						NO INCREASE		2% INCREASE	
Group	Cases	Current Expenditure £	Average Annual award £	Current % Award	Proposed % Award	Projected Expenditure £	Cost / Saving based on current spend £	Projected Expenditure £	Cost / Saving based on current spend £
Elderly	29,098	20,551,064	706	100	100	20,551,064	0	20,962,085	411,021
War Pensioners	33	25,305	767	100	100	25,305	0	25,811	506
Severe Disability	2,585	1,820,840	704	100	100	1,820,840	0	1,857,257	36,417
Enhanced Disability	7,011	5,402,381	771	100	100	5,402,381	0	5,510,429	108,048
Carer	1,744	1,420,875	815	100	100	1,420,875	0	1,449,292	28,417
Lone Parent Child Under 5	6,503	4,362,362	671	100	100	4,362,362	0	4,449,609	87,247
New Jobseekers	1,494	808,314	541	74	74	808,314	0	824,480	16,166
Conditional Jobseekers engaging	315	170,428	541	74	74	170,428	0	173,836	3,409
Conditional Jobseekers not engaging	0	0	541	74	0	0	0	0	0
Protected Jobseekers	7,574	4,097,837	541	74	74	4,097,837	0	4,179,794	81,957
ESA (IR)	6,839	3,783,753	553	74	74	3,783,753	0	3,859,428	75,675
IS	1,894	1,081,206	571	74	74	1,081,206	0	1,102,830	21,624
Working	9,156	3,974,045	434	74	74	3,974,045	0	4,053,526	79,481
Others	2,517	1,342,480	533	74	74	1,342,480	0	1,369,330	26,850
Total	76,763	48,840,888	636			48,840,888	0	49,817,706	976,818
Budget		49,670,000				49,670,000		49,670,000	
Over / Underspend		-829,112				-829,112		147,706	

# Appendix D b) – costs based on a 30% reduction in support

## 30% REDUCTION SCHEME

						NO INCREASE		2% INCREASE	
Group	Cases	Current Expenditure £	Average Annual award £	Current % Award	Proposed % Award	Projected Expenditure £	Cost / Saving based on current spend £	Projected Expenditure £	Cost / Saving based on current spend £
Elderly	29,098	20,551,063	706	100	100	20,551,063	0	20,962,084	411,021
War Pensioners	33	25,305	767	100	100	25,305	0	25,811	506
Severe Disability	2,585	1,820,840	704	100	100	1,820,840	0	1,857,257	36,417
Enhanced Disability	7,011	5,402,381	771	100	100	5,402,381	0	5,510,429	108,048
Carer	1,744	1,420,875	815	100	100	1,420,875	0	1,449,292	28,417
Lone Parent Child Under 5	6,503	4,362,362	671	100	100	4,362,362	0	4,449,609	87,247
New Jobseekers	1,494	808,314	541	74	70	764,621	-43,693	779,914	-28,400
Conditional Jobseekers engaging	315	170,428	541	74	70	161,215	-9,212	164,440	-5,988
Conditional Jobseekers not engaging	0	0	541	74	0	0	0	0	0
Protected Jobseekers	7,574	4,097,837	541	74	70	3,876,332	-221,505	3,953,859	-143,978
ESA (IR)	6,839	3,783,753	553	74	70	3,579,226	-204,527	3,650,810	-132,943
IS	1,894	1,081,206	571	74	70	1,022,763	-58,444	1,043,218	-37,988
Working	9,156	3,974,045	434	74	70	3,974,045	0	4,053,526	79,481
Others	2,517	1,342,480	533	74	70	1,269,914	-72,566	1,295,312	-47,168
Total	76,763	48,840,888	636			48,230,941	-609,947	49,195,559	354,672
Grant		49,670,000				49,670,000		49,670,000	
Over / Underspend		-829,112				-1,439,059		-474,441	

Appendix E a) Year 2 costs based on 26% scheme  
**YEAR 2 OF CONDITIONAL SCHEME (2016/2017) – 26% REDUCTION SCHEME**  
**FEATURES**

No change for new Jobseekers for first 6 months

Conditional Support for new jobseekers after 6 months - All engage

Conditional Support for legacy jobseekers - All engage

**2% INCREASES  
in 2015 and 2016**

Group	Cases	Current Expenditure £	Average award £	Current % Award	Proposed % Award	Projected Expenditure £
Elderly	29,098	20,551,063	706	100	100	21,381,326
War Pensioners	33	25,304	766	100	100	26,327
Severe Disability	2,585	1,820,839	704	100	100	1,894,401
Enhanced Disability	7,011	5,402,381	770	100	100	5,620,637
Carer	1,744	1,420,874	814	100	100	1,478,277
Lone Parent Child Under 5	6,503	4,362,361	670	100	100	4,538,601
New Jobseekers	1,836	993,349	541	74	74	1,033,480
Conditional Jobseekers engaging	1,548	837,529	541	74	74	871,366
Conditional Jobseekers not engaging	0	0.00	541	74	0	0
Legacy Jobseekers engaging	5,999	3,245,698	541	74	74	3,376,825
Legacy Jobseekers not engaging	0	0	541	74	74	0
ESA (IR)	6,839	3,783,752	553	74	74	3,936,616
IS	1,894	1,081,206	570	74	74	1,124,886
Working	9,156	3,974,044	434	74	74	4,134,596
Others	2,517	1,342,480	533	74	74	1,396,716
Total	76,763	48,840,880	636			50,814,054
Budget Provision		49,670,00				49,670,00
Over / Underspend		-829,120				1,144,054

