

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 20TH FEBRUARY, 2023

PRESENT: Councillor A Scopes in the Chair

Councillors G Almass, B Anderson,
S Burke, D Chapman, B Flynn, M France-
Mir, C Gruen and K Ritchie

84 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal on inspection of documents.

85 Exempt Information - Possible Exclusion of the Press and Public

RESOLVED – That, in accordance with Regulation 4 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public or press be excluded from the meeting during consideration of the following parts of the agenda designated as exempt from publication 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 public or press were present there would be disclosure to them of exempt information so designated as follows:-

(A) That appendix 5 to the report entitled, 'Procurement and Commercial Services Update', referred to in Minute No. be designated as being exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A (3) of the Local Government Act 1972 and considered in private on the grounds that this appendix contains information relating to the financial and business affairs of the Council. It is considered that the release of such information would, or would be likely to prejudice the Council's commercial interests. It is therefore considered that the public interest in maintaining the exemption from publication outweighs the public interest in disclosing this information at this point in time.

86 Late Items

There are no late items.

87 Declaration of Interests

No declarations of interests were made at the meeting.

88 Apologies for Absence and Notification of Substitutes

Apologies were received from Councillors S Firth and P Carlill.

Councillor Barry Anderson attended the meeting as substitute for Councillor Firth.

89 Minutes - 16 January 2023

RESOLVED – To approve the minutes of the meeting held on 16th January 2023, as a correct record.

90 Matters arising

The Principal Scrutiny Adviser provided the following updates:

Minute 78 - Consultation and Mass Communication

Annual report on consultation and Team Planner a potential work item for 2023/24. Members requested further information on how the Voice and Influence Team communicate with children, parents and carers – information now provided by email.

Minute 81 - Proposed Budget for 2023/24 and Provisional Budgets for 2024/25 and 2025/26

Composite budget report from scrutiny now published and discussed at Executive Board. This will be part of the papers considered at full Council on Wednesday 22nd February.

Minute 82 – Work Programme

Still trying to arrange an EDI Working group date suitable for board members and an update will be provided later in the week.

91 LGA Corporate Peer Challenge

The Head of Democratic Services presented a report for Members' consideration on the Scrutiny approach to LGA Corporate Peer Challenge.

In December 2022 the Executive Board, as part of its consideration of the LGA Corporate Peer Challenge findings, recommended that the Peer Challenge report and its recommendations should be referred to scrutiny for further consideration, this report is designed to initiate that process.

Whilst the findings from the Peer Challenge are relevant to all scrutiny boards it is the remit of Strategy and Resources Board that covers the Council's corporate planning and policy development services and is therefore considered to be the most appropriate for this work item. However, to ensure that all Boards are represented the Chairs from the four other Scrutiny Boards had been invited to attend the meeting.

The Chair welcomed Judith Hurcombe, the LGA Peer Challenge Team Manager to the meeting.

In attendance for this item were:

- Neil Evans - Director of Resources
- Mariana Pexton - Chief Officer Strategy and Improvement (soon to be new Director of Resources)
- Alex McEwan-Hannant - Head of Corporate Support
- Judith Hurcombe - LGA Peer Challenge Team Manager
- Cllr James Lewis - Leader of Council
- Cllr Coupar - Executive Member for Resources

- Cllr Barry Anderson - Chair of Scrutiny Board Environment, Housing and Communities
- Cllr Abigail Marshall-Katung - Chair of Scrutiny Board Adults, Health and Active Lifestyles

Judith Hurcombe addressed the Scrutiny Board and provided the following information:

- LGA Peer Challenges happen every 4 to 5 years. They are at a time chosen by the council with the process being the same for all councils. A timetable is developed, position statements provided by the Council, and these along with the inspection visit itself are used to make an assessment against the LGA Framework.
- Early in November, the team arrived on the Monday evening with the team being formally welcomed and left on the Friday morning. The team speak to Members, officers, stakeholders and partners. The team then provide feedback on their findings and quickly produce a report which is published. An action plan is produced in response to recommendations and was provided to members as part of the agenda pack.
- The team had noted that the council's values are lived and breathed by the Council and recognised by its partners. High level objectives are delivered on the ground which is good for partner organisations who are contributing to shared goals and ambitions.
- The Council was found to benefit from a stable political leadership. Initiatives such as Child Friendly City and Net Zero by 2030 were obvious and visible priorities that can be seen throughout the organisation.
- The Council was found to have good working relationships with partner organisations and the work with anchor organisations is particularly valuable. It was noted there was more work that could be done in relation to locality working.
- The budget gap and funding reductions were also noted as a challenge felt both in Leeds and across the local government sector.

