



SCRUTINY BOARD (STRATEGY AND RESOURCES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Monday, 22nd May, 2017 at 10.00 am

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

MEMBERSHIP

Councillors

S Bentley - Weetwood;
K Groves (Chair) - Middleton Park;
P Harrand - Alwoodley;
H Hayden - Temple Newsam;
J McKenna - Armley;
S McKenna - Garforth and Swillington;
D Nagle - Rothwell;
A Sobel - Moortown;
E Tunnicliffe - Roundhay;
T Wilford - Farnley and Wortley;
R Wood - Calverley and Farsley;

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

Principal Scrutiny Adviser:
Steven Courtney
Tel: 24 74707

Produced on Recycled Paper

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</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 Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</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>RESOLVED – 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>No exempt items have been identified.</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</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>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</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>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p>MINUTES - 24 APRIL 2017</p> <p>To confirm as a correct record, the minutes of the meeting held on 24 April 2017.</p>	1 - 4
7			<p>COMMISSIONING - DRAFT SCRUTINY INQUIRY REPORT</p> <p>To consider a report from the Head of Governance and Scrutiny Support that introduces, for agreement, the draft Scrutiny Inquiry Report and Recommendations into Commissioning. In line with the Council's Constitution, the report also introduces any advice from the relevant Director's on the draft recommendations, for consideration by the Scrutiny Board when agreeing its final report.</p>	5 - 24

Item No	Ward/Equal Opportunities	Item Not Open		Page No
8			<p>ADDITIONAL WORKFORCE AND FINANCIAL INFORMATION</p> <p>To consider a report from the Head of Governance and Scrutiny Support introducing some additional information in relation to workforce issues across Leeds City Council and the provisional financial outturn information for 2016/17.</p>	25 - 30
9			<p>DATE AND TIME OF NEXT MEETING</p> <p>To be determined in the new municipal year.</p> <p>THIRD PARTY RECORDING</p> <p>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 on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> 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. 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. 	

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 24TH APRIL, 2017

PRESENT: Councillor K Groves in the Chair

Councillors S Bentley, P Harrand,
H Hayden, J McKenna, D Nagle, A Sobel,
C Towler, E Tunnicliffe and T Wilford

83 Late Items

There were no late items.

84 Declaration of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests.

85 Apologies for Absence and Notification of Substitutes

Apologies for absence had been received from Councillor S McKenna and Councillor R Wood.

Councillor C Towler was in attendance as a substitute member for Councillor S McKenna.

86 Minutes - 20 March 2017

RESOLVED – That the minutes of the meeting held on 20 March 2017 were agreed as an accurate record of the meeting.

87 Minutes of Executive Board - 22 March 2017 and 19 April 2017

RESOLVED – That the minutes from the Executive Board meetings held on 22 March 2017 and 19 April 2017, be noted.

88 Chair's Update

The Head of Governance and Scrutiny Support submitted a report that provided an opportunity for the Chair to update other members of the Scrutiny Board on any specific activity since the previous Board meeting, not otherwise included elsewhere on the agenda.

The Chair raised the following matters:

- Meetings to discuss the development of Best Council Plan (BCP) Performance Indicators and involvement of Community Committees.
- Completion of the draft report on Commissioning, which would be formally considered by the Scrutiny Board at a future meeting, alongside any advice from the appropriate Director.

RESOLVED – That the Chair’s update be noted.

89 Financial Health Monitoring 2016/17

The Head of Governance and Scrutiny Support submitted a report that introduced the ‘Financial health monitoring 2016/17 – Provisional Outturn’ report considered by Executive Board at its meeting on 19 April 2017.

The following representatives were in attendance for consideration of this item:

- Councillor James Lewis – Executive Member for Strategy and Resources
- Doug Meeson – Chief Officer, Financial Services
- Richard Ellis, Head of Finance – Corporate

The Executive Member gave a brief introduction to the report, highlighting a number of issues, including:

- The small overall underspend in 2016/17 – in part due to the windfall position from the Street Lighting PFI Contract;
- Bolstering the Council’s financial reserves;
- Increased funding for Children’s Services for 2017/18
- Longer-term issues to be addressed, including Looked After Children.

Members of the Scrutiny Board highlighted a number of matters and raised a series of queries, including:

- Making better use of historical data when considering future budgets (the number of placements for Looked After Children, highlighted as a specific example).
- The Council’s support for small to medium sized companies through its approach to prompt payment.
- Levels of early payment discount.
- Further assurance requested in relation to the level of Council reserves and how the Council compares to comparable authorities.
- Further assurance needed regarding the 2017/18 budget levels and the likelihood of variances across the Council.
- More details associated with the costs for the redesign of refuse collection routes.