Appendix E b) based on 30% scheme

**30% REDUCTION SCHEME**

**2% INCREASES in  
2015 and 2016**

Group	Cases	Current Expenditure £	Average Annual award £	Current % Award	Proposed % Award	Projected Expenditure £
Elderly	29,098	20,551,063	706	100	100	21,381,326
War Pensioners	33	25,304	766	100	100	26,327
Severe Disability	2,585	1,820,839	704	100	100	1,894,401
Enhanced Disability	7,011	5,402,381	770	100	100	5,620,637
Carer	1,744	1,420,874	814	100	100	1,478,277
Lone Parent Child Under 5	6,503	4,362,361	670	100	100	4,538,601
New Jobseekers	1,836	993,349	541	74	70	977,616
Conditional Jobseekers engaging	1,548	837,529	541	74	70	824,265
Conditional Jobseekers not engaging	0	0.00	541	74	0	0
Legacy Jobseekers engaging	5,999	3,245,698	541	74	70	3,194,294
Legacy Jobseekers not engaging	0	0.00	541	74	0	0
ESA (IR)	6,839	3,783,752	553	74	70	3,723,826
IS	1,894	1,081,206	570	74	70	1,064,082
Working	9,156	3,974,044	434	74	70	4,134,596
Others	2,517	1,342,480	533	74	70	1,321,218
Total	76,763	48,840,880	636			50,179,466
Budget Provision		49,670,000				49,670,000
Over / Underspend		-829,120				509,466

## Appendix F

### Family make up:

Number of children	Couples	Single people	Total
No Children	384	5,738	6,122
1 Child	474	891	1,365
2 Children	477	574	1,051
3 Children	324	201	525
4 Children	135	78	213
5 Children	49	21	70
6 Children	20	6	26
7+ Children	6	2	8
Total	1,869	7,511	9,380

### Family make up and claimant's age

Age and status	No Children	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children	7+ Children	Total
<b>&lt; 25</b>									
Couple	50	99	43	27	4				223
Single	734	43	3						780
<b>25 - 34</b>									
Couple	91	178	192	140	47	21	7	3	679
Single	1,222	299	210	74	19	5	2		1831
<b>35 - 44</b>									
Couple	50	90	158	116	62	19	11	2	508
Single	1,254	294	252	92	48	12	4	2	1,958
<b>45 - 54</b>									
Couple	102	77	70	32	16	9	1	1	308
Single	1563	218	99	35	10	4			1,929
<b>&gt;55</b>									
Couple	91	30	14	9	6		1		151
Single	965	37	10		1				1,013
Total	6,122	1,365	1051	525	213	70	26	8	9,380



## Report of the Chief Officer PPPU and Procurement

## Report to Scrutiny Board (Resources and Council Services)

**Date: 29 September 2014**

## Subject: Effective Procurement and Contract Procedure Rules

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

## Summary of main issues

Executive Board approved a refreshed procurement policy for the council at its meeting on 24 April 2013. The policy was developed as the Transforming Procurement Programme, and the approved documentation and approach is now called Effective Procurement.

Work to implement the new approach is underway through a 2-year transition period.

The main topics raised by elected members during consultation were: Value for Money; Socially Responsible Procurement; Open, Honest and Transparent Decision Making; and Consultation and Engagement.

Specific feedback was also sought from this Scrutiny Board (Resources and Council Services) in July 2013 on proposed revised Contract Procedure Rules, and members recommended some specific provisions relating to decision-making which were incorporated into the Rules.

This report updates members of Scrutiny Board (Resources and Council Services) on progress in implementing the new Contract Procedure Rules and the other Effective Procurement documentation, and on anticipated changes to legislation and guidance.

## Recommendations

Members of Scrutiny Board (Resources and Council Services) are asked to note the contents of this report, and provide feedback on

- whether they are satisfied with the level of transparency in procurement decision-making following the changes in Contracts Procedure Rules
- the progress now reported on implementation in relation to the key themes identified in paragraph 3 of Value for Money; Socially Responsible Procurement; and Consultation and Engagement.

## **1 Purpose of this report**

- 1.1 To provide an update on the operation of Contracts Procedure Rules and the implementation of the Effective Procurement documentation, and to highlight current national guidance and anticipated changes to legislation.

## **2 Background information**

### **Contracts Procedure Rules**

- 2.1 Contracts Procedure Rules set out the key responsibilities and actions that council staff must follow when undertaking procurements. They support staff to meet legislative requirements, and to meet the council's ambitions for procurement, the council's procurement policy, and related policies and procedures. Together with a range of linked templates and toolkits, they support staff to deliver effective procurement.

### **Procurement Activity**

- 2.2 The council currently spends £800 million externally each year, across both revenue and capital. We use a variety of contracts, from simple purchase orders to long-term partnership agreements. Some contracts are with a single provider, others are frameworks with multiple providers.
- 2.3 The council procures a very wide range of goods, works and services, including front-line services and back-office support. Examples include foster care, home care, homelessness support, energy, vehicles, seeds, catering products, building works, highways repairs, and IT software.

### **Procurement Ambition**

- 2.4 At the heart of the council's procurement policy sits our ambition to deliver the best commissioning, procurement and contracting in the country, where:
- We achieve value for money for the public
  - We support the delivery of quality outcomes for service users
  - We support the wider ambitions of the council and its partners
  - Providers of all sizes and from all sectors want to deliver for Leeds
  - Procurement professionals want to work for Leeds, and
  - We are recognised nationally as a centre of excellence.

## **3 Main issues**

### **3.1 Overview**

- 3.1.1 The new approach to Effective Procurement is designed to support the following.

## **3.2 Value for Money**

- 3.2.1 The cornerstone of the council's procurement policy and ambition, and reflected throughout the proposed Contracts Procedure Rules, is securing value for money through category planning. Each procurement should have a procurement plan, contract management plan and exit plan. Each of these is designed to ensure that relevant value for money considerations are considered by officers (through options appraisals, combining procurements where appropriate, developing robust procurement documentation and monitoring contract performance). There are linked template documents and toolkits to help council staff to meet these requirements.

