

SCRUTINY BOARD (STRATEGY AND RESOURCES)

THURSDAY, 22ND FEBRUARY, 2018

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, A Garthwaite,
R Grahame, P Harrand, J McKenna,
D Ragan, A Smart, T Wilford and R Wood

68 Late Items

The Director of Resources and Housing submitted a late item of business in relation to the implications of the recent collapse of Carillion (minute 75) refers.

An extract from the minutes of the Scrutiny Board (Infrastructure and Investment) meeting held on 24 January 2018 was also presented to the meeting for consideration by the Board. The extract being of particular relevant to the Board's consideration of the report on Carillion (minute 75 refers).

69 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests made at the meeting.

70 Apologies for Absence and Notification of Substitutes

The following apologies and notifications of substitute members were presented at the meeting.

- Apologies from Councillor A Sobel, with Councillor R Grahame attending as a substitute member.
- Apologies from Councillor A Sobel, with Councillor D Ragan attending as a substitute member.
- Apologies from Councillor D Nagel. No substitute member was in attendance.

71 Minutes - 18 January 2018

RESOLVED – The minutes of the meeting held on 18 January 2018, as presented, were agreed as an accurate record.

72 Elections, Registrars and Land and Property Search Services Performance Report

The Director of Communities and Environment submitted a report setting out a summary of performance across Elections, Registrars and Land and Property Search Services.

The following were in attendance to present the report and address any questions from members of the Scrutiny Board.

- Councillor James Lewis – Executive Member for Strategy and Resources
- John Mulcahy – Head of Elections, Licensing and Registration and Deputy Returning Officer

The Head of Elections, Licensing and Registration introduced the report, highlighting a number of specific matters including:

- The positive reaction of the Elections Team in responding to the announcement of the 2017 General Election.
- The Register of Electors being at its highest ever level in Leeds.
- The introduction of a new IT system for the Elections Service.
- Positive performance against national targets from the Registrations Service.

The Scrutiny Board considered and discussed the report presented at the meeting; raising a number of matters, including:

- Confirmation of the availability of the final election register for the forthcoming local elections (May 2018) and availability of the associated and updated electoral ward boundary maps.
- In relation to 'Vote 100', queries around any targeted work aimed at specific groups of women.
- Assurance sought around the necessary testing of the new IT system for the Elections Service, and details of the contract savings for the new system.
- Details of election polling stations and associated costs.
- Arrangements to deliver the necessary training of those involved in administering all aspects of the forthcoming local elections.
- Queries in relation to any proposed changes to the identification arrangements for voters.
- Assurance sought around the process and safeguards around the registration of births.

RESOLVED –

- (a) That the report and details discussed at the meeting be noted.
- (b) That the additional information identified at the meeting be provided to members of the Scrutiny Board.

73 Update - Employee Engagement Survey and Appraisals

The Director of Resources and Housing submitted a report setting out details of the Council's annual Employee Engagement Survey and mid-year appraisal round.

The following were in attendance to present the report and address any questions from members of the Scrutiny Board.

- Councillor James Lewis – Executive Member for Strategy and Resources
- Graham Sephton – Head of Human Resources

The Head of Human Resources introduced the report that set out the results of the recent employee engagement survey and appraisals, and highlighted the following matters as particular areas for improvement for the Council to consider:

- The quality and consistency of staff appraisals.
- Arrangements for staff to 'Have a Say'.

It was also highlighted that undertaking the staff survey allows the Council to listen to staff, both in terms of positive areas and areas for improvement or development.

In considering the report, the Executive Board member added that the survey outcomes should be considered in the context of the Council's overall values and approach to being a good employer, including its approach to such matters as the Living Wage and retaining Council services in-house.

The Scrutiny Board considered and discussed the report presented at the meeting; raising a number of matters, including:

- Specific concern around the mid-year appraisal rate for Children's Services.
- Concern at the outcome of the staff survey results in relations to (1) staff feeling valued, (2) what I say counts, and (3) being encouraged to undertake diversity and inclusion training.
- Balancing concerns with positive survey results relating to (1) clarity of job role, (2) being trusted, and (3) receiving support from colleagues.

In concluding the discussion, the Chair paid tribute to the workforce in meeting the needs of communities – particularly during the ongoing period of financial austerity and associated challenges.

74 RESOLVED – That the report and details discussed at the meeting be noted.
Financial Health Monitoring 2017/18 - Month 9

The Head of Governance and Scrutiny Support submitted a report introducing the Financial Health Monitoring 2017/18 – Month 9 report, considered by Executive Board at its meeting on 7 February 2018.

The following were in attendance to present the report and address any questions from members of the Scrutiny Board.