Cllr Lewis, Leader of Council said that the work undertaken by the LGA was appreciated. The City had shown it could face challenges in its response to Covid and through changes such as the new Mayoral West Yorkshire Combined Authority (WYCA). It was acknowledged that Cllr Coupar reports to Executive Board on a monthly basis to ensure that Members are kept up to date on the Council's budget which is a process that is not done by all local authorities. Cross-party working groups and having a cross-party Executive Board membership ensure there is openness and transparency within the Council. The Council recognised that there was work required to strengthen locality working and the actions for this were set out in the action plan. The action plan would be progressed through strategic and budget planning, with monitoring and reporting done through existing channels so as not to create additional processes and pressure on colleagues.

Responding to questions from the Scrutiny Board, Members were given the following information:

- It was recognised that across the council and other public sector organisations there was an issue with 'staff burnout' having responded well to the pressures of Covid. However, it was the view that the council was coping relatively well under the increased demands for services and fewer staff. It was acknowledged that the Council was supporting staff and had made a good start on addressing issues of 'burnout'. Colleagues were supporting each other, with staff feeling valued and supported with a good wellbeing offer but did feel the pressure, but those spoken to felt good about working for the Council. This issue will be picked up in the March meeting in the focus on the attendance. Members also raised the issue of 'Councillor burnout' and it was noted that it had not been mentioned during the LGA review, but it was a good point as Councillors are on the frontline dealing with pressures in the community. The point was made about the action on Member Development.
- It was acknowledged that more work was required to look at how the Council and partner organisations worked across ward boundaries. A key point being the need to look at aligning services within boundaries, where possible, to enhance coherence, remove duplication and improve the strategic overview and local service delivery and consider how different communities in the city access services.
- It was noted that the LGA Team had spoken to 160 people during their time in Leeds. It was acknowledged that this was a snapshot of what was happening, and the people spoken to were from a range across the Council and had included Elected Members including Executive Board Members and Scrutiny Board Chairs, frontline staff, and the voluntary sector. It was the view that a good range of people had been selected for the process.
- It was noted that there is to be further scrutiny work on locality working and Local Area Plans with a discussion about Community Committees already developing with the Executive Member for Communities and the Head of Locality Partnerships. Members welcomed the focus on locality working and were of the view that consultation with ward members and communities was important as they know what is required for the area. It was also noted that further delegation of services and budgets to community committees could be considered as part of a review of locality working, a good recent example of this being delegation of Youth Activity Funding to the local level.
- It was the view that the action plan was good but might also benefit from more details in some areas and clear steps as to how to achieve the objectives will be delivered. It was acknowledged that locality working should be based on indices of deprivation as no two wards in the city were the same. The Scrutiny Board were encouraged that this action plan was produced by the council following on from the recommendations received from the LGA Peer Review. It was the view that the council needs to think about the evidence base and data to support decision making.
- It was acknowledged that the council was performing well in relation to staff networks following comments from a previous review undertaken in 2016 and work undertaken by this Board in the past two municipal

years. However, there were still areas which needed to be addressed such as Carers where more structure and support could be developed given the volume of staff who provide care in their wider lives.

- The Scrutiny Board were advised that the Procurement Peer Review was a separate piece of work and had not been looked at as part of this LGA review, as nobody on the Peer Review team was a specialist in this specific area.
- It was recognised that the Council was one of the largest in the country and it could be difficult to share learning and best practice regionally, but Leeds is in a good position and has the leadership strength to lead on that and could do more in this area in the future.
- In relation to the net zero projects the Board were informed that progress on the District Heating System was continuing and was the biggest in the country, however, more funding was required.
- It was noted that the term BAME had been used in the report and the LGA Team Manager welcomed the feedback and challenge and noted that the LGA is working on how it approaches EDI and will take the comments back on use of the terminology.

The Chair thanked Judith Hurcombe for her attendance at the meeting and it was appreciated the work that had been undertaken to produce the report.

RESOLVED - To:

- a) Note the contents of the report and provide comments on the LGA Peer Challenge and how scrutiny can have input into the action plan that is being developed in response.
- b) Note that any comments or recommendation arising from this item will be used to shape the peer challenge response as appropriate.
- c) Consider how the Peer Challenge recommendations could feature in work programming discussions for municipal year 2023/24.

92 Civic Enterprise Leeds Update

The report of the Director of Resources provided Strategy and Resources Scrutiny Board with an introduction and update on Civic Enterprise Leeds (CEL) outlining its activities and key areas of focus along with its journey so far on its road to commercialisation.