## **3.3 Socially Responsible Procurement**

- 3.3.1 Throughout the development of the policy, and reflected in the revised Contracts Procedure Rules, feedback was received confirming that elected members wanted our procurements to reflect the council's wider ambitions, for example with respect to social value, jobs and skills, treatment of sub-contractors, and access for small and medium sized enterprises (SMEs) and third sector organisations. CPR 1.1.3 (Council Policies) and CPR 3.1.9 (Social, Environmental and Economic Impact) require council staff to take these matters into account when undertaking a procurement, and supporting toolkits are available to help them to do so.

## **3.4 Open, Honest and Transparent**

- 3.4.1 A key issue raised particularly by external consultees, was a request for higher levels of openness and transparency in the council's procurement activities. The revised Contracts Procedure Rules require the publication of a register of contracts that have been awarded and a calendar of forthcoming procurements. They also require that results of tenders and feedback on their submissions will be available to tenderers. Tender and contract details are now available to view through YORtender or the council's open data site (see 3.6.10 and 3.6.11 below).

## **3.5 Decision Making**

- 3.5.1 This Scrutiny Board recommended the following approach to decision-making in Contracts Procedure Rules, and these were incorporated into the new CPRs in October 2013.
- The Board welcomed the proposal that the main decision to approve the scope and budget of a procurement would be taken early in the process at the same time as the decision on whether or not to undertake a procurement exercise and the procurement route.
  - In relation to Framework agreements that the Key Decision was taken both at the time that the decision to procure via the framework agreement was taken and also at each subsequent call off.
  - That any decision to extend a contract be treated as a Key, Significant Operational or Administrative decision in accordance with Article 13 thresholds.

- That all waivers of Contracts Procedure Rules are treated, as a minimum, as a Significant Operational Decision.
- Members welcomed the development of a procurement calendar. Members reiterated the need to ensure that calendars programmed sufficient time for call-in and the possibility of reference back

3.5.2 Members are requested to confirm whether they are satisfied with the level of transparency in procurement decision-making following the changes in Contracts Procedure Rules

### **3.6 Implementation**

3.6.3 The first version of the new Contracts Procedure Rules took effect from 1 October 2013 and they were subsequently updated on the 9<sup>th</sup> June 2014 (see 3.6.7 below). The strategy anticipated a 2 year implementation from April 2013 for category planning and use of the new documentation to be effectively embedded.

3.6.4 Procurement spend analysis continues to monitor on/off contract and non-contract spend. Details of spend, savings and performance against on/off and non-contract spend, and targets are reported on a quarterly basis to Executive Board, together with a summary of spend with local suppliers, third sector organisations and SMEs. The most recent update (Quarter 1) shows that recorded on-contract spend has increased from 40% (2012) to 80% (2014); savings achieved/forecast for 12/13 = £6.3m; 13/14 = £6.4m; 14/15 (est.) £8.3m. Most of these savings are built into Directorate budget plans.

3.6.5 Monitoring is undertaken on the numbers of procurements for which Employment and Skills plans are in place, and jobs/opportunities supported.

3.6.6 Toolkits are now available on InSite covering managing a procurement category, social responsibility in procurement, planning a procurement, delivering a procurement, evaluation in procurement, awarding a contract, communication and engagement in procurement, and managing a contract

3.6.7 Contracts Procedure Rules have been further updated (9 June 2014) to

- deal with some issues of clarity raised by colleagues in directorates and PPPU/PU staff including making clear that a single Procurement Plan, Contract Management Plan or Exit Plan can be used for a group of similar procurements/contracts
- align with the revised Constitution and changes in legislation (i.e. new thresholds for the application of the full EU procurement regime)
- to highlight the option of quality thresholds leading then to a price only competition

- 3.6.8 Category Plans have developed more effectively and quickly in some categories than others. Contracts Procedure Rules anticipate fully developed and approved Category Plans by March 2015. Consultation of lead / executive members in the development of category planning relating to their portfolio is undertaken by Directorate commissioners
- 3.6.9 Corporate Commissioning Group continues as the forum for officers sharing best practice across Directorates, and linking with the third sector.
- 3.6.10 The Council and regional electronic procurement system YORtender, has been developed and improved and this has enabled greater transparency on procurement activity, published on the Leeds Data Mill website on a monthly basis
- 3.6.11 This makes progress towards the new Government published Transparency Code, which took effect in May 2014, and further steps are in place to fully comply by March 2015. The new code requires publication of tenders and contracts awarded over a £5k threshold. The Council's Contracts Procedure Rules require Directorates to register all tenders/contracts awarded over a £10k threshold. The introduction of the new publication threshold is placing an additional resource burden on the council requiring the employment of 2.5FTE at an annual additional cost of £80k. The council has taken every opportunity to inform the government of the impact of these new proposals and has asked the government to consider what, if any, benefits will be gained.
- 3.6.12 The proportion of on-contract spend is increasing, however there is still a proportion of contract activity (including through finance feeder systems) which is not clear and/or not registered on YORtender in accordance with Contracts Procedure Rules, and is currently difficult to report accurately on. Work is in hand to seek to address these issues.
- 3.6.13 There are a number of developments that procurement are leading on in conjunction with financial management to develop the financial management system (FMS) to enable order raisers to find contacted suppliers and Internal service providers easier in an effort to reduce off contract spend.
- 3.6.14 New EU Rules (see next section) will require a refresh of some of the documentation

#### **4 EU procurement Directive**

- 4.1 Further changes to the council's procurement documents are likely to follow from a refreshed European Union Procurement Directive ("Directive") which was adopted by the EU on the 28th March 2014. The UK Government has two years to implement the Directive into UK law but has committed to fast tracking the implementation. The latest estimate of full implementation is between December 2014 and March 2015.
- 4.2 The fully drafted details are not yet available, although at a high level the key changes are:

- 4.2.1 Abolition of distinction between Part A and Part B Services – this change means that some contract types that generally did not in the past have to go out to competitive tender will in future need to. This includes health, care, leisure, cultural, legal, and education. However, a new ‘light touch’ regime will apply to health and care contracts with a higher threshold at which competition will be required.
- 4.2.2 New measures to support SMEs - such as a requirement to consider dividing contracts into lots, a cap on turnover requirements at no more than two times contract value except where there is a specific justification in order to be able to tender, and new provisions reducing bureaucracy in the PQQ process by introducing supplier self-declarations with only the winning bidder having to submit various certificates and documents to prove their status [*Members should note that the first two are already incorporated into the Council’s Effective Procurement documents*].
- 4.2.3 Preliminary market consultations between contracting authorities and suppliers are encouraged, which should facilitate better specifications, better outcomes and shorter procurement times [*Members should note that the Council’s Effective Procurement documents encourage market analysis and consultation*].
- 4.2.4 Contracting authorities will be able to reserve the award of certain services contracts to mutuals/social enterprises for a time-limited period but this will still require competition between organisations meeting the mutual or social enterprise criteria.
- 4.2.5 More freedom to negotiate. Constraints on using the competitive procedure with negotiation have been relaxed, so that the procedure will generally be available for any requirements that go beyond “off the shelf” purchasing
- 4.2.6 A new procedure, the “Innovation Partnership” procedure, has been introduced. This is intended to allow scope for more innovative ideas. The supplier bids to enter into a partnership with the authority, to develop a new product or service.
- 4.2.7 Improved rules on social and environmental aspects, making it clear that:
- social aspects can now also be taken into account in certain circumstances (in addition to environmental aspects which have previously been allowed) [*Effective procurement documentation provides tools for considering social value outcomes in procurements*];
  - contracting authorities can require certification/labels or other equivalent evidence of social/environmental characteristics, further facilitating procurement of contracts with social/environmental benefits;
- 4.2.8 Clarity that full life-cycle costing can be taken into account when awarding contracts [*Effective procurement already encourages this*]
- 4.2.9 Greater emphasis on electronic procurement and a simplified regime for Dynamic Purchasing Systems [*Leeds procurement activity is almost fully electronic*]

- 4.3 The current guidance and awareness materials only make scant reference to the significant reforms suggested by Lord Young in 2013 to open up markets to SMEs, which the Government have committed to consider in the new regulations. A separate Bill, the Small Business Enterprise and Employment Bill will, if enacted, enable the Government to make regulations to mandate processes for procurement activity of contracting authorities, mainly aimed at under EU threshold contracts (such as abolition of pre-qualification questionnaires and use of the Government's Contracts Finder website), and create investigatory powers into procurement activity. The Government have indicated these reforms will be implemented by the end of the calendar year.
- 4.4 PPPU/PU staff have attended awareness sessions promoted by the Cabinet Office/Crown Commercial Service. The new provisions have been shared with colleagues on Corporate Commissioning Group, and the Unit has delivered cascade awareness sessions to category teams and key commissioning contacts in Directorates. Some refreshing of the Effective Procurement documentation will be required.
- 5 CLG committee report on local government procurement, and new National Procurement Strategy**
- 5.5 A CLG Committee report on procurement was published in March 2014 and makes a number of findings and recommendations. The headline areas are collaboration, the need to deliver strategic objectives and social value outcomes in procurement, reduction in cost and bureaucracy, better contract management, and reducing the opportunity for fraud by 'not walking away' from contracts once let. There is again very clear emphasis on skills particularly commercial skills within procurement. The report acknowledges that the gains to be made from more collaborative procurements (estimated at £1.8bn) should not be at the expense of social value outcomes.
- 5.6 The Local Government Association has subsequently launched its new National Procurement Strategy. The strategy recommends that councils take action in four themes: making savings, supporting local economies, leadership and modernising procurement. The first encourages category management, and greater emphasis on partnering and collaboration, contract management and effective performance monitoring, the second recommends greater use of social value criteria in contracts and improved access for SMEs and the voluntary sector, the third recommends Councils have a single cohesive voice at Government level and strategic leadership in commissioning including a member procurement 'champion', and the fourth recommends a more commercial approach to procurement, and greater use of e-procurement. Effective Procurement already supports the majority of these themes.
- 5.7 Effective Procurement seeks and provides tools and workshop packs to support the themes and recommendations, as set out in this report. Further consideration will be given to the pre-qualification process once the direction of the new legislation becomes clear.



## **6 Corporate Considerations**

### **6.1 Consultation and Engagement**

- 6.1.1 The previous report to this Scrutiny Board detailed the extensive consultation and engagement undertaken under the Transforming Procurement Programme.
- 6.1.2 The draft updated Contracts Procedure Rules have been subject of consultation with procurement and commissioning officers within the Council. As the changes were of a clarificatory and technical nature, wider consultation was not required.
- 6.1.3 Engagement on commissioning and procurement issues and activity with the Third Sector continues through Corporate Commissioning Group, and the Third Sector Partnership

### **6.2 Equality and Diversity / Cohesion and Integration**

- 6.2.4 The Transforming Procurement Programme included equality issues as one of its workstreams and has undertaken a formal screening, which was published alongside the 24 April 2013 Executive Board report. The screening highlighted the importance of screening categories and procurements for their equality impacts and responding accordingly in line with the council's equality and diversity policies. There have been no major changes at a policy level. Contracts Procedure Rules require consideration of equality matters when undertaking a procurement and the key template documents that Contracts Procedure Rules refer to provide specific prompts in this respect.

### **6.3 Council policies and City Priorities**

- 6.3.5 Contracts Procedure Rules and the Effective Procurement documentation support the council value of 'spending money wisely', and seek to ensure that the council's other values are embedded in all of the council's procurement activities.

