



SCRUTINY BOARD (STRATEGY AND RESOURCES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Monday, 20th February, 2023 at 10.00 am

(A pre-meeting will take place for ALL Members of the Board at 9.45 a.m.)

MEMBERSHIP

Councillors

- G Almass - Beeston and Holbeck;
- S Burke - Middleton Park;
- P Carlill - Calverley and Farsley;
- D Chapman - Rothwell;
- R Finnigan - Morley North
- S Firth - Harewood;
- B Flynn - Adel and Wharfedale;
- M France-Mir - Moortown;
- C Gruen - Bramley and Stanningley;
- K Ritchie - Bramley and Stanningley;
- A Scopes (Chair) - Beeston and Holbeck;

Please do not attend the meeting in person if you have symptoms of Covid-19 and please follow current public health advice to avoid passing the virus onto other people.

Note to observers of the meeting: To remotely observe this meeting, please click on the 'View the Meeting Recording' link which will feature on the meeting's webpage (linked below) ahead of the meeting. The webcast will become available at the commencement of the meeting.

[Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk)

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**Principal Scrutiny Adviser:
Rob Clayton
Tel: 37 88790**

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CONFIDENTIAL AND EXEMPT ITEMS

The reason for confidentiality or exemption is stated on the agenda and on each of the reports in terms of Access to Information Procedure Rules 9.2 or 10.4(1) to (7). The number or numbers stated in the agenda and reports correspond to the reasons for exemption / confidentiality below:

9.0 Confidential information – requirement to exclude public access

9.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Likewise, public access to reports, background papers, and minutes will also be excluded.

9.2 Confidential information means

- (a) information given to the Council by a Government Department on terms which forbid its public disclosure or
- (b) information the disclosure of which to the public is prohibited by or under another Act or by Court Order. Generally personal information which identifies an individual, must not be disclosed under the data protection and human rights rules.

10.0 Exempt information – discretion to exclude public access

10.1 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed provided:

- (a) the meeting resolves so to exclude the public, and that resolution identifies the proceedings or part of the proceedings to which it applies, and
- (b) that resolution states by reference to the descriptions in Schedule 12A to the Local Government Act 1972 (paragraph 10.4 below) the description of the exempt information giving rise to the exclusion of the public.
- (c) that resolution states, by reference to reasons given in a relevant report or otherwise, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10.2 In these circumstances, public access to reports, background papers and minutes will also be excluded.

10.3 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.4 Exempt information means information falling within the following categories (subject to any condition):

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual.
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority.
- 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- 6 Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment
- 7 Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

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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>Item 9, Appendix 5</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 INTERESTS</p> <p>To disclose or draw attention to any interests in accordance with Leeds City Council's 'Councillor 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 - 16 JANUARY 2023</p> <p>To confirm as a correct record, the minutes of the meeting held on 16 January 2023</p>	7 - 16
7			<p>LGA CORPORATE PEER CHALLENGE</p> <p>To receive a report from the Head of Democratic Services providing details of the LGA Corporate Peer Challenge carried out in November 2022, the action plan established in response to the 15 recommendations that were made and the input of scrutiny into the Council's overall LGA Peer Challenge response.</p>	17 - 68
8			<p>CIVIC ENTERPRISE LEEDS UPDATE</p> <p>To receive a report from the Director of Resources on Civic Enterprise Leeds (CEL) a service that has recently moved into the remit of the Board. This focuses on an outline of services, key areas of focus and the journey so far on its road to commercialisation.</p>	69 - 82

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9		10.4(3)	<p>PROCUREMENT AND COMMERCIAL SERVICES UPDATE</p> <p>To consider a report from the Director of Resources providing an update on the Council's Procurement and Commercial Services. This follows consideration in previous municipal years and focuses on social value in procurement, effective contract management, the potential for savings and delivery of value for money, performance and the board's interest in payment of corporation tax.</p>	83 - 130
10			<p>FREEDOM OF INFORMATION (FOI), PERFORMANCE AND PROCESSES - UPDATE</p> <p>To consider a report from the Director of Resources on Freedom of Information (FOI) / Environmental Information Regulations (EIR) requests at Leeds City Council focussing on performance against KPIs, FOI processes and the potential for the use of technology or automation to assist in service delivery. This follows consideration of an initial item on this subject in February 2022.</p>	131 - 142
11			<p>WORK PROGRAMME</p> <p>To consider the Scrutiny Board's Work Programme for the 2022/23 municipal year.</p>	143 - 152
12			<p>DATE AND TIME OF NEXT MEETING</p> <p>The next meeting of the Board is Monday 27th March 2023 at 10.00 am (Pre-meeting for all Board Members at 9.45 am).</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
			<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, 16TH JANUARY, 2023

PRESENT: Councillor A Scopes in the Chair

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

71 Appeals Against Refusal of Inspection of Documents

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

72 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

73 Late Items

There were no late items.