Attending the meeting for this item were:

- Neil Evans - Director of Resources
- Mariana Pexton - Chief Officer Strategy and Improvement
- Mandy Snaith - Deputy CO CEL & Head of Catering & Fleet
- Richard Jackson - Head of Passengers, Cleaning and Facilities Management
- Craig Simpson - Head of Leeds Building Services
- Mohammed Afzal - Commercial Operational Manager
- Cllr Coupar - Executive Member for Resources

The Chair welcomed the officers to this Scrutiny Board noting that they had recently moved into the remit of the Strategy and Resources Scrutiny Board.

The Scrutiny Board were provided with the following information:

- Civic Enterprise Leeds (CEL) sits within the Resources Directorate with a head count of 3,496 and is comprised of the following services:
 - Cleaning and Facilities Management
 - Corporate Property Management
 - Passenger Transport
 - Catering
 - Fleet Services
 - Leeds Building Services
- CEL has a total staffing budget of £69.5 million for the year 2021/22 and total staffing costs at the year-end were £66 million. It has a gross expenditure budget of £147.8 million and income budget of £141.2 million leaving a net managed budget of £6.6 million.
- During the pandemic the vast majority of CEL staff were needed to carry out their frontline roles such as transporting vulnerable children to schools, cleaning of schools and care homes, Meals at Home Deliveries, Fire Safety Checks in flats, and repairs in council houses. During this time CEL also delivered other vital services to keep the city safe, some beyond what would normally be expected such as building a temporary mortuary, managing the PPE Hub facility, carry out Covid response cleans in LCC buildings and schools.
- Members were provided with a brief overview of all the service areas provided by CEL which included staffing and services they provide and was set out in the submitted report.
- CEL have been successful in tendering work for services such as window cleaning in Doncaster, Barnsley and for the South Yorkshire Fire and Rescue and to homeowners through the PRESTO service.

Responding to questions from Members the Board was provided with the following information:

- It was noted that whilst the use of routing technology had increased but it was still difficult to deliver services as efficiently as they would like. The routing technology could be used to track jobs to allow smarter dispatch to ensure health and safety and increase productivity. However, negotiations were still ongoing with trade unions about the use of this technology. Key issues that the technology could address include speeding, idling, harsh braking, productivity and location of missing vehicles with a focus on measures that would save the authority money. The Board noted the possibility of a further update on this at a future meeting.
- CEL would like to use more SMEs for their services which would generate better value for the council and enhance local supply chains in areas such as construction. However, they had to comply with procurement regulations which in some cases caused a potential barrier. A flexible approach to procurement of SME services would be helpful to the service while also being mindful of the procedure rules, and relevant colleagues are working on the best approach to this.

- Members recognised the work carried out by staff in CEL during the pandemic, and it was noted on more than one occasion that they were called the 'jewel in the crown of the Council'.
- It was noted that CEL had a gross expenditure budget of over a £148 million alongside a total income of £141 million which got them back to the net managed budget of £6.6 million. In terms of a snapshot for some of the services an example was provided. It was suggested that information on expenditure and income be circulated to Board Members following the meeting.
- In response to question on school meal delivery, CEL would like to work with more high schools to provide catering services. It has been realised that older children preferred different options and a different offer for their lunch compared to primary age, so CEL had put chefs into schools in return for a management fee. The changes from local authority controlled high schools to academies changed how they operated with many Schools opting to provide their own meals service, and the catering provision had fallen away as a result. However, CEL do work with Wetherby and the Technical College, they do bid for more high schools, but they get wrapped up with academy packages and it is difficult to win on price, but they continue to try and expand in this area. Cllr Coupar highlighted that CEL pay the living wage and often staff working in private catering are not given the same benefits. She also questioned the quality of the food provided by some academies, based on feedback to her, as not being as good as that offered by CEL.
- In relation to information provided at Table One of the report, Members were advised that monitoring was carried out in accordance with national standards which had to be complied with. It was acknowledged that CEL had a diverse and dispersed workforce and ensuring quality of services was difficult especially in services such as cleaning and catering which were often part-time positions so there was always room for improvement.
- CEL currently have 40 apprentices and there is a commitment to continue with this and expand the programme.
- Members noted the positive work with SME's and acknowledged the challenges faced particularly in procurement and vetting processes.
- It was noted that a number of staff had been part of TUPE processes in Leeds Building Services and work was ongoing to get them on to CEL terms and conditions. Members requested numbers of TUPE to be circulated to the Board.
- The Board were advised that where adaptations were no longer required in council housing if requested these were removed and stored for future use. For private housing the process is done differently through a differently service area within the Communities, Housing and Environment Directorate. An example of where a stairlift had been installed and was no longer required was provided by Cllr Chapman and it was noted that the Council could be losing money on this. The Chair advised that this concern would be passed to the relevant Scrutiny Board.