### **6.4 Resources and value for money**

- 6.4.1 Contracts Procedure Rules support categories and procurements to secure best value for money. Contracts Procedure Rules and the Effective Procurement documentation support directorates to plan ahead and understand the required outcomes, risks and benefits, and the budget, 'market place', and cost drivers for their procurements. They also support directorates in contract management and contract exit.
- 6.4.2 The linked template documents and toolkits support consideration of value for money throughout the procurement lifecycle, including tools to track savings opportunities and to support resource allocation which is proportionate to the value, risk and complexity of the relevant issue or task. This also includes non-cashable savings, or cost avoidance, and securing savings and value for money improvements through appropriate contract management.

- 6.4.3 Paragraph 3.6.10 above provides more information on procurement savings targets.

## **6.5 Legal Implications, Access to Information and Call In**

- 6.5.1 The Council is obliged to have Contracts Procedure Rules by Section 135 of the Local Government Act 1972 which must include provision for securing competition in the award of contracts and for regulating the manner in which tenders are invited.
- 6.5.2 Contracts Procedure Rules and the linked recommended templates and toolkits will continue to be reviewed, including the new EU Procurement Directive.

## **6.6 Risk Management**

- 6.6.1 Contracts Procedure Rules support identification and management of the key risks in the council's procurement activities. The linked recommended templates and toolkits include prompts and tools to support consideration and active risk management of contract and procurement risks throughout the procurement lifecycle.
- 6.6.2 Monthly on/off contract report produced which is shared with category teams directorates and internal audit.

## **7 Conclusions**

- 7.7 Work to implement the new approach continues through a 2-year transition period.
- 7.8 Spend and savings are monitored and reported to Executive Board, but work is still required to achieve full transparency, especially where spend is processed through feeder systems.
- 7.9 The Directive sets out procedures which must be followed before awarding a contract to suppliers of works, supplies or services when its value exceeds the thresholds set by the EU. Whilst this report summarises the main provisions of the Directive at section 4 above it does not set out all the proposed changes to the relevant rules. It is anticipated that some refreshing of the Effective Procurement documentation will be required following transposition of the Directive into UK legislation. .

## **8 Recommendations**

- 8.1 Members of Scrutiny Board (Resources and Council Services) are asked to note the contents of this report and comment on.
- whether they are satisfied with the level of transparency in procurement decision-making following the changes in Contracts Procedure Rules
  - the progress now reported on implementation in relation to the key themes identified in paragraph 3 of Value for Money; Socially Responsible Procurement; and Consultation and Engagement

## **9 Background documents<sup>1</sup>**

9.1 None

## **10 Appendices**

1. Summary of the council's Procurement Strategy
2. Summary of Contracts Procedure Rules

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

### Procurement Strategy

We will adopt a **category management approach**, where related purchasing is grouped together to take advantage of better intelligence of our buying needs and of what providers have to offer, and to support bulk buying where appropriate, in order to improve quality, savings and efficiency.

We will adopt a **whole lifecycle approach**, which starts from assessing needs and analysing options, through preparation and procurement, to mobilisation, contact management and exit, to ensure quality outcomes and value for money are achieved.

All categories will work to **common principles and rules**, but outputs will be **tailored to meet the needs** of the specific category, reflecting the service area, stakeholder needs and the market place, to ensure quality outcomes and value for money are achieved.

We will build on expertise within directorates and provide appropriate central **support and check and challenge**, ensuring lessons are learned and shared, in order to ensure continuous improvement in the council's procurement activities.

We will demonstrate clear **ownership and accountability** within our procurement activities, with structured governance, and assurance, to ensure clear, timely and auditable decision making.

We will be **open and transparent**, with a visible and accessible contracts register and procurement calendar, robust management information, and clear tender processes and documentation, to ensure a positive and professional relationship between the council and its procurement partners, and confidence in our approach from the people of Leeds.

We will consult and engage with **stakeholders** throughout the procurement lifecycle, to ensure our procurements properly reflect need and opportunity, and take account of the wider context, including the council's plans and strategies, locality working and collaboration with others.

We will develop the procurement **skills and capacity** of our people, to ensure we deliver a world class service.

**Summary of Contract Procedure Rules**

There are 29 sections to Contracts Procedure Rules, and a list of definitions. The following paragraphs highlight the key features of each section:

- 1** Compliance – the requirement for council staff to comply with Contracts Procedure Rules when the council is going to enter into a contract with a third party for the provision of goods, works or services.
- 2** Responsibilities of Directors and Chief Officers – particularly to have a plan for the relevant area of expenditure and to ensure that contracts are managed.
- 3** Responsibilities of Authorised Officers – including to ensure that budget is available, to use suitably skilled and experienced staff, to consult elected members and other stakeholders, to offer work to internal providers first, to plan the procurement, and to consider the wider social, environmental and economic impacts of the contract.
- 4** Responsibilities of Chief Procurement Officer – particularly to publish a register of contracts and a calendar of future procurements, and to provide support and advice.
- 5** Joint Procurement – rules to take account of joint procurement with other local authorities, for example within the city region, and other public bodies, for example health.
- 6** Estimating the Contract Value – to ensure the full cost of the contract is properly estimated before the procurement starts.
- 7** Below £10k - Low Value Procurement – a very light touch process for low value contracts.
- 8** Between £10k and £100k - Intermediate Value Procurement – an approach which recommends a competitive tender is undertaken but which allows Chief Officers to consider other approaches if these offer better value for money.
- 9** Over 100k - High Value Procurements – an approach which recommends a competitive tender is undertaken but which allows Chief Officers to consider other approaches if these offer better value for money.
- 10** Contracts that are subject to the Public Contracts Regulations – for contracts that are above the relevant thresholds a requirement to comply with the Public Procurement Regulations in full.
- 11** Pre-qualification – the process for selecting a shortlist of organisations to be invited to tender for high value procurements including a link to a good practice template.
- 12** The Invitation to Tender – the process for inviting tenders, including links to and the use of standard contract terms and conditions and other good practice templates.
- 13** Pre-Tender Submission Clarification – the process for tenderers to ask questions of the council and for the council to issue answers and updates to the tender documents before tenders are submitted.