RESOLVED –

- (a) That the Financial health monitoring 2016/17 – Provisional Outturn report and details discussed at the meeting, be noted.
- (b) That the Scrutiny Board be provided with further information in relation to the specific issues identified at the meeting, namely:
 - i. Further assurance in relation to the level of Council reserves.
 - ii. Further assurance about the 2017/18 budget levels and the likelihood of variances across the Council.
 - iii. Costs associated with the redesign of refuse collection routes.

90 Summary of Workforce issues in Leeds City Council

The Director of Resources and Housing submitted a report for consideration by the Scrutiny Board that provided an update on the Council's position across a range of workforce planning matters.

The following representatives were in attendance for consideration of this item:

- Councillor James Lewis – Executive Member for Strategy and Resources
- Tom Riordan – Chief Executive
- Lorraine Hallam – Chief Officer, Human Resources
- Alex Watson – Head of Human Resources

The Executive Member and Chief Executive gave a brief introduction, highlighting that the information presented provided a good overview of the workforce issues across the Council.

Members of the Scrutiny Board discussed the information provided and highlighted a number of matters and questions, including:

- Levels of staff retention and recruitment.
- Levels of staff vacancies and overtime payments.
- Details of the most recent staff survey results.
- The Council's relationship with employment agencies and personal service companies following recent changes in legislation.
- Measures deployed by the Council to help avoid compulsory redundancies.
- Pressures within specific work areas – for example social workers and across social worker teams.
- The Council's relationship with schools and the level of staff redundancies across Leeds.
- Succession planning during a period of continued austerity.

RESOLVED –

- (a) That a further report on agency workers, highlighting the impact of recent changes in legislation, be presented to the Scrutiny Board in October 2017.
- (b) That the Scrutiny Board be provided with further information in relation to the specific issues identified at the meeting, namely:
 - i. Further details on the level and use of overtime payments across the Council in the last 3 years.
 - ii. Details of the latest staff survey results.
 - iii. Details of the level of redundancies within Leeds schools over the last 3 years.

91 Work Schedule (April 2017)

The Head of Governance and Scrutiny Support submitted a report that summarised progress against the Scrutiny Board's work schedule for the current municipal year (2016/17), any outstanding matters and an assessment of matters to be considered as part of the work schedule for the forthcoming municipal year (2017/18).

The Board discussed arrangements for an additional meeting to formally consider its final report and recommendations on Commissioning, alongside any outstanding details from earlier discussions.

In terms of issues for 2017/18, the Board highlighted the following issues as possible considerations:

- Follow-up on the commissioning recommendations;
- Sickness rates / monitoring;
- Follow-up the suggestions arising from the budget/ Best Council Plan actions agreed by Executive Board.
- The Leeds £.

RESOLVED –

- (a) That an additional meeting be arranged to consider the Board's draft report and recommendations in relation to Commissioning.
- (b) That the potential issues for 2017/18 be considered as part of the initial planning for the appropriate Scrutiny Board.

92 Date and Time of Next Meeting

At the conclusion of the meeting, the Chair thanked all members of the Scrutiny Board for their attendance and contributions over the course of the year.

The date and time of the next meeting was to be confirmed.

The meeting closed at 12:35pm.



Report author: Steven Courtney

Tel: 37 88666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 22 May 2017

Subject: Commissioning – draft scrutiny inquiry report

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. At the beginning of the previous municipal year (2015/16), the Scrutiny Board (Strategy and Resources) considered undertaking a piece of work around ‘commissioning’ – the focus being to look at the principles, benefits and practicalities of developing a centralised commissioning hub, which aimed to ensure services are commissioned consistently across the Council, based on the evidence of what works and what is value for money.

2. This inquiry has now concluded and the Board is in a position to report on its findings and recommendations resulting from the work undertaken and information gathered. The Board’s draft report is attached at Appendix 1 to be formally considered and agreed.

3. Scrutiny Board Procedure Rule 13.2 states that "where a Scrutiny Board is considering making specific recommendations it shall invite advice from the appropriate Director(s) prior to finalising its recommendations. The Director shall consult with the appropriate Executive Member before providing any such advice. The detail of that advice shall be reported to the Scrutiny Board and considered before the report is finalised". The Director (Adults and Health) has provided the following comment / advice for consideration of by the Scrutiny Board:

‘Staff have found the Scrutiny Inquiry thought-provoking and challenging (in a good way). We will now need to undertake a period of consultation in order to co-ordinate a response with our Executive Board members and Scrutiny Chairs as the recommendations impact upon their portfolio area.’

4. Once the Board publishes its final report, the appropriate Director(s) will be asked to formally respond to the Scrutiny Board's recommendations within three months.

Recommendations

5. Members are asked to consider and agree the attached report following its inquiry into commissioning.

Background documents¹

6. None used

¹ 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.

**Scrutiny Board
(Strategy & Resources)**

Draft inquiry report / statement

Commissioning

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Desired Outcomes and Recommendations

Desired Outcome – To enhance the level of member involvement and transparency in relation to people’s commissioning.