- Councillor James Lewis – Executive Member for Strategy and Resources
- Doug Meeson – Chief Officer, Financial Services

The Chief Officer, Financial Services introduced the report that set out an overall positive financial position, which projected a slight budget underspend

by the end of the 2017/18 financial year. Within that context, it was reported there were continuing issues around business rates, which had resulted in more provision for Business Rate Appeals in the 2018/19 budget.

The Scrutiny Board considered and discussed the report presented at the meeting; raising a number of matters, including:

- Council Tax collection rates during the council tax year and in subsequent years. The Board requested further details around the longer-term collection rates achieved.
- The Council's overall approach debt, debt collection and the Council's debt right-off scheme. As part of this discussion, it was confirmed the Council did not 'sell-on' any outstanding debts to third party collection agencies.
- The on-going risks to the Council delivering a balanced budget for 2017/18, as detailed in the financial dashboards appended to the report, including Waste Management, Planning and Asset Management.
- Concerns raised around the budget pressure associated with the remodelling of the Children's Social Work service.

RESOLVED –

- (a) That the report and details discussed at the meeting be noted.
- (b) That the additional and further information identified at the meeting be provided to members of the Scrutiny Board.

75 Carillion

The Director of Resources and Housing submitted a report that provided an update on the position between the Council and the various Carillion group companies, following a number of Carillion Group companies entering into a 'compulsory liquidation' insolvency process on 15 January 2018.

An extract from the draft minutes of the Scrutiny Board (Infrastructure and Investment) meeting held on 24 January 2018 was also presented to the meeting for consideration by the Board.

The following were in attendance to present the report and address any questions from members of the Scrutiny Board.

- Councillor James Lewis – Executive Member for Strategy and Resources
- David Outram – Chief Officer (Projects, Programmes and Procurement Unit)
- Neil Evans – Director, Resources and Housing

The Chief Officer (Projects, Programmes and Procurement Unit) presented the report, highlighting a number of matters, including:

- The seven Private Finance Initiatives (PFI) contracts between Leeds' schools and Carillion – which involved 110 staff.

- Confirmation that facilities management services to those affected schools continued to operate, with no drop in service through what was currently a temporary transfer of services and resources to an alternative contractor (Mitie)
- The 2 highway contracts involving Carillion – as previously reported to the Scrutiny Board (Infrastructure and Investment) on 24 January 2018.
- An outline of the Councils procurement processes, including the use of procurement searches, credit checks and the use of insolvency bonds.

The Scrutiny Board considered and discussed the report presented at the meeting; raising a number of matters, including:

- Details of any direct Council losses as a result of the Carillion Group companies' compulsory liquidation insolvency processes. It was confirmed there had not been any direct losses as a result of the insolvency. It was also confirmed there was no debt to be written off by the Council.
- A request for details of any opportunity costs, for example officer time, in dealing with matters as they related to the East Leeds Orbital Road (ELOR) scheme. The request would be shared with relevant officers outside of the meeting.
- The Council's pre-contract procedures and risk assessment for companies – prior to entering into a formal contractual agreement. Reference was again made to the Councils procurement processes, including the use of procurement searches, credit checks and the use of insolvency bonds where any financial risks were identified. It was also reported that a significant factor had been the non-reporting of the financial position of the Carillion Group of Companies.
- Concerns around the potential impact on small and medium sized businesses following Carillion's insolvency; and the associated impact this could have on local communities.
- Concerns around the competency of Mitie following a recent incident at a local school. It was confirmed the specific issue raised would be investigated and reported outside of the meeting.

It was noted that the collapse of the Carillion Group, and the associated circumstances, was the subject of an ongoing parliamentary select committee inquiry, the outcome of which was currently unknown.

RESOLVED –

- (a) That the report and details discussed at the meeting, including the temporary arrangements for the continuation of existing school-based contracts, be noted.
- (b) That a further report on the insolvency of Carillion Group companies, including the longer-term implications of the compulsory liquidation and any relevant outcomes from the parliamentary select committee inquiry, be presented to the Board at a future meeting.

76 Work Schedule

The Head of Governance and Scrutiny Support submitted a report that set out the Scrutiny Board's work schedule for the remainder of the current municipal year.

The report also presented the draft minutes from the Executive Board meeting held on 7 February 2018.

Members discussed the details presented and requested the following details:

- An update on the current position of outstanding Business Rates appeals and progress of the 100% Business Rates Retention pilot.
- Details of expenditure on out of area placements in Children's Services.

RESOLVED –

- (a) That the draft Executive Board minutes from 7 February 2018 be noted.
- (b) That the work schedule as presented by agreed, subject to the additions identified at the meeting.

77 Date and Time of Next Meeting

Thursday, 22 March 2018 at 10:30am, with a pre-meeting for all members of the Scrutiny Board at 10:00am.

The meeting closed at 12:15pm.