

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 21ST DECEMBER, 2015

PRESENT: Councillor K Groves in the Chair

Councillors S Bentley, D Cohen, C Dobson,
H Hayden, J Jarosz, J McKenna, D Nagle,
A Sobel, T Wilford and R Wood

40 Late Items

There were no late items.

41 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests.

42 Apologies for Absence and Notification of Substitutes

There were no apologies for absence.

43 Minutes - 23 November 2015

RESOLVED – That the minutes of the meeting held on 23 November, 2015 be approved as a correct record.

44 Draft Scrutiny Inquiry Report - Fees and Charges

RESOLVED – That the Board's Inquiry report into Fees and Charges be agreed and submitted to the Executive Board for formal consideration.

45 Initial Budget Proposals for 2016/17

In accordance with the Council's Budget and Policy Framework Rules, the Board received and considered the Executive's initial budget proposals as set out in the report of Deputy Chief Executive.

The following were in attendance to respond to members' questions:

- Councillor Judith Blake, Leader of the Council
- Councillor James Lewis, Deputy Leader
- Alan Gay, Deputy Chief Executive
- Doug Meeson, Chief Officer (Financial Services).

Introducing the report, the Deputy Chief Executive advised the Board that the Secretary of State for Communities and Local Government had announced the local government finance settlement on 17 December 2015. The key

message in terms of funding for Leeds was that the settlement figure for 2016/17 was worse than that assumed in the Initial Budget Proposals by almost £6m. In addition to this the grant received for the implementation of the Care Act of £3.5m was now assumed to be within the revenue support grant, making the cut even greater. Therefore overall it was reported that the Council was more than £9m away from planned.

Councillor Judith Blake also described the difficult position the Council now found itself and reiterated that difficult decisions would continue to be taken to meet the additional funding gap and therefore within that context thanked the Scrutiny Board for its work of fees and charges.

Councillor James Lewis also thanked the Board for its work on fees and charges which was both timely and recognised that the Council needed to look beyond its traditional ways of raising revenue.

In summary the main areas of discussion were:

- Strategies to meet the funding shortfall.
- Integrated people commissioning and the importance of looking at different models of social care to ensure the best value for money for 'the Leeds £'.
- The potential advantages of shared services across public services.
- The impact on staff numbers and the requirement to ensure the balance of staff losses between JNC and NJC was managed correctly.
- The importance of ensuring staff are adequately equipped to transfer skills across services.
- The importance of managing the wellbeing of staff.
- The various risks associated with business rates including appeals and reduced reliance on physical buildings.
- The need to make efficiencies with care and to strike the right balance between 'back office' efficiencies and front line staff efficiencies.
- The proposed minimum revenue provision policy for 2016/17 and its ability to generate savings of £21m.
- The general role of asset management to support the Council's budget.
- Reserves and the proposal to increase levels of reserves

Closing the discussion the Chair thanked Councillor Judith Blake and Councillor James Lewis for their attendance and also congratulated the hard work and expertise of the Council's finance teams.

RESOLVED –

- (a) That the Board receive and note the Executive's initial budget proposals
- (b) To note that further amendments will be presented to Executive Board in February to take account of the increased budget pressures arising from the provisional local government finance settlement

- (c) That the Board's Inquiry report on fees and charges form part of Scrutiny's formal response to the consultation of the initial budget proposals.
- (d) That an additional recommendation be submitted to the Executive in relation to charging businesses for using council owned land for ad hoc trading activity.

46 Emerging 2016/17 Best Council Plan priorities, tackling poverty and deprivation

In accordance with the Council's Budget and Policy Framework Rules, the Board received and considered the emerging 2016/17 Best Council Plan priorities, tackling poverty and deprivation, as set out in the joint report of the Deputy Chief Executive and Assistant Chief Executive (Citizens and Communities).

The following were in attendance to respond to members' questions;

- Councillor James Lewis, Deputy Leader of Council.

In summary the main areas of discussion were:

- The clear links between the budget and Best Council Plan.
- The dual role of local decision making and corporate initiatives to drive improvement.
- The role of Community Committees and devolved budgets in driving improvement at a local level.
- The support given to Community Committees to realise their potential.
- The importance of elected members in taking ownership of Community Committee agendas and direction.
- The need to involve other service providers (including the Third Sector) to achieve improvement targets, especially when commissioning services.
- The need to ensure Leeds has the trained workforce to take advantage of the real and good jobs available.

RESOLVED –

- (a) To note the emerging 2016/17 Best Council Plan priorities, tackling poverty and deprivation
- (b) To provide officers with appropriate feedback from the discussions held.

47 Effective Procurement

The Chief Officer PPU submitted a report providing

- An update on general procurement savings achieved to 31 October 2015

- An update on PPPU's access to council feeder systems following the intervention of the Scrutiny Board
- Improvements to the council's financial management system (FMS) to reduce off contract spend
- An analysis of the use of Waivers of the Contracts Procedure Rules (CPRs) April to September 2015.

The report also detailed on going work to reduce non-contract spend

Josephine McCann, Portfolio Manager, PPPU was in attendance to answer members' questions.

In summary the main areas of discussion were;

- General procurement savings of £4.6m
- Access to FMS Feeder systems to monitor spend
- Improvements to FMS
- Waivers
- Non and off contract spend.

In addition to the above a written response was requested in relation to the type of conditions that can be included within contract specifications including; the use of local employment, requirement for the living wage to be paid, employment of people with disabilities.

A written response was also requested regarding the use of P purchasing cards

Concluding the discussion the Board congratulated officers within PPPU for their work in this area and reiterated the Board's willingness to offer further help and support in this area.

RESOLVED –

- (a) To request further information in relation to contract specifications and purchasing cards
- (b) To record the Board thanks and continuing support in this area of work and to request a further report back in six months to report on the full year procurement savings achieved.

48 Internal Audit update report on contract extensions and Spending Money Wisely Challenge

The Acting Head of Internal Audit submitted a report detailing the outcome of a follow up audit review on contract extensions.

Louise Hornsey, Principal Audit Manager, was in attendance to respond to members' questions.

In summary the main areas of discussion were:

Minutes approved as a correct record
at the meeting held on Monday, 25th January, 2016

- The recognition that the findings of the audit review present an improved picture from the previous audit in terms of directorates considering whether to extend a contract sufficiently in advance.
- The recognition that a best value analysis of the options available was not always being completed.
- The outcomes of the Spending Money Wisely Challenge reviews, particularly the low level of compliance with CPRs and the action proposed to understand and address the cause of this non compliance

Concluding the discussion the Board congratulated officers within Audit for their work in this area and reiterated the Board's willingness to offer further help and support in this area.

RESOLVED – That the Board notes the contents of the report and the findings of the two reviews.

49 Work Schedule

The Head of Scrutiny and Member Development submitted a report which provided information regarding the Board's work schedule.

RESOLVED – That the Board's work schedule be noted.

50 Date and Time of Next Meeting

Monday 25 January 2016 at 10.00am. (Pre-meeting for all Board Members at 9.30 am.)

(The meeting concluded at 12.20pm)