Recommendation 1:

That, by September 2017, the Director of Adults and Health reviews the mechanisms for reporting performance of commissioned ‘people’s services’ through Community Committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.

Desired Outcome – To enhance the level of consistency in relation to people’s commissioning across the Council and the connection between the Strategic Board and Operational Group.

Recommendation 2

- (a) That the Director of Adults and Health ensures that, as a minimum, the people’s commissioning operational group provides a 6-monthly progress report, specifically focusing on:
- Performance and Quality;
 - Commissioning Workforce; and
 - Shared Intelligence.
- (b) That the report referred to in (a) above, is made available to the appropriate Scrutiny Board

Desired Outcome – To enhance the Council’s approach and improve organisational learning in relation to decommissioning across people’s commissioning.

Recommendation 3

- (a) That, through the people’s commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.
- (b) That where services are decommissioned, a review of the equality impact assessment is undertaken to assess its overall effectiveness and that any shared learning is reported through the people’s commissioning operational group.

Desired Outcome – To ensure the most efficient and effective use of the staffing resource across people’s commissioning.

Recommendation 4

- (a) That the Director of Adults and Health and the Chief Officer (Human Resources) continue, at pace, with the work to develop commissioning as a job family during 2017.
- (b) That the Director of Adults reviews the available overall staff resource associated with people’s commissioning to:
- Ensure it is effectively deployed; and
 - Identify and deliver any financial efficiency against existing staffing budgets.
- (c) That the outcome of (a) and (b) above are reported to the appropriate Scrutiny Board at an appropriate time, but no later than December 2017



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Introduction and Background

Introduction

1. At the beginning of the municipal year 2015/16, we (the Scrutiny Board (Strategy and Resources)) considered undertaking a piece of work around 'commissioning' – the focus being to:
 - Look at the principles, benefits and practicalities of developing a centralised commissioning hub;
 - Ensure services are commissioned consistently across the Council; and
 - Ensure services are commissioned based on the evidence of what works and what is value for money.
2. A significant impetus for undertaking this work was that, as an authority, Leeds City Council spends in the region of £284 million annually on commissioned services.
3. Furthermore, given the significant challenges and opportunities posed by the Government's Comprehensive Spending review, we naturally posed the question; *'Is this an area where collaborative cross directive working can help generate significant savings and efficiencies?'*
4. This work has been undertaken over an extended period – across two municipal years and several meetings. The purpose of this statement is not to repeat all the detail of those discussions: Rather it seeks to represent a culmination of our work – summarising our views and recommendations.
5. As ever, we are grateful to all those that have contributed to the discussions that have helped shape our thoughts, views and recommendations outlined in this statement.

Background

6. Our initial focus was looking at the principles, benefits and practicalities of developing a centralised commissioning hub. To help develop our thinking in this area, a visit to Manchester City Council was undertaken, where an Integrated Commissioning Hub had been established in July 2013.
7. We were open minded as to whether this model would work in Leeds but felt that the concept should be explored. A summary note of the 'Manchester model' is attached at Appendix 1.
8. We also recognised the timing of our work was crucial and did not wish to complicate nor duplicate work and/or discussions already taking place – in particular, with external partners on integrated commissioning. However, we were also conscious of not wanting to avoid posing the question, *'Is there a better way to undertake commissioning which drives improvement and saves money?'* and exploring whether or not a model similar to Manchester could work in Leeds.
9. Discussions with the Executive Member (Strategy and Resources) and relevant Directors confirmed a considerable amount of work was being undertaken in this area, led by the Director of Adult Social Services. As such, we agreed to receive an update on the work being led by the Director of Adult Social Services.
10. We received these details at our meeting in March 2016, where the direction of travel was clearly outlined – and we were asked to support the recommendation to establish a Corporate Strategic Commissioning



Introduction and Background

Group, chaired by a Director. We were also asked to support the establishment of a cross-directorate operational group, to be chaired by a Head of Commissioning.

11. However, we did not give our endorsement to the proposals, as we remained unconvinced that the model would achieve “...*the best of both worlds: a good strategic overview and opportunity to think about commissioning in a different way without the fragmentation that a structural solution, i.e. a single commissioning unit would create*”.
12. We were also concerned that the proposed model did not include Housing, Jobs and Skills and other areas involved in commissioning.
13. Following that discussion, the Chair of the Scrutiny Board (Strategy and Resources) wrote to the Chief Executive outlining our concerns and detailing our views that an alternative model (similar to that operating in Manchester) should be explored more fully. In outlining our concerns, the Chair of the Scrutiny Board invited the Chief Executive to a future meeting to discuss his views on the current thinking around commissioning.
14. Further discussions with the Chief Executive, the Director of Adult Social Services¹ and other senior Council officers associated with the commissioning of ‘people’s services’² have taken place during the course of the 2016/17 municipal year.