74 Declaration of Interests

No declarations of interests were made at the meeting.

75 Apologies for Absence and Notification of Substitutes

No apologies were received.

76 Minutes - 12 December 2022

RESOLVED – That the minutes of the meeting held on 12th December 2022, be approved as a correct record with the addition of the following to minute 66 Equality Diversity and Inclusion Update and staff Networks:

‘In order to ensure that Equality, Diversity and Inclusion is at the core of the Council’s activity reverse monitoring is undertaken and this includes the Chief Executive, Tom Riordan, who is engaged in reverse mentoring with the Chair of the LGBT+ network with the aim of developing social learning, strengthening employee relationships and shaping the Council’s inclusive culture’

77 Matters Arising

The Principal Scrutiny Adviser highlighted the following actions from the previous minutes:

Minute 66 -Equality Diversity and Inclusion Update - Staff Networks

Further information had been sought on workforce characteristics as discussed at the meeting. It was noted that 61% of staff are female. Also, a query about progression for female staff has been followed up with HR.

Minute 67 – Devolution Update

Some points of clarification have been requested from West Yorkshire Combined Authority around the role of the PCP and communication linked to Adult Education. In addition, the plans to invite Tracy Brabin the West Yorkshire Mayor to a meeting of Council, where Elected Members could meet her and ask questions in 2023 have been relayed back to Governance Services. Chair asked the Principal Scrutiny Advisor to relay the need to provide the information as soon as possible.

Minute 69 – Work Programme

The possibility of an Equality Diversity and Inclusion (EDI) working group has been explored (members received an email in December) and the date of this will be confirmed once finalised. The focus of the working group will be on the corporate approach to EDI as opposed to the staff networks as this aspect was not covered fully due to time constraints.

78 Consultation and Mass Communication

The report of the Chief Officer Strategy and Improvement set out the Council's approach on the roles of communications and marketing team, and the small corporate consultation and engagement function which is part of intelligence and policy. The report outlined their roles and responsibilities, described the approach both take to their direct delivery of activity and highlighted where they may also provide broader cross-council oversight and advice.

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)
- Cllr Coupar - Executive Member for Resources
- Mike Eakins - Intelligence and Policy Manager
- Frank Perrins - Senior Intelligence and Policy Officer
- Carl Whalley- Communications and Marketing Business Partner

The Chief Officer Strategy and Resources presented the item and informed the Board of the following points:

- This is an important set of functions which includes inter-related issues mass communication, consultations and engagement and the contact centre.
- The teams are fairly small but have a good set of expertise within them.
- The report had been good to draw out new ideas of what the teams might do in the future and these ideas were within the submitted report.

Responding to questions from Members the following information was provided:

- Many of the communications including surveys are directorate led and the teams are not involved in all pieces of work. The officers present were unable to comment on all the surveys being undertaken at this current time due to the directorate led approach. However, the teams do use their experience and learn from feedback provided by residents. All communications, surveys etc. should use plain English with no jargon, where legal jargon is required, they assist to navigate round this for ease of understanding.
- It was acknowledged that in some cases there can be a number of similar surveys taking place from different sectors and services which can cause confusion, but the teams do try and communicate with other sectors and partners to assess timing of surveys.
- The continued development of a shared access planner on MS Teams to assist with consultation planning, ensuring that subject experts have input into major consultations and to avoid the potential for duplication was welcomed by the Board and was noted as a possible work item for the next municipal year.
- The service is currently developing the MS Teams Planner, but this was in its early stages of use and is currently only used internally. It was the intention to open up access to external partners in the longer term once the approach is established across the council.
- Different forms of communication have been tried and it is recognised that not everyone is comfortable using digital forms of contact.
- It was noted that analysis was carried out to ensure that communications and surveys were sent to residents where more meaningful data would be captured on a specific issue.
- Good quality communications should have legal necessities, timeliness, be accessible, use plain English, have questions that are fit for purpose and able to draw out findings.
- Staff engagement full satisfaction surveys are undertaken every two years. Through the pandemic these were adapted to include more frequent Wellbeing Pulse Surveys to look at the personal wellbeing of staff which is fed through to management for discussion and action.
- The Budget Consultation is undertaken with both teams working together, and with Finance colleagues, to design the consultation and get results in a short time frame.
- Members requested further information on how the Voice and Influence Team communicate with children, parents and carers.
- It was suggested that the Member Updates be modified to include planned consultation and long-term aspirations for consultation.
- It was acknowledged that some service areas do include communications to Members on specific consultation and surveys.
- It was noted that moving forward it was the intention to present an annual report on consultation to Members to try to draw out key findings that could be used to improve future consultations and identify themes across different consultation exercises. It was also noted that first half of postcodes were used to analyse data and information could be provided to show how representative consultation was in the city in