- There was recognition that Building Services were currently dealing with the issue of damp and mould, and this was a high priority for the service.
- In relation to PRESTO hiring of market stalls It was the view that these might not have been available for local events as there were being used for the city centre market, but a conversation would be had, and information provided.

The Director of Resources said that Covid had a profound impact on this area of work and staff absence had been a big issue for the service. However, the service was now in a period of recovery and was indeed one of the jewels in the crown of the Council especially through the pandemic in keeping the city going.

The Chair passed on the Board's thank you to CEL.

RESOLVED - To note:

- a) The Services provided by Civic Enterprise Leeds and the key areas of focus for 22/24.
- b) The progress to date of the commercialisation and traded activities of the Service.

93 Procurement and Commercial Services Update

The report of the Director of Resources provided an update as to progress made in relation to the P2P Review and delivering the P2P Action Plan. A copy of the P2P Action Plan and summary of progress to date in relation to all elements was attached at Appendix 1 of the submitted report. The report also brought to Members' attention the work underway to develop a Council-wide best practice approach to contract management, proposals to further develop opportunities for delivery of additional social value in procurement and examples of savings/avoided costs in relation to external spend.

In attendance for this item were:

- Neil Evans - Director of Resources
- Cllr Coupar - Executive Member for Resources
- Mariana Pexton - Chief Officer Strategy and Improvement
- Kieron Dennett - Head of Procurement and Commercial Services
- Tony Bailey - Group Procurement Manager

The Head of procurement and Commercial Services presented this report which provided an update on the progress to delivery of the P2P Action Plan. The Action Plan was developed as part of the Core Transformation Programme which is looking at improving efficiencies across all the Councils processes and systems related to the procurement lifecycle.

It was noted that there was a summary in the appendix of all P2P actions and the progress made.

The report highlighted the progress made on the best council approach to contract management, proposals to embed and maximise additional social

value through procurement, there was also some examples where services had delivered savings in the last twelve months. The report also provided information on the Fair Tax Mark and the Fair Tax Declaration.

In response to questions from Members the Scrutiny Board were provided with the following information:

- Two areas of flexibility in the council's procurement arrangements which would be beneficial to CEL:
 1. Where trading commercially to react quickly to purchase goods there was a flexibility built into the Contract Procedure Rules when they were reviewed in September 2022.
 2. A meeting later in the week will discuss CEL business with SME's and how the Council can use them more flexibly. It was noted that the Contract Procedure Rules were in place to ensure delivering best value and that the Council has good governance and control in place, but that there is a balance in low value spend to allow for the use of SME's and more work was required in this area.
- In relation to contract management and delivering additional training to staff. It was noted there was a contract management module which had been developed to assist in managing contracts over £10,000 which are registered on the Council procurement platform. This had only been introduced in the last year and there was a need to train people in its use and the benefits of the system. The Board were advised that those who were using the module had given positive feedback.
- The Governance and control through the Contract Procedure Rules provides best practice which had been noted by the LGA Peer Review on procurement a few years ago. It was believed that savings are delivered through procurement, however it was difficult to evidence through the data that the Council has currently. The performance information and invoicing systems need tying together to provide more accurate information. It is proposed that through the Core Business Transformation Programme procurement processes and systems will be improved and be fit for purpose as opposed to the current situation where the existing finance system is approaching 'end of life'. Members were informed that there is currently over 400 people involved in contract management looking at different levels of contracts and there was a need for training for the different levels and this was currently taking place. Members were also informed that steps were being taken to ensure that local partnerships embed best practice. The Management Contract Module is the best tool to take this forward. The Board was of the view that contract management needs to be robust to deliver value for money in the context of the ongoing financial challenge. Enhanced training of staff who manage contracts was seen as a driver for that.
- For contracts under £100,000 there is approximately £4-5 million of spend annually. There are 162 suppliers with whom the Council spend £1 million pounds or more and there was a need to ensure that the Council was getting value for money for these services which is a priority. There was a need for user friendly systems and processes so that services can manage spend.