¹ Director of Adults and Health from 1 April 2017.

² ‘People’s Services’ commissioning includes aspects of Adult Social Care, Public Health, Children’s Services, Jobs and Skills and Housing Services.

Equality and Diversity

15. The scope of this inquiry has primarily considered arrangements and the associated structures for commissioning ‘people services’.
16. As such, specific consideration of equality and diversity issues need to continue to form part of the commissioning processes for specific services, through the appropriate and consistent use of equality impact assessments.



Conclusions and Recommendations

General comments and observations

17. As a Scrutiny Board, we were initially frustrated that our work appeared to be being undertaken in a vacuum – with little cross referencing to other work being undertaken across the Council.
18. We are also conscious that this is not the first occasion where the work of scrutiny appears to have been undertaken with little reference to similar work being progressed elsewhere.
19. As the Council continues to operate in a financially constrained environment – and will do so for the foreseeable future – every effort needs to be taken to ensure we continue to strive to work efficiently and avoid any unnecessary duplication. Therefore, at the outset of future scrutiny inquiries, it is essential for all Scrutiny Boards to be fully informed and made aware of any projects already underway that might otherwise create duplication of effort and unnecessary difficulties later in the scrutiny process.
20. Nonetheless, we feel it is equally important to highlight the progress made during the current municipal year in terms of an improved dialogue with the Scrutiny Board – even if at times there have been differences of opinions. We believe that differences of opinion should be embraced and seen as a mechanism to strengthen decision-making. As such, scrutiny is not something to shy away from or to be feared, as strong, evidence-based policies and proposals will stand the test of robust scrutiny.
21. There are numerous examples across the public sector where a lack of robust scrutiny and challenge has contributed to some significant failings. As such, we make no excuses for challenging the proposed approach to commissioning, but feel this has been done positively and constructively.
22. We very much hope our comments and recommendations will further enhance the Council's approach to commissioning 'people's services' and also contribute to the ongoing development of integrated commissioning with external partners, in particular commissioners of local health services.

Transparency and member involvement

23. Leeds City Council is a democratic organisation, with the 99 local ward councillors providing democratic accountability for the people of Leeds. As such, local elected member involvement is a crucial aspect of how Leeds City Council operates and continually develops the services it provides – both directly and indirectly.
24. However, elected member involvement should not simply be regarded as 'information giving'; rather it should be seen as a method of intelligence gathering – helping to establish what does and does not work on a local level; how current arrangements are working and seen to be working.



Conclusions and Recommendations

25. Given the financially constrained environment in which the Council currently operates; and the associated reduction in size of the workforce, we strongly believe the intelligence that local councillors can provide is particularly important in relation to services commissioned by the Council.
26. The role of Community Committees should not be under-estimated and in our view, they should play a much greater role in overseeing the delivery and performance of commissioned services across the City.
27. In our view, the benefits of enhancing the ways in which Community Committees have oversight of services commissioned and delivered on a local level is threefold; namely it would:
- (a) Improve outcomes, as a result of more detailed and regular review of performance and outcomes of commissioned services;
 - (b) Help to formally facilitate the sharing of local experience and intelligence around commissioned services; and,
 - (c) Improve the levels of openness and transparency around the performance and performance management of commissioned services.
28. We welcome the introduction and development of the Strategic People's Commissioning Board. On our earlier recommendation, the Board now includes a wider membership and remit to include other parts of the Council that have a 'people commissioning' function or interest – including the Projects, Programmes and Procurement Unit (PPPU).
29. We are also pleased to see that based on our previous comments the Strategic People's Commissioning Board is now Chaired by the Executive Member for Strategy and Resources – again recognising the importance of elected member involvement in overseeing commissioning.

Intelligence led

30. Enhancing the role of local elected members through the work of Community Committees is one aspect of an improved approach towards performance monitoring and the associated arrangements; and we are heartened to hear that the work of the Strategic People's Commissioning Board is supported by an operational group that will focus on Performance and Quality; Commissioning Workforce and Shared Intelligence.
31. We hope the work of the operational group will bring together the expertise of practitioners from across the Council and identify, share and implement best practice. We hope the operational group provides the opportunity for shared learning across people's commissioning and helps to deliver intelligence led approach across the Council.

Recommendation 1

That, by September 2017, the Director of Adults and Health reviews the mechanisms for reporting performance of commissioned 'people's services' through Community Committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.



Conclusions and Recommendations

32. We believe all of people's commissioning need to focus on identifiable, measurable, deliverable and agreed outcomes. These outcomes need to be routed in helping to deliver the Best City and Best Council aspirations for Leeds, with a level of consistency for all to see. Where agreed outcomes are not being achieved, the Council must take swift action to ensure service providers improve their performance – making best use of all the procurement tools available through the contract.

