

Report of Chief Officer Civic Enterprise Leeds

Report to Scrutiny Board

Date: 22 July

Subject: Civic Enterprise Leeds - Update

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

Summary of main issues

1. Progress on trading & enterprise across the Council
2. Future proposals for enterprise
3. Consultation and stakeholder engagement update

Recommendations

4. Scrutiny Board is asked to note this report

1 Purpose of this report

- 1.1 This report contains an update on trading, commercial and enterprise activity across the Council in the past year (pursuant to the establishment of Civic Enterprise Leeds.) It sets out potential areas of enterprise growth and provides an update on consultation and stakeholder discussions.

2 Background information

- 2.1 Civic Enterprise Leeds was established as part of the review of central functions in the Council in May 2013.
- 2.2 It brought together the functions of Commercial Services (fleet, property, catering and passenger transport services) with facilities management and shared services - the BSC. The group has a turnover of £100m and employs 3,500 staff. Its remit was to develop a trading and enterprise strategy which delivered value for money and contributed to meeting current financial challenges.
- 2.3 Scrutiny took a report on the initial objective of the group last year. This report provides an update as set out at section 1.

3 Main issues

- 3.1 Over the past financial year group turnover has increased by £5.4m and the return on trading from £7.3m to £8.6m. In 14/15 trading turnover will increase by £2.5m and the return by a further £0.6m: taking overall return to £9.2m
- 3.2 All services fully recover costs and accounts comply with international accounting standards.
- 3.3 The Chief Officer: CEL has worked extensively with a number of directorates to help their services compete in open markets, with schools and with the public. This work has included supporting the business plan for the Learning Disability service which aims to see 750 staff 'spin off' into a social enterprise: as a result of which the service will be able to compete to deliver more city wide services and reduce the charge back to the council for care service. In addition work on cost reduction has made significant impacts on the viability of the music service and early years day care services.
- 3.4 A review of construction services will now bring together two direct service operations: from CEL and the former Leeds ENE Almo. This will result in significant savings in depot and management costs.
- 3.5 It is anticipated new jobs will be created in catering services, passenger transport, parks and countryside, construction ,highways services and services for people with learning disabilities in the next two years: (note the majority of these will represent new service delivery not simply an insourcing of work from the commercial sector.)

- 3.6 Services are provided from the council to a range of clients: the health service (intermediate care beds); ambulance service (FM), police (asset mgmt), fire service (FM), universities (fleet services) and other authorities (technical advice on rights of way.)
- 3.7 New technologies are also being deployed to reduce costs. The new on- line booking service for sports centres saved 0.5m a year. The Public Sector Network (PSN) is a secure internet for government. A consortium of 52 partners, led by Leeds City Council, across Yorkshire and Humberside (police, health service, passenger transport executives and other local authorities) jointly procured a contract which represents savings of £52m across the region.

4 Consultation and Engagement

- 4.1 Extensive consultation has taken place with the third sector on the development of this work: ensuring opportunities are maximised for voluntary groups and that their own sector work is not compromised. A number of voluntary groups contract to CEL including Leeds Alternative Travel, South Leeds Health for All, WRVS and Leeds Black Elders
- 4.2 Information regarding the scope of CEL has been made available to the Chamber of Commerce and an offer afforded to discuss proposals further with the Deputy Chief Executive and Chief Officer: CEL.

5 Equality and Diversity / Cohesion and Integration

- 5.1 These are considered, as appropriate, through equality impact assessments relating to redesign or development of services

6 Council policies and City Priorities

- 6.1 This programme supports the enterprise and efficiency agenda of the council

7 Resources and value for money

- 7.1 All costs are fully recovered through trading activity.
- 7.2 A trading company has been established as a vehicle if necessary for commercial trading: it is envisaged this may be needed for growth in activity in parks and commercial catering.
- 7.3 No additional officer or accommodation resources have been allocated to the delivery of this programme: this has been resourced through existing leadership capacity in what was Commercial Services.

8 Legal Implications, Access to Information and Call In

- 8.1 There are no specific issues arising from this report

9 Risk Management

- 9.1 A risk register is maintained and updated for all CEL activity

10 Conclusions

- 10.1 A fuller review of commercial activity within the council will be available by the end of August; together with a more detailed plan of direction of travel and growth: this will be made available to members

11 Recommendations

- 11.1 Members are asked to note the contents of this report.

12 Background documents¹

- 12.1

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.