- 14** Submission, Receipt, Opening and Registration of Tenders – the process for receiving tender submissions, including a preference for electronic submission.
- 15** Tender Evaluation – the process for evaluating tenders including a link to a good practice toolkit on setting evaluation criteria and weightings.
- 16** Errors in Tender Submissions – what can be done if errors are found.
- 17** Post Tender Clarification and Negotiation – the circumstances and processes for seeking clarification and negotiation on submitted tenders.
- 18** Awarding Contracts – the process for awarding the contract to the successful tenderer.
- 19** Debriefing and publishing – a requirement to tell all tenderers the outcome of the tender exercise and to publish details of the contract on a new publicly accessible contracts register.
- 20** Contract Management – a requirement to manage the contract once it has been awarded.
- 21** Contract Extension and Variations – the process for extending and varying contracts, including a requirement to take a formal decision.
- 22** Termination of Contract – the process for terminating a contract including a requirement to involve the PPPU/PU.
- 23** Nominated and Named Sub-Contractors – the process for including specific organisations on a tender list.
- 24** Consultants – a requirement not to employ staff through a consultancy contract, and confirmation that consultants cannot make procurement decisions on behalf of the council.
- 25** Emergencies – an ability to respond to emergencies that require urgent action which may mean that some elements of Contracts Procedure Rules cannot be complied with at the time.
- 26** Record and Document Retention and Control – requirements to record and retain certain documents relating to the procurement.
- 27** Waiver of Contracts' Procedure Rules – the circumstances and processes for deciding not to follow specified Contracts Procedure Rules.
- 28** Contract Disputes and Claims – the processes for pursuing or responding to contract disputes and claims.
- 29** Contract Exit – a requirement to plan and manage the end of the contract and a link to a good practice template.

Definitions

## Report of the Deputy Chief Executive

### Report to Scrutiny Board (Resources and Council Services)

**Date: 29 September 2014**

**Subject: Best Council Plan 'Scorecard'**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: N/A Appendix number: N/A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

The Best Council Plan 2013-17 was reviewed this spring culminating in 6 updated objectives for the period of the plan, 30 priorities for 2014-15 and 180 performance indicators covering the priorities and the organisation's 5 Values. 40 of these indicators have been selected to form a 'scorecard', progress against which will be reported each quarter to the Corporate Leadership Team to help monitor and manage delivery of the Best Council Plan. At the request of the Chair of this Board, these KPIs are presented for Scrutiny Board's (Resource and Council Services) consideration as part of its Budget and Policy Framework responsibilities.

## Recommendations

Scrutiny Board is recommended to:

- (a) Review the KPIs at Appendix 1 and consider whether, collectively, they are the right indicators that, when progress against them is reported, will facilitate a strategic focus on the delivery of the Best Council Plan as a whole.
- (b) Consider whether the Board wishes to receive quarterly reports on the scorecard.

## 1 Purpose of this report

- 1.1 This paper presents a set of key performance indicators (KPIs) that collectively are referred to as the 'Best Council Plan Scorecard'. Progress against these KPIs will be reported to the Corporate Leadership Team (CLT) each quarter to help monitor and manage delivery of the Best Council Plan 2013-17. The KPIs are presented here for Scrutiny Board's consideration at Appendix 1. Appendix 2 provides the Best Council Plan 'Plan on a Page' for information.

## **2 Background information**

- 2.1 The Best Council Plan 2013-17 was reviewed this spring culminating in 6 updated objectives for the period of the plan, 30 priorities for 2014-15 and 180 performance indicators covering the priorities and the organisation's 5 Values. The revised Plan was approved by Executive Board on 25 June 2014.
- 2.2 If following the same process as previous years, performance reports with updates on all 180 Best Council Plan performance indicators would be presented each quarter to CLT and Executive Board. However, being presented with this level of detail can limit strategic decision-making and concentrate discussion on more operational matters. It can also duplicate review mechanisms at more appropriate levels of the organisation and with partners: for example, Partnership Boards and Scrutiny Boards receive detailed performance reports relevant to their specific remits.
- 2.3 In light of this, earlier this year CLT requested that a more streamlined set of KPIs be selected that would facilitate a strategic focus on the delivery of the Best Council Plan objectives as well as maintenance of core service provision. A first draft was brought to CLT on 15 July with a final set of 40 KPIs, all of which are tangible and measurable, agreed on 2 September.
- 2.4 The majority of the indicators already exist in a variety of plans that have been approved by members (e.g. through the Children's Trust Board, Health and Wellbeing Board etc.) and are reported to these Boards and relevant Scrutiny Boards as required. At the request of the chair, they are presented here for Scrutiny Board's (Resources and Council Services) consideration.

## **3 Main issues**

### **3.1 Scorecard main features**

- 3.1.1 The main features of the scorecard are as follows:

#### ***Purpose***

- 3.1.2 To provide CLT with a set of the most significant performance indicators that will allow them to monitor progress in-year as well as longer-term in delivering the Best Council Plan. They also factor in the provision of providing those basic services that matter to our council tax payers.
- 3.1.3 The indicators should facilitate analysis both of how well the Council is performing and how well Leeds is performing and, where appropriate, take a 'turning the curve' approach to evidence if we're going in the right direction or not. Taken with other sources of intelligence and management information (e.g. financial, workforce, risk), these will facilitate further action, prioritisation of resources and decision-making.

#### ***Contents***

- 3.1.4 A mixture of strategic/outcome-based indicators and others more operational as required, enabling both long-term as well as in-year measurement. Some may cross over more than one objective.
- 3.1.5 All are tangible measures with proxies as needed and should, where possible, be drawn from the more detailed c. 180 indicators already in place for the 6 Objectives and 5 Values.
- 3.1.6 If the data reported is not yet validated, it should still be included so as to give a best estimate on progress.



***Underlying 180+ indicators in the Best Council Plan & the range of directorate / service indicators that aren't part of the scorecard***

- 3.1.7 These will continue to be monitored and reported at a local level where required (e.g. directorate management teams; project boards; partnership boards; scrutiny boards) but would not routinely come to CLT other than on an exception basis.