- In relation to the Social Value Engine and how it would be benchmarked an explanation was provided in how contracts over £100k would be measured using Themes, Outcomes and Measures (TOM's) criteria. It was advised that this Board or any successor Board should keep this on its work programme.
- Members were advised that training for those involved in procurement was not mandatory. However, there was training available including a foundation level module which required an exam at the end of it. It was noted that this training was free, and everyone involved in contract management was encouraged to undertake it. Members were informed that the eighteen people mentioned within the report and covered in the chart were on professional training for procurement management which aimed to give a professional qualification at the end. This was aimed at staff who had significant involvement with contract management, and more were due to start the training in March. The Board requested that it be kept up to date on progress of training. Members also requested the number of staff who had gained a professional qualification in contract management to be circulated to the Board both in terms of those who are 'professional' contract managers and those staff who manage contracts as well as carrying out other roles.
- Members were advised that the Council are unable at present to use the Fair Tax Mark in procurement and the reasons were set out in the report. The Chair believed there were ways around the challenges to using some kind of fair tax check and it was noted that discussions on this would continue given the interest in it from this Board and more widely in the Council.

Following consideration of Appendix 5 to the submitted report designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the public part of the meeting, it was

RESOLVED - To:

1. Note the contents of this report; and
2. Endorse the work underway to develop a Council-wide best practice approach to contract management.

94 Freedom of Information (FOI), Performance and Processes - Update

The report of the Director of Resources provided the Strategy and Resources Scrutiny Board with an update on the measures currently underway to improve performance against the council's statutory obligations in relation to Freedom of Information (FOI) and Environmental Information Regulations (EIR) information rights requests.

In attendance for this item were:

- Neil Evans - Director of Resources
- Cllr Coupar - Executive Member for Resources
- Mariana Pexton - Chief Officer Strategy and Improvement
- Aaron Linden - Head of Information Management and Governance

The Head of Information Management and Governance presented the report highlighting the following key issues:

- The pandemic affected all the local government sector in responding to requests for information. As a result, a restructure of the service had taken place. It was noted that it had been a challenge to bring together new and different ways of working following the restructure, sometimes using legacy systems and the need to train 40 people.
- As a result of process changes performance had improved in relation to the previous year. The first phase of changes went live on the 1 July 2022, and in Q2 performance was 89.62% just short of the Council's KPI of 90%.
- The use of e-Discovery and Microsoft Power Apps will aim to make a more consistent approach for responses to requests and further improve performance.
- With support from CLT the team are aiming to raise the importance of information requests by ensuring that Chief Officers are involved in this key statutory duty.

Responding to a question from the Chair the Board were provided with the following information:

- Progress in relation to automation from an information perspective, the team are currently waiting to get into the Power App 'sprints', however there is a delay in the 'Current Sprint' in relation to the data protection impact assessment. The team will start work on this as soon as possible, work is already progressing on what the team want from the automation and where it wants to be in the future.

The Chair thanked the officer for attending.

RESOLVED - To:

- a) consider the contents of this report and note the council evolving approach to information management and governance with specific regard to FOI and EIR requests, and that the implemented and future planned arrangements are and will improve the performance of the council's responses to these requests through a dedicated programme of work.
- b) Note that a review and update are taking place of the full Elected Members Information Governance (IG) Resource Document which will be completed before the end of the financial year 2022/23. This will then be provided to all Members. The Resource Document includes guidance on Members' Access to Information which has already been updated – see Appendix 3 of the submitted report.

95 Work Programme

The report of the Head of Democratic Services set out the 2022/23 work programme for the Scrutiny Board (Strategy & Resources) and is reflective of board member discussions to date.

The Principal Scrutiny Adviser presented the report and provided the following information:

- In March a staff absence update report has been added to the programme to reflect discussion at the January meeting where members expressed interest in the recent performance statistics on staff absence and the planned savings to be made in the 2023/24 budget through reductions in absence.
- An item has also been added on Voter ID to provide an update position on preparations for the requirement for ID at polling stations in May 2023.
- The planned Equality, Diversity and Inclusion working group likely to be a March date.

RESOLVED: -To consider and discuss the Scrutiny Board's work schedule for the 2022/23 municipal year.

96 Date and Time of Next Meeting

To note the meeting of Scrutiny Board Strategy and Resources will be on Monday 27th March 2023 at 10:00am (With a pre-meet for all Board Members at 9:45am)

CHAIRS CLOSING COMMENTS

It was noted that this would be last meeting for the Director of Resources as he was due to retire. The Chair thanked him on behalf of the Scrutiny Board for listening to the Board and providing a direct and honest approach in his responses to the Board.

He wished him well for the future and thanked him for his many years of service.