33. We believe the Projects, Programmes and Procurement Unit has a particular role in ensuring consistency of contractual terms across the Council, particularly where providers may hold a number of multiple contracts.

34. When letting contracts, and as part of the Council's due diligence processes, we believe the Council should review all contracts currently held with prospective providers, including details of current performance and performance trends.

35. Together with intelligence gathered through local councillors, we believe the operational commissioning group referenced earlier provides a real opportunity for improved and enhanced intelligence sharing – which will lead to an intelligence led approach overall.

36. We also hope the Council will adopt a more consistent and intelligence-led approach when considering negotiating reduced contract expenditure levels and, wherever possible, avoid implementing universal or blanket reductions to contracts – which potentially can have disproportionate effects on different provider bodies.

37. Overall, in enhancing the intelligence led approach to people's commissioning, we believe the operational group should, as a minimum, submit a 6-monthly report to the Strategic People's Commissioning Board on the specific workstreams identified earlier in this report. We believe such a report should also be made available to the appropriate Scrutiny Board.

Recommendation 2

(a) That the Director of Adults and Health ensures that, as a minimum, the people's commissioning operational group provides a 6-monthly progress report, specifically focusing on:

- **Performance and Quality; Commissioning Workforce; and**
- **Shared Intelligence.**

(b) That the report referred to in (a) above, is made available to the appropriate Scrutiny Board

Decommissioning

38. The constrained financial environment in which the Council continues to operate means the Council cannot simply continue to automatically extend or re-procure existing contracts or programmes. The Council needs to operate in a targeted manner – focusing on helping to deliver the Best City and Best Council aspirations for Leeds. Inevitably, this approach will require some current and/or future programmes to cease, and services to be decommissioned.



Conclusions and Recommendations

39. We acknowledge that in many cases, decommissioning services is not the preferred option and is often driven by necessity. However, any decommissioning needs to be handled sensitively and recognising there will most likely be specific implications for, at least, some local communities.
40. Equality impact assessments, we believe, are an essential element of any decommissioning decision and need to be undertaken in a consistent and even-handed manner. Only by identifying potential impacts can any mitigating action be undertaken.
41. However, we also believe it is important to learn from decommissioning decisions and to assess to what extent equality impact assessments have helped to fully identify the impacts of decommissioning services, and how successful the mitigating actions have been in ameliorating any negative impacts.
42. Leeds has a long and well established Third Sector, which helps to provide a wide range of services to help support statutory provision by the Council. As a City, we should be proud of our Third Sector organisations and the services they help deliver. It is important, therefore, that in addition to the impact of decommissioning decisions on local communities, it is equally important to recognise and consider any implications on providers and their ability to continue to operate as independent organisations and fulfil other contractual responsibilities across the Council.
43. We believe the operational strategic group (referenced earlier in this report) will have a key role in helping to both identify and, more importantly, avoid or meliorate against any potential unintended consequences arising from decommissioning services. We believe this aspect of work should be captured in the 6-monthly report identified elsewhere in this report.

Recommendation 3

- (a) That, through the people's commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.**
- (b) That where services are decommissioned, a review of the equality impact assessment is undertaken to assess its overall effectiveness and that any shared learning is reported through the people's commissioning operational group.**

Cost of commissioning

44. At our meeting in January 2017, we received details of the historical staffing structures developed by individual Directorates to support people's commissioning.
45. We believe this information demonstrates an historical lack of strategic direction for those areas now forming part of people's commissioning, which has given rise to a number of differing job structure and job roles across the Council.



Conclusions and Recommendations

46. We acknowledge the organic development of staffing structures and job roles has been recognised in the information presented to us; and we welcome the work undertaken to start to align structures. We also acknowledge the intention to complete the development of commissioning as a job family in 2017. We believe this work needs to continue at pace and the outcome should be reported to the relevant Scrutiny Board at an appropriate time.

47. At the same time as reporting the staffing structures, we were also provided with details of the budgeted staffing costs associated with people's commissioning. This equated to over £3.85M.

48. We recognise the demands placed on those staff responsible for commissioning services, including the additional demands brought about by undertaking equality impact assessments and undertaking provider/ service user engagement. We also recognise the details provided to us may not fully take account of vacant posts and other planned changes to staffing structures. However, we believe there may be opportunities to use the available staff resource more effectively and/ or deliver some financial efficiency against current staffing budgets.

Recommendation 4

(a) That the Director of Adults and Health and the Chief Officer (Human Resources) continue, at pace, with the work to develop commissioning as a job family during 2017.

Recommendation 4

(b) That the Director of Adults reviews the available overall staff resource associated with people's commissioning to:

- **Ensure it is effectively deployed; and**
- **Identify and deliver any financial efficiency against existing staffing budgets.**

(c) That the outcome of (a) and (b) above are reported to the appropriate Scrutiny Board at an appropriate time, but no later than December 2017.

