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SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 25TH MARCH, 2024

PRESENT: Councillor A Khan in the Chair

Councillors H Bithell, S Burke, S Firth,
T Hinchcliffe, W Kidger, A Parnham and
E Thomson

88 Appeals Against Refusal of Inspection of Documents

There were no appeals.

89 Exempt Information - Possible Exclusion of the Press and Public

There was no exempt information considered by the Board.

90 Late Items

There were no late items.

91 Declaration of Interests

There were no declarations of interest.

92 Apologies for Absence and Notification of Substitutes

Apologies were received from the following Board Members:

Cllr Andrew Carter
Cllr Gohar Almass
Cllr Diane Chapman

There were no substitutes.

93 Minutes - 19 February 2024

RESOLVED – That the minutes of the previous meeting held on 19 February 2024, be approved as an accurate record.

94 Matters Arising

The Principal Scrutiny Adviser highlighted the following areas as matters arising from the 19 February 2024 meeting of the Board:

Min 84 – To note that supplementary questions asked by Board members on the EDI update have been answered by email. In addition, recommendation B) on the Report under this minute has been acted on and the suggested scrutiny statement is provided as part of this agenda pack at item 10.

Min 85 – A verbal update was provided on follow up questions related to the distribution of Northern Dreaming books and the Leeds 2023 Wikipedia page which responded to issues raised in February. In respect of the city readiness Board minutes and agendas these are available to board members on request.

Min 86 – In respect of the work programming discussion this has been actioned with the five items on the agenda today representing the prioritisation that has taken place and also the viability of bringing reports forward.

95 Financial Reporting 2023/24 - Month 10 (January)

The Board received a report from the Head of Democratic Services providing the latest update on the in year financial position in respect of the Revenue Budget, the Dedicated Schools Grants (DSG) and the Housing Revenue Account (HRA).

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Mariana Pexton, Director of Strategy and Resources
- Victoria Bradshaw, Chief Officer – Financial Services

The Chief Officer – Financial Services, introduced the item setting out a projected overspend of £36.3m on the revenue budget in 2023/24, a slightly improved position on Month 9, with the main pressures being felt in the Children and Families directorate and the number and increasing costs of external residential placements in line with previous iterations of the report.

There have been savings in the Strategic Account budget that are being used to partially offset overspend in the Children and Families Budget. This in combination with use of one off funding from WYCA and use of most of the Merrion House reserves will enable the authority to deliver a balanced budget by the end of the financial year.

The HRA is projecting a balanced position by year end, but the Dedicated Schools Grant (DSG) has an in year pressure of £2.6m which will be offset by balances brought forward from the previous financial year. It was noted that

the DSG will be a feature of the Financial Health reports in 2024/25 with action planning for those budgets also included.

The Board also heard that collection rates on Council Tax were lower than anticipated due to wider cost of living pressures but that business rate collection rates were above the anticipated rate.

In response to comments and questions from board members the following points were covered:

- Given the cost pressures around Children Looked After budgets the Board asked whether there were any updates available since the Month 10 position which is the focus of this paper. In response the Board heard that external residential placement numbers (and CLA generally) were stabilising with external residential numbers fluctuating between around 142 to 146 placements. It was also noted that the issue with placements is primarily driven by increasing costs of placements as well as overall numbers.
- The Board asked about the strategic accounts underspend and the quite significant underspend of over £10m. It was explained that these savings are made from debt savings on the capital programme, scheduling of borrowing requirements and using cash balances. In addition, with the possibility of reduced interest rates later in 2024 there could be further savings delivered through longer term borrowing at lower rates. Energy underspend due to falling prices is also a factor.
- On procurement cards members asked about the changes that have been made to deliver savings and the possibility of officer time being wasted on authorisation processes. Whilst approval processes have been tightened these are based on essential spend requirements so where services do not have essential spend requirements purchasing cards cannot be used and have zero balances. This followed a review of purchasing cards at Chief Officer level to ensure that purchasing cards were only used for the delivery of essential services, in line with the freeze on non-essential spend.
- Members raised a question regarding the Little Owls Nursery Service Review. It was noted that this issue falls under the remit of the Children and Families Scrutiny Board and can be picked up through the Principal Scrutiny Adviser.
- The Board asked about staffing levels in adult social care and potential budget pressures in that directorate. In response the Board heard about regular monitoring and modelling approaches that have identified demand pressure as key issues in both children's and adult social care and that these pressures are linked to national issues being felt across the local authority sector. The budget gap in 2024/25 was high due to expected demand pressures and additional resource required for these budgets.
- The Chair asked if the plans to address the overspend through the Transport Levy funding, Merrion House Reserve and underspend on energy would be enough to bridge the projected gap in budgets and how much the underspend on energy is expected to be. In response the Board heard that the energy underspend is estimated at £3m but that was

already being used to offset in year pressures and is part of the savings highlighted in the strategic accounts. The Board were reassured that through the WYCA funding and use of reserves as well as mitigation from under spending budgets in year the projected overspend will be addressed and a balanced budget delivered at year end.