**3.2 Next steps**

- 3.2.1 Work is underway as to how progress on the KPIs in the scorecard will be presented - drawing on good practice examples of performance reports from within the Council and outside – and to ensure that baselines and targets (where appropriate / possible) are in place in time for the quarterly November report.
- 3.2.2 Over the coming months we will also focus on ensuring the quality of the data behind these KPIs is sufficiently robust to withstand scrutiny and audit.
- 3.2.3 In common with the other Core City local authorities and to demonstrate the Council's commitment to open data and transparency, the scorecard will be published on the Council's website.
- 3.2.4 The KPIs in the scorecard will be kept under review to ensure they remain fit-for-purpose and aligned with changing priorities.

**3.3 Member Consultation**

- 3.3.1 The KPIs in the scorecard are, by and large, based on indicators that already exist in a variety of plans that have been approved by members - e.g. through Children's Trust Board; Health & Wellbeing Board etc. - and are reported to these Boards and relevant Scrutiny Boards as required.
- 3.3.2 To gain member input to the set of KPIs selected for the scorecard, they are presented here for this Scrutiny Board's consideration as part of its Budget and Policy Framework responsibilities. Scrutiny Board is also requested to consider whether it wishes to receive quarterly reports on the scorecard and other Scrutiny Boards may also wish to consider the same.

**4 Corporate Considerations**

**4.1 Consultation and Engagement**

- 4.1.3 The Corporate Leadership Team, directorate management teams and directorate performance teams were all consulted as to which KPIs should be included in the scorecard. Many of these KPIs already feature in other plans and strategies and so have been subject to wider consultation with relevant members, partners and officers.

**4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 A screening process was carried out in 2013 to look at how equality, diversity, cohesion and integration are relevant to, and addressed within, the Best Council Plan as a whole. The screening document was provided to Executive Board as an appendix to the report, 'Best Council Plan 2013/17' on 19<sup>th</sup> June 2013 and to Full Council on 1<sup>st</sup> July 2013. The screening document gave good assurance that due regard for equality had been given, or was planned, for the objectives and priorities in the Best Council Plan.
- 4.2.2 As the changes made to the Best Council Plan as part of the 2014 refresh are not significant and rather update and better define existing priorities no change is required to the screening document for the Best Council Plan as a whole. It should also be noted that

the revised plan still incorporates the Council's commitment to considering equality within decision making.

- 4.2.3 Specific equality impact assessments will continue to be undertaken on specific initiatives and decisions, as required. This will help ensure compliance with the Council's decision-making processes that require due regard to be clearly set out within the cover report with any screening or impact assessments published as routine.

#### **4.3 Council Policies and City Priorities**

- 4.3.1 This report brings to Scrutiny Board a set of KPIs that will be used to help monitor progress on delivering the objectives and priorities in the Best Council Plan 2013-17.

#### **4.4 Resources and value for money**

- 4.4.1 One of the main aims of the Best Council Plan is to enable the Council to deliver the medium-term financial plan and vice versa and, as such, the resource implications are inherently reflected. In terms of maintaining and reporting on the scorecard, care is being taken to make use of existing data rather than creating an additional reporting burden and so can be managed within current resources.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The report is provided within the context of the formal role of Scrutiny Boards within the Council's constitution. There is no decision being made and there is therefore no call-in requirement. There are also no specific legal implications and all information within this report is available to the public.

#### **4.6 Risk Management**

- 4.6.1 The provision of the scorecard performance information to CLT will facilitate its strategic consideration of progress in delivering the Best Council Plan objectives and thereby minimise the risks of non-delivery.

### **5 Conclusions**

- 5.1 The Best Council Plan 2013-17 was reviewed this spring culminating in 6 updated objectives for the period of the plan, 30 priorities for 2014-15 and 180 performance indicators covering the priorities and the organisation's 5 Values. 40 of these indicators have been selected to form a 'scorecard', progress against which will be reported each quarter to the Corporate Leadership Team to help monitor and manage delivery of the Best Council Plan. At the request of the Chair of this Board, these KPIs are presented for Scrutiny Board's (Resource and Council Services) consideration as part of its Budget and Policy Framework responsibilities.

### **6 Recommendations**

- 6.2 Scrutiny Board is recommended to:
- (a) Review the KPIs at Appendix 1 and consider whether, collectively, they are the right indicators that, when progress against them is reported, will facilitate a strategic focus on the delivery of the Best Council Plan as a whole; and
  - (b) Consider whether the Board wishes to receive quarterly reports on the scorecard.

### **7 Background documents<sup>1</sup> - none**

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Best Council Plan 2013-17 Strategic Indicators	
City KPIs: How well is the city doing?	
Number of people supported into jobs	Achieve the housing growth target
Number of people supported to improve skills	Growth in business rates (NNDR)
Change in numbers using foodbanks	Overall satisfaction with cultural provision in Leeds
Repeat incidence rate of domestic violence and abuse	Percentage of A roads where structural maintenance should be considered
Number of successful alcohol and drug treatments	Number of people Killed or Seriously Injured (KSI) in road traffic accidents
Number of referrals to stop smoking services	Number of looked-after children
Uptake of NHS health checks	Percentage of 16-18 year olds not in education, employment or training
Percentage of adult population (16+) active for 30 mins once per week	City-level percentage of not known records (NEET)
Number of delayed hospital discharges per 100,000 population	Rate of primary and secondary school absence ( <i>measured through levels of attendance</i> )
Number of bed weeks commissioned for older people in residential and nursing placements	Percentage of young people gaining 5 or more GCSEs at grades A*-C, including English and Maths
Proportion of older people (65 years and over) who are still at home 91 days after leaving hospital into rehabilitation services	Number of new reception and Year 7 places created for admissions round
Proportion of people who use services who have control over their daily lives	Percentage of waste recycled
Number of additional social enterprises supported through the Better Lives fund	Tonnage to landfill (by weight) - domestic waste only
Number of new extra care placement opportunities created	Number of reported missed bins per 100,000
Council KPIs: How well is the organisation doing?	
Projected over/underspend / £ for this financial year	Number of complaints received about Council services
Capital receipts / £ from disposals in year	Number of compliments received about Council services
Council's energy consumption (carbon emissions)	Percentage of total self-service customer contact received via digital channels
Level of employee engagement	Percentage of important decision reports evidencing community engagement and consultation
Average sickness levels per FTE	Percentage of important decisions giving due regard to equality
Variation in FTEs in year, overtime spend and agency spend compared to budget	Number of accidents and 'near misses' in the workplace and the percentage that lead to recorded investigations and responses