49. It is hoped these comments and recommendations further enhance the Council's approach to commissioning and also contribute to the ongoing development of integrated commissioning with external partners, in particular commissioners of local health services.

50. We look forward to a formal response to our comments and recommendations by July 2017.

**Cllr Kim Groves, Chair
On behalf of the Scrutiny Board
(Strategy and Resources)**

April/ May 2017



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Appendix 1

Scrutiny Board (Resources and Strategy)

Initial discussions on potential Inquiry into Commissioning and report on Manchester visit

Introduction

At the beginning of the municipal year, Members of Scrutiny Board (Strategy and Resources) considered undertaking a piece of work on Commissioning. This work was to focus on looking at the principles, benefits and practicalities of developing a centralised commissioning hub, the purpose of which was to ensure services are commissioned consistently across the Council based on the evidence of what works and what is value for money.

Members of the Board were open minded as to whether this model would work in Leeds but felt that the concept should be explored.

To help develop Board members' thinking a visit to Manchester City Council was undertaken.

The Visit was undertaken by Cllrs Groves, Jarosz and Hayden.

The Manchester model

The Manchester integrated commissioning hub was established in July 2013. The hub brings together commissioning across the Council into one place. It is designed to drive the quality, innovation and impact of commissioning within the Council and with partners and commissioners in the City.

Manchester's approach to commissioning is based on integration with other commissioners in the City to achieve shared outcomes – recognising the often artificial divides between commissioners and the needs of residents.

At a practical level, the integrated commissioning function is focused on:

- Supporting the strategic role of the Council in promoting economic growth
- Targeted interventions for individuals and families
- To reduce the cost of services, i.e. better outcomes at lower cost
- To drive changes in customer behaviour
- Aligning and shaping markets across public services, working collaboratively with other commissioners
- Developing a robust evidence base on costs and benefits to inform future decisions on commissioning and decommissioning
- Involving local ward members in the process
- Deciding when to award a grant for services rather than a contract.

It is important to note that Manchester's procurement team whilst working very closely with the commissioning team is a separate and distinct function. This approach ensures that when a project or services moves to the procurement phase, there is a clear division of duties.



Appendix 1

Options for progressing a Scrutiny Inquiry in Leeds

The Scrutiny Board recognises that timing is crucial and it does not want to complicate nor duplicate any discussions already taking place with external partners on integrated commissioning by undertaking any inquiry.

However at the same time it does not to avoid asking the question, (particularly in relation to internal commissioning undertaken by Children's Services Adult Social care and Housing) "is there a better way to undertake commissioning which drives improvement and saves money?"

If this question is being asked in another forum, then Scrutiny would be happy to act as a sounding board and would not undergo a separate piece of work.

Cllr Groves discussed this matter with, Deputy Leader, Alan Gay and the Director of Adult Social Care, Cath Roff. A considerable amount of work is being undertaken, led by Cath Roff. It is proposed that the Board receive an update report in March.



CONFIDENTIAL DRAFT

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**Scrutiny Board (Strategy and Resources)
Commissioning
April 2017
Report author: Steven Courtney**

www.scrutiny.unit@leeds.gov.uk





Report author: Steven Courtney
Tel: 37 88666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 22 May 2017

Subject: Additional workforce and financial information

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. At its meeting on 24 April 2017, the Scrutiny Board considered a range of information relating to:
 - a. Workforce issues across Leeds City Council; and,
 - b. Provisional Financial Outturn for 2016/17.
2. During consideration of these details, members identified a number of areas where further details were required. The additional workforce information is appended to this report and the additional financial information will follow ahead of the meeting.
3. Appropriate officers have been invited to attend the meeting to address any further questions from the Scrutiny Board.

Recommendations

4. Members are asked to consider the further information provided and identify any further specific scrutiny actions and/or activity.

Background documents¹

5. None used

¹ 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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Request for Further Information Scrutiny Board (Strategy and Resources)

- Following their meeting on 24th April the Board asked for some supplementary information regarding Item 10 on Workforce issues. The following is provided.

Use of Overtime

- The table below shows the use of overtime in LCC.

Year	14/15	15/16	16/17
Overall Spend	£9.946m	£8.744m	£8.987m

- Use is concentrated in the following areas of work: Waste, Property Services, Adults Provider Services and Children's Social Care. As with agency work, these high use services are supported via regular "Challenge" meetings. These are used to find more effective ways to organise work and the link between agency use and sickness absence is considered alongside overtime. We also pay attention to groups of workers who regularly undertake high amounts of overtime. A trade union representative also attends these meetings and this is also an opportunity to consider whether there issues with excessive hours in terms of employee wellbeing and health and safety.