- The Executive Board Member for Resources emphasised the demand pressures being faced by the Council and the budget pressures that are being felt in a number of service areas. The final details on the 2023/24 financial year will be provided through the outturn reports.

Resolved:

Board Members noted the content of the report and appendix within the wider Board remit linked to financial sustainability and long-term budgetary robustness.

96 Procurement Update

The Board considered a report from the Director of Strategy and Resources providing an update on the Council's Procurement and Commercial Services. This follows consideration in previous municipal years and focused on social value in procurement, the Procurement Act (2023) and effective contract management.

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Mariana Pexton, Director of Strategy and Resources
- Victoria Bradshaw, Chief Officer Financial Services
- Lewis Sinkala, Head of Procurement
- Sasha Walton, Procurement - Social Value Team

The Head of Procurement delivered a presentation to the board setting out the key issues in the presented report. This covered the following areas:

- Approaches to staff training and the number of staff who have accessed contract management training support
- Developments in how the Council does contract management including the Contract Management Assurance Board, Contract Management Framework and contract balanced scorecards
- Social Value and the lead role being played by the Council regionally in terms of social value being at the heart of procurement activity and being the only local authority to have a dedicated social value team
- The Social Value Fund
- Support to Leeds suppliers
- The implications of the Procurement Act on how the Council operates including potential resource implications

Responding to comments and question from Board members the following discussion took place:

- The Board asked about source to contract business cases and also the implications of the 2023 Procurement Act. Work is ongoing in this area and could be the focus of a future report to be brought to scrutiny.
- On Value leakage the Board noted the 8.6% average value leakage which results from poor contract management and whether the Council has quantified the amount of value leakage within council contracts. The Board heard that a review is ongoing with Ernst & Young which is a phased approach to reviewing contracts with plans for these reviews to become part of standard practice across the Council and part of the contract management framework.
- Members were keen to see as much social value included in contracts as possible potentially through partnership with anchor organisations. The Board heard that services can put a weighting of 20% in contracts and that this was in line with practice in other local authorities. Work is planned with anchor organisations in Leeds which will focus on social value and it was noted that social value commitments are contractual commitments and if the social value is not delivered then penalties can be applied.
- In response to a question around mentoring and buddying the service was happy to set up more in terms of ensuring sharing of best practice and buddying arrangements are in place across Leeds and West Yorkshire in respect of social value and sharing of best practice across organisations.
- The Board were keen to hear more about the new systems being planned and why the new tech had not been developed and delivered earlier. In response the Board heard that the public sector market is quite immature and driven by the incoming legislation, now is a good time to develop new systems and explore the market to find better tech to support the service and have fit for purpose systems moving forward.
- The Board noted that the term 'BAME' features in the report and it shouldn't given the Council is committed to using different languages to describe diverse communities. This was noted and will be avoided in the future.
- The Board heard more about the social value engine and contract management approaches to deliver social value where it features in the contract. The number of meetings with suppliers will be determined by the value of the contract with more regular meetings with higher value contracts to ensure the social value is being delivered.
- Members were also informed that the figures on social value were low at around 10% of the social value commitments in contracts largely because work is ongoing on social value to ensure that suppliers are evidencing delivery. Members were assured that where suppliers are not delivering then this will be contract managed through the Social Value Team.
- The Executive Board Member for Resources noted the amount of work going on this area and the commitment to social value that the council has made through the establishment of the Social Value Team. Future update reports will look to evidence more clearly the delivery of social value by suppliers through their contracts with the Council. It was also emphasised

that social value brings clear benefits to communities and can be used to offer career opportunities and support to people throughout the city.

Resolved

The Board:

- a) noted the contents of the report and endorsed the work underway to develop a Council-wide best practice approach to contract management.
- b) Identified procurement as a potential area of interest for the next municipal year.

97 Integrated Digital Services (IDS) Service Desk - Update

A report was considered from the Chief Digital and Information Officer on the Integrated Digital Services (IDS) service desk which supports staff with IT related issues and supports the wider delivery of services to citizens, patients, visitors and businesses by the Council, Health and other partners.

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Mariana Pexton, Director of Strategy and Resources
- Andrew Byrom, Chief Digital & Information Officer
- Ben Tunnicliffe, Service Centre Team Leader

To support this item the Board received a presentation from the Service Centre Team Leader setting out the key issues in the report, this covered:

- A summary of performance between 2021 and 2023, covering call volumes, calls answered and the number of service tickets raised
- The measures taken to deliver service improvements including new approaches to recruitment, automation and restructuring of the service
- Customer satisfaction and the different ways that the service can be contacted
- Plans for the future including a new phone system, virtual technology and further automation and usage of Power BI

Responding to comments and questions from the Board the following areas were discussed:

- The Board wanted to know more about call volumes and why the service now seems to be answering less calls when compared to 2021. In response the Board were informed that some of the data from 2021 will have been impacted by the pandemic and the different ways of working, largely remotely, that needed additional support from the service desk, use of zoom and other new platforms were listed as examples. In addition, it was noted that staffing shortages have been an issue in terms of answering calls along with a need to train staff with a four week lead in

time. The latest position in 2024 with a near full staffing complement has improved from the position presented with 97% answered. It was also noted that channel shift to self-service methods will have impacted and helped to reduce call volumes.