terms of feedback from different areas of Leeds whilst also protecting anonymity or identification.

- It was acknowledged that there was a need to balance online consultation with face to face activities but there were limited resources to deliver face to face sessions.

The Chair thanked the officers for their attendance and welcomed the suggestion of an annual report.

RESOLVED –

- a) Note the content of the report and the ongoing work to enhance how the council consults and communicates with Leeds residents.
- b) Continue to monitor the next steps in this work with a focus on development of an annual report on consultation and the use of a planning tool to ensure more effective and consistent consultation across the Council.
- c) Consider this as a possible work programme item for municipal year 2023/24.

79 Best City Ambition and Performance Update

The report of the Chief Officer Strategy and Improvement provided the Scrutiny Board with an update on work to implement the Best City Ambition since its adoption by full Council in February 2022. In addition, the report also sets out a summary of performance against the Organisational Plan for the council and city and other performance areas relevant to the Strategy & Resources Scrutiny Board and in line with the Best City Ambition.

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)
- Cllr Coupar - Executive Member for Resources
- Mike Eakins - Intelligence and Policy Manager
- Tim Rollett - Intelligence and Policy Manager

The Board was provided with the following information:

- The Best City Ambition was adopted by full Council in February 2022. This has been a transitional year implementing the revised strategic framework for the Council.
- The Council has a wide range of strategies and following consultation with Executive Board members, CLT and Directors, key strategies have been selected to focus on as the strategic framework for the Best City Ambition. Alongside this, is a clear intention for some of the strategies to be done as action plans focused on delivery.
- There has been engagement at Community Committees with more work planned at a community level with Local Area Plans to be developed to enhance strategic focus in localities.

In response to questions from Members the Board was provided with the following information on the development of the Best City Ambition and on the performance indicators presented:

- For procurement purposes SME's still need to demonstrate value for money as well as being local to the Leeds area and contributors to the Leeds economy.
- It was acknowledged that Covid has had an impact on sickness absence for frontline staff as they are unable to come into work. However, back office staff were able to work from home even if they had covid symptoms. It was noted that there had been a significant reduction in long term sickness in recent months, but more work would need to be done to reduce absence in line with assumptions contained in the budget for 2023/24. The Board noted that sickness absence is a potential area of interest to the Board in the coming months.
- Members requested a more detailed break by ward in relation to climate PI's if possible.
- It was noted that work was ongoing in relation to private landlords and the Council continued to lobby Government in relation to private landlords.
- It was recognised that collection rates for Council Tax and Business Rates were down on the previous years. However, staff were working hard to get various new payments made and summons were being processed. Members were advised that the Courts were getting back to normal after the pandemic and it was expected that collections would start to increase.
- Members were advised that a separate risk report is presented annually and not included within this report.
- The Board requested more detailed information for future reports in relation to the Breakthrough Priorities in particular mental health in the community.
- It was noted that in relation to the procurement and the 30 days, time limit, information would be checked and provided to Members.
- The Board asked for more information in relation to Social Value in procurement KPI's and information evidencing the fair payment of tax by our suppliers. If possible, the Board were keen to see performance information relating to these areas in future reports.

RESOLVED – To:

- a) Note the content of the report and consider any further scrutiny actions that may arise.
- b) Note the performance information contained in the appendices to the report and the issues which have been highlighted and consider if they wish to undertake further scrutiny work to support improvement over the coming year in any of these areas.

80 Financial Health Monitoring 2022/23 (Month 7)

The report of the Head of Democratic Services asked the Board to consider the Financial Health Monitoring report in the context of wider discussions

about the proposed budget for 2023/24 and performance against strategic priorities that fall within the remit of the Board.