### Our ambition and approach

**Our Ambition** is for Leeds to be the best city and Leeds City Council to be the best council in the UK: fair, open and welcoming with an economy that is both prosperous and sustainable so all our communities are successful.

**Our Approach** is to adopt a new leadership style of civic enterprise, where the council becomes more enterprising, businesses and partners become more civic, and citizens become more actively engaged in the work of the city.

### Our best council outcomes

- Improve the quality of life for our residents, particularly for those who are vulnerable or in poverty;
- Make it easier for people to do business with us; and
- Achieve the savings and efficiencies required to continue to deliver frontline services.

### Our best council objectives and priorities for 2014 to 2017

**Supporting communities and tackling poverty –**  
*involving people in shaping their city and tackling the challenges of poverty, deprivation and inequality*

With a focus on:

- Supporting healthy lifestyles and getting people active
- Tackling domestic violence and abuse
- Helping people out of financial hardship and into work
- Strengthening local accountability and being more responsive to the needs of local communities
- Providing accessible and integrated services

**Promoting sustainable & inclusive economic growth –**  
*improving the economic wellbeing of local people and businesses*

With a focus on:

- Meeting the skills needs of business to support growth
- Boosting the local economy
- Maximising housing growth to meet the needs of the city in line with the Core Strategy
- Providing a good and efficient transport and digital infrastructure
- Developing a low carbon, resilient energy infrastructure for the city
- Playing our full role within the combined authority and city region to make the most of devolution opportunities
- Maximising the impact of our cultural infrastructure

**Building a child-friendly city –**  
*improving outcomes for children and families.*

With a focus on:

- Ensuring the best start in life
- Reducing the need for children to become looked after
- Improving school attendance
- Reducing NEETs
- Raising educational standards
- Ensuring sufficiency of school places

**Delivery of the Better Lives programme –**  
*helping local people with care and support needs to enjoy better lives.*

With a focus on:

- Helping people to stay living at home
- Joining up health and social care services
- Providing choice by creating the right housing, care and support
- Promoting and supporting enterprise in the care market to increase capacity and choice

**Dealing effectively with the city's waste –**  
*minimising waste in a growing city.*

With a focus on:

- Ensuring a safe, efficient and reliable waste collection service
- Providing a long-term solution for disposing of our waste
- Increasing recycling and reducing the use of landfill

**Becoming a more efficient and enterprising council –**  
*improving our organisational design, developing our people and working with partners to effect change.*

With a focus on:

- Getting services right first time and improving customer satisfaction
- Improving how we're organised and making the best use of our assets
- Creating flexibility and the right capacity and skills in our workforce
- Becoming more enterprising
- Generating income for the council

### Our values: underpinning all that we do

Working as a team for Leeds

Being open, honest and trusted

Working with communities

Treating people fairly

Spending money wisely

## Report of Head of Scrutiny and Member Development

### Report to Scrutiny Board (Resources and Council Services)

**Date:** 29<sup>th</sup> September 2014

**Subject:** Work Schedule

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

### Summary of main issues

1. The Board's draft work schedule is attached as appendix 1. The work schedule reflects discussions at the Board's meeting in June. It will be subject to change throughout the municipal year.

### Recommendations

2. Members are asked to note the work schedule and make amendments as appropriate.

### Background documents<sup>1</sup>

None used

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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## Scrutiny Board (Resources and Council Services) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2014/15		
	June	July	August
People Plan		Update	
<i>To be determined</i>			
<i>To be determined</i>			
<i>To be determined</i>			
Briefings			
Budget & Policy Framework Plans			
Recommendation Tracking		Welfare Reform Civic Enterprise Leeds Translation Services Contact Centre – performance	
Performance Monitoring			
Budget		Out turn Report	

## Scrutiny Board (Resources and Council Services) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2014/15		
	September	October	November
People Plan			Potential date to discuss People Plan with Directorates if so determined by Scrutiny Working Group
Briefings	Contract Procedure Rules - revision	Richard Corbett MEP	Commissioning
Budget & Policy Framework Plans	Council Tax		
Recommendation Tracking			
Performance Monitoring	Best Council Plan – Key Indicators		
Budget			Two year Financial Strategy



## Scrutiny Board (Resources and Council Services) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2014/15		
	December	January	February
People Plan			Potential date to discuss People Plan with Directorates if so determined by Scrutiny Working Group
Member Development			
Briefings	Individual Electoral Registration - update		
Budget & Policy Framework Plans	To receive Executive Board's initial budget proposals  Best Council Plan 2013-17		Best Council Plan 2013-17
Recommendation Tracking			
Performance Monitoring			
Budget			

## Scrutiny Board (Resources and Council Services) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2014/15		
	March	April	May
<b>People Plan</b>	Potential date to discuss People Plan with Directorates if so determined by Scrutiny Working Group		
<i>To be determined</i>			
<i>To be determined</i>			
<i>To be determined</i>			
<b>Briefings</b>			
<b>Budget &amp; Policy Framework Plans</b>			
<b>Recommendation Tracking</b>			
<b>Performance Monitoring</b>			
<b>Budget</b>			