- The Board asked about roles being targeted at unemployed residents and what they were. By way of response the Board heard that work is ongoing with a company called Generation that trains people through a 12 week skills academy which targets people who want to have a career in tech and there are a number of examples where this work has led to really positive career changes. It was also noted that employment through the service desk can lead to career advancement and can be the starting point of a career with Integrated Digital Services and the Council.
- The Board also queried the use of SEN Internships as opposed to apprenticeships or traineeships. The Board heard that the three or four internships will be introduced in 2024 for a whole academic year, supported by coaching which will benefit both the interns and enable the council to learn and adapt processes to support the interns and deliver positive outcomes by applying for roles and having support to do that, it was noted that the internships do not provide a guarantee of a role. The Board believed that any application processes arising should take account of the needs of the applicants as they can act as a barrier if not done appropriately.
- Members added that on internships it would be positive to see this supported by accreditation which would be provided by a traineeship or apprenticeship, which would not guarantee a job either but would provide level 1 and level 2 qualifications potentially. The Board were supportive of the commitment to internships and asked that a follow up item be brought back that tracks the progress of the individuals starting the internship in September 2024, this will be factored into future work programming discussions.
- The Board also heard about surveys and the processes in place to learn from feedback that is not positive, the service is committed to following up on negative feedback to understand the reasons and look to improve but in general terms survey feedback has been positive.
- The Executive Member for Resources welcomed the comments on accreditation for the internships and that the Board will receive further information on this in the future. In addition, the Executive Member noted the positive progress that has been made on performance since 2020/21 and thanked the officers and their teams for the work they have done to improve the service. Future tech improvements were also noted as a possible opportunity for the Council that could deliver more efficiency and lead to further service improvements across the Council.

Resolved

The Board:

- a) noted the positive assurances on service desk performance set out in this report.

- b) Identified an update on internships and this work more generally to form part of the Work Programme in 2024/25.

98 Scrutiny Statement - Equality, Diversity & Inclusion

The Board considered a report from the Head of Democratic Services which set out a scrutiny board statement on the Council's approach to Equality, Diversity and Inclusion (EDI) which has included input and feedback from each of the Council's staff networks in recent and this municipal year.

In attendance for this item were:

- Cllr Debra Coupar, Executive Board Member for Resources
- Mariana Pexton, Director of Strategy and Resources

The following comments were made during consideration of this item:

- The Executive Board Members for Resources thanked the Board for its work in this area and highlighted the priority it has been given by the Council leadership and senior officers. It was also noted that this is a good example of joint working between Scrutiny and the Executive, and it was hoped that the Council's focus on this will make a difference to employees both now and as the work continues to develop, in the future.
- The Director of Strategy and Resources also added thanks for the work on this issue given that it has been such a priority for the Council in recent years. The Board also heard that the timing of the statement is good in that it coincides with a planned Annual Report on Equality Improvement Priorities to Executive Board in July 2024, which will enable the statement to feature as part of that.

Resolved:

The Board approved the Scrutiny Board Statement on Equality, Diversity and Inclusion.

99 Strategy and Resources Scrutiny Board End of Year Statement 2023/24

The Board considered the 2023/24 end-of-year statement for the Scrutiny Board (Strategy and Resources) which if agreed would be published on the Council's website.

Resolved:

The Board approved the 2023/24 End of Year Statement for the Strategy and Resources Scrutiny Board and agreed its publication.

100 Work Programme

The Board considered the Scrutiny Board's work programme for the 2023/24 municipal year.

The Board discussed the following:

- The Principal Scrutiny Adviser noted that this is the final time the work programme will be considered by the Board in 2023/24. In addition, the report notes some potential items to be recommended to the successor board for consideration to include in its work programme. These included an update on Mental Health and Well Being and a Digital Strategy Update.
- The Board highlighted data analysis as a potential future work programme item and how the Council uses it to inform its evidence base when making decisions. This was noted and will form part of the work programme discussion for 2024/25.

Resolved:

The Board noted the Scrutiny Board's work programme for the 2023/24 municipal year and the potential for items to be picked up by the successor board in 2024/25, subject to their work programming priorities.

101 Date and Time of Next Meeting

The next public meeting of the Board, subject to agreement at the Annual Council Meeting in May, will take place on 17 June 2024 at 10.30am. There will be a pre-meeting for all board members at 10.00am.

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