In attendance for this item were:

- Victoria Bradshaw - Chief Officer Financial Services
- Neil Evans - Director of Resources
- Cllr Coupar - Executive Member for Resources

The Chief Officer Financial Services presented the report and highlighted the following points:

- This report covered the financial position at month 7, October and there was a forecast of a £15.4m overspend. It was noted that the main areas for the overspend were Children and Families with an overspend in Resources and a slight underspend in strategic.
- The savings plans in the majority of service areas are on target to be achieved. These total £16.5m which was set out in the 2022/23 budget.
- There was a shortfall on the Passenger Transport savings as there had been a significant increase in numbers requiring transport.
- Procurement savings have also been more challenging due to the inflationary pressures being felt by suppliers.
- There was a reduction in the non-essential spend at month 7, which was 7.5% lower than the same period in 2021/22 due to actions put in place to freeze that type of spending.
- The HRA is currently projecting a balanced position.
- Council Tax and Business Rates are below collection rates from the previous year, with work ongoing to resolve this.

Responding to a question from the Board in relation to cross directorate working to address budget gaps, Members were advised that through the summer focus was put into the savings proposals for the next financial year. There is a weekly meeting with a representative from each of the directorates who work as a team to look at where pressures are and how and where the savings can be made to reduce budget pressures. These proposals are then presented to the Executive Board during the Autumn and feature at Scrutiny through budget working groups and consideration of the budget for the next financial year in January.

It was noted that looking at historical trends there has been a move towards prioritising funding to social care services which are often demand led budgets.

RESOLVED – To consider the relevant information within the attached Executive Board report and provide comment in relation to those service areas that fall within the remit of the Board.

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

The report of the Head of Democratic Services provided members of Scrutiny Board, Strategy and Resources with the Executive Board's proposed budget for 2023/24 and provisional budgets for 2024/25 and 2025/26 for consideration, review and comment on matters and proposals relating to service areas that fall within the Board's remit.

In attendance for this item were:

- Victoria Bradshaw - Chief Officer Financial Services
- Neil Evans - Director of Resources
- Eve Roodhouse - Chief Officer Culture and Economy
- Cllr Coupar - Executive Member for Resources

Chief Officer Financial Services provided the following information to the Board:

- This report recommended the 2023/24 budget for consultation and set out proposals for the HRA and the Capital Programme. It also detailed the dedicated school grant allocations.
- There has been a net increase in the budget of £35.2m after the additional resources identified from Council Tax, Business Rates and other sources.
- The report identified pressures of which the 4% pay increase, demand increases, energy costs, fuel costs are the most significant. In total the budget proposals contain a requirement for £69.8m of savings to be made.
- The report assumed Council Tax at 2.99% and Adult Social Care precept at 1.99% and additional income from Business Rates at £15.3m.
- There is a Capital Programme Review which is being undertaken to manage the additional requirement of current borrowing that the Council has. Details of the savings proposals were detailed within the submitted report.
- It was also noted that Executive Board had considered the application to form a Business Rates Pool for next year for the five west Yorkshire Authorities and York which has been approved.
- The provisional settlement has identified additional resources since the proposals went to the December Executive Board, these total of £4.6m. It was noted that a number of pressures had also been identified since December Executive Board, for example a number of grants had been rolled into the Revenue Support Grant (RSG) of £1.2m which has now reduced the £4.6m to £3.4. It was known that there were pressures on Children and Families Transport because of the number of Education Health and Care Plans which are coming to the service. It was also noted that casual staff pay had increased due to the pay increases.
- The Board were advised that the Council was setting its budget, but the final settlement was not yet known.

Responding to questions from Members the Board were informed of the following:

- Inflation would continue to be monitored as it had been in this financial year. Provision has been made in the budget for CPI and RPI on required contracts from September with reports provided on a monthly basis to monitor this. It was noted that if inflation increases action would be required.
- It was noted that there were some significant office developments proposed for the city centre and when some complete this year, business rates income will come from them. The Board were also advised that since the pandemic businesses were moving around the city looking for the right premises for them which could have impacted on total business rate collection. There was a lot of positivity in the growth of the city and that the digital sector was growing quickly.
- The Board had noted the improved KPI's for the Contact Centre, and the potential savings this could have. The Board would like to keep a check on this improvement and to ensure that planned reduction in staffing do not impact on performance.
- On printing it was acknowledged that there had been a reduction of about 80% over the past few years. In relation to reducing postage there were still improvements to be made. Members noted that there had been changes to Council Tax bills with some now electing to receive their bills via email, and there was potential for even more changes and more savings through this.
- The Board was advised that that charging for parking, at parks and attractions was still under consultation by the Executive Board and was not yet a final budget proposal.