Redundancy in Schools

- The position regarding employment policies and redundancy was described and members asked how many staff have been affected. This is shown by headcount below:

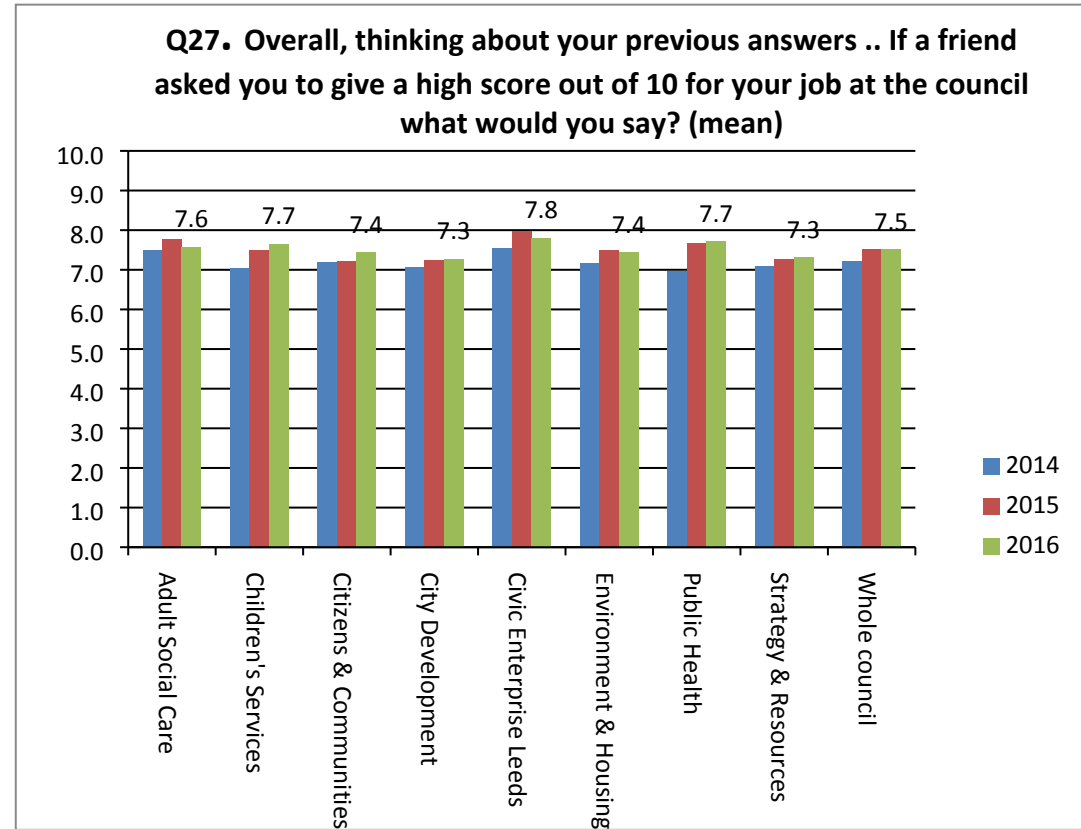
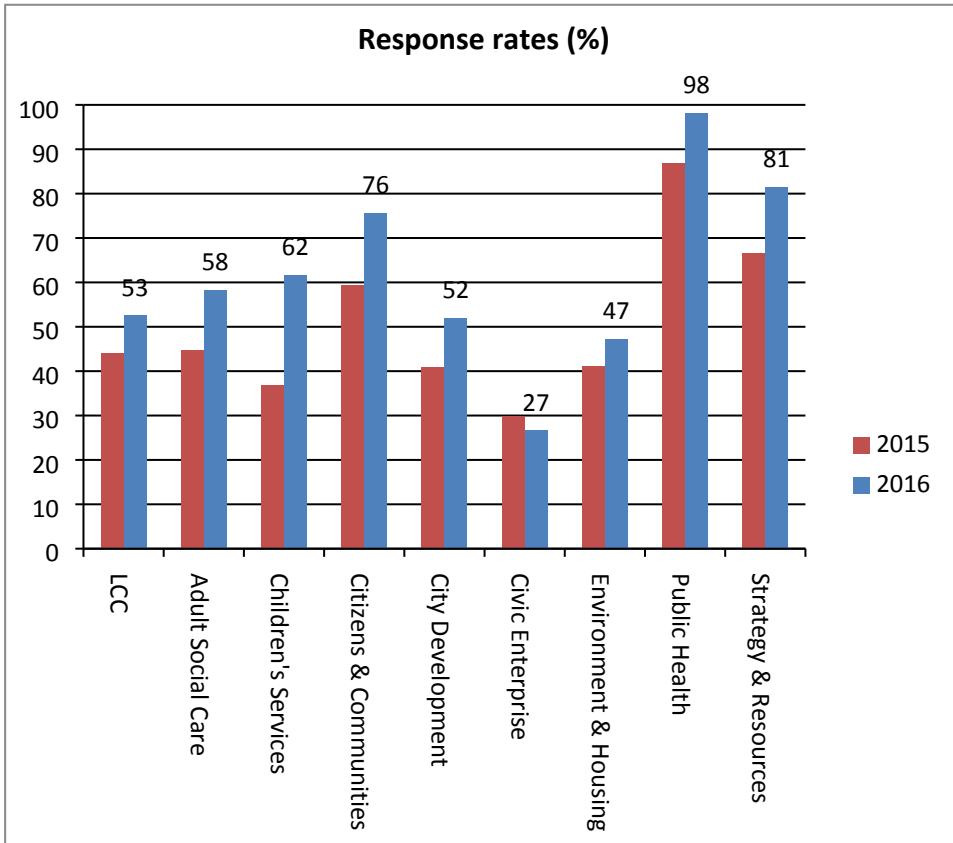
Year	14/15	15/16	16/17
Teachers	11	17	3
Non-teaching Staff	69	95	34

- Where non-teaching staff are concerned figures reflect multiple employment – e.g. where an employee may hold several jobs in a school – for example as a teaching assistant and as mid-day supervisor. This has inflated overall numbers of formal redundancies. Finally, increased levels of redundancy in 15/16 related to changes in SiLCs that year.

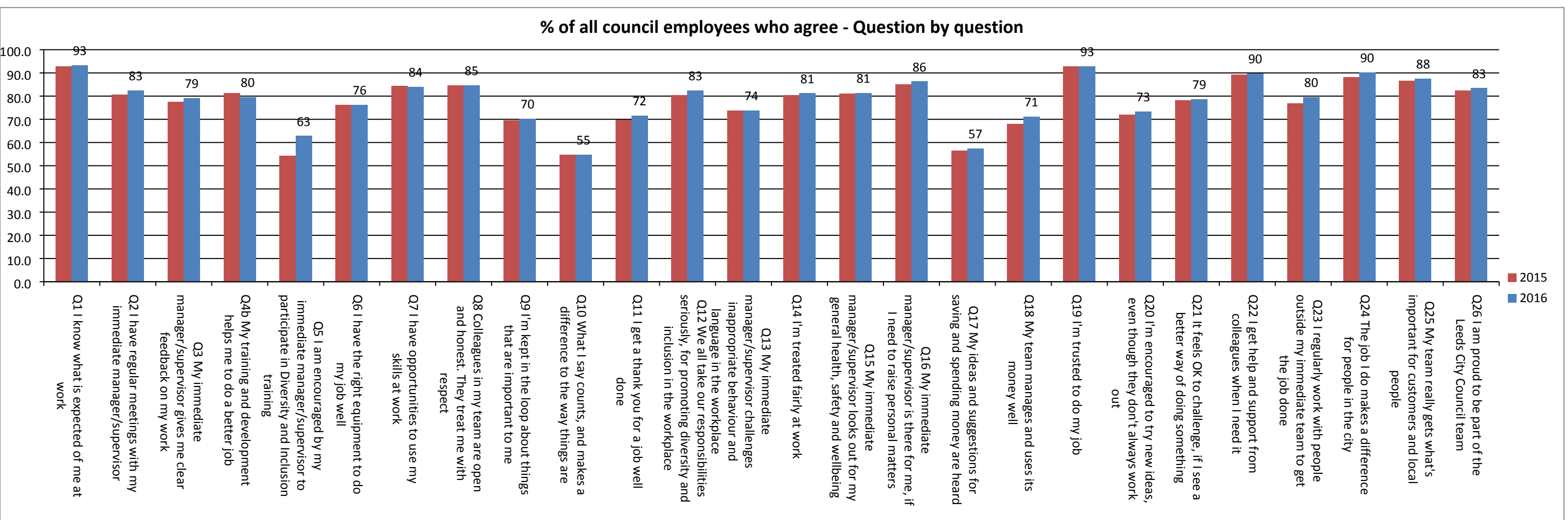
Employee Engagement Results 2016

6. A summary breakdown of these are attached separately. This shows:
 - a. An increased response rate - 80% plus
 - b. A sustained level of engagement on our key question of whether an employee would recommend working for the council to a friend - with a 7.5/10 score
 - c. Responses to a range of specific question – most of which are increased or sustained
 - d. The top 5 areas where we feel we must work harder to create improvements – tis is shown in terms of where there the highest proportion of staff disagreeing with the statements.
7. All services are working on action plans to explore these issues with staff and take steps to further improve employee engagement

Annex 1 – Leeds City Council 2016 Engagement Survey Results



Top 5 areas of disagreement	% disagree
Q10 What I say counts, and makes a difference to the way things are	14.8
Q9 I'm kept in the loop about things that are important to me	11.8
Q11 I get a thank you for a job well done	10.5
Q6 I have the right equipment to do my job well	10.3
Q5 I am encouraged by my immediate manager/supervisor to participate in Diversity and Inclusion training	9.9



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