RESOLVED – To consider the relevant information provided within the submitted report on the proposed budget for 2023/24 and provisional budgets for 2024/25 and 2025/26 and identify any specific comments and/ or recommendations for consideration by Executive Board as it prepares its final proposals for consideration by full Council on 22nd February 2023.

82 Work Programme

The report of the Head of Democratic Services set out the 2022/23 work programme for the Scrutiny Board, Strategy and Resources and was reflective of Board Member discussions to date.

The Principal Scrutiny Adviser presented the report and requested Member's consideration of the Work Schedule appended to the submitted report at Appendix 1

The Board was advised that a Working Group to cover Equality, Diversity and Inclusion was to be set up and dates would be sent to Members as soon as possible.

The next meeting in February would consider the Peer Challenge item which had been scheduled for March. It was noted that other Scrutiny Chairs would be invited to the February meeting for this item.

RESOLVED – To consider and discuss the Scrutiny Board’s Work Schedule for the 2022/23 municipal year.

83 Date and Time of Next Meeting

To note that the next meeting of Scrutiny Board Strategy and Resources will be on Monday 20th February 2023 at 10am. A pre-meeting will take place for all Board Members at 9:45am.

Meeting concluded at 11.35

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Scrutiny approach to LGA Corporate Peer Challenge

Date: 20 February

Report of: Head of Democratic Services

Report to: Strategy and Resources Scrutiny Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

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 have been invited to attend.

To enable pre-decision scrutiny of the Peer Challenge response and to facilitate 'live input' into the Action Plan that is being developed in response to its findings, this report is presented today. Members are encouraged to provide feedback on the Peer Challenge findings as well as consider how progress against the action plan can be monitored by Scrutiny and how the key recommendations from the report can input into the future work programmes of the successor Boards in municipal year 2023/24.

Following consideration of this item at the Strategy and Resources Board any comments or recommendations will be fed back to inform the development of the Council's Peer Challenge response.

Recommendations

Members are asked 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.

What is this report about?

- 1 In December 2022 Executive Board approved a report outlining the findings and recommendations of the Local Government Association (LGA) Corporate Peer Challenge which took place in November 2022. The findings and 15 recommendations have been fully accepted and initial action planning has been carried out in response to them. At this meeting, Executive Board referred the LGA Peer Challenge report to scrutiny for consideration.
- 2 In February 2023 Executive Board received a further update on the LGA Peer Challenge which focused on responding to the findings of the report and set out an action plan to detail the Council's response. The Peer Challenge report and action plan can be found at Appendix 1 to this report.
- 3 For the purposes of action planning, the 15 recommendations are grouped around five themes:
 - Values, culture and workforce.
 - Locality and community working.
 - Transformation approach across the organisation.
 - Financial planning.
 - Work beyond the city.
- 4 As an organisation, the Council is already committed to transforming work in relation to people, finances and assets, exploiting digital opportunities, improving customer service, and engaging with citizens and communities. This Action Plan aims not to duplicate existing activity or create additional workload pressures on staff, but to complement those plans and highlight areas where further action is needed to respond to the Peer Challenge recommendations.
- 5 In order to ensure scrutiny is able to influence the development of the action plan it is presented at the earliest opportunity to ensure that comments and recommendations from scrutiny can shape the response to the Peer Challenge findings. The recommendations of the Peer Challenge impact on all five scrutiny boards and as a result representation from all of them has been sought by inviting the Chairs of the Adults, Health and Active Lifestyles, Children and Families, Environment Housing and Communities, Infrastructure and Investment and Inclusive Growth scrutiny boards to attend this meeting and contribute to discussion.
- 6 As noted above the 15 recommendations made by the Peer Challenge Team impact across the remits of the council's five scrutiny boards. The recommendations and how they could fit with the respective remits are broken down as follows:

Table 1

Board Remit	Peer Challenge Recommendation
Strategy & Resources	<p>Keep being Leeds, keep being ambitious and living the values of collaboration, compassion and convening</p> <p>Be mindful of the risk of staff burnout and provide clarity about priorities especially as budgets further reduce. Capacity at some levels is stretched and some employees are worried about the health and wellbeing of their colleagues.</p> <p>Build on the success of the EDI champions network and strengthen corporate champions at the senior level to support the further development and embedding of EDI in the council.</p>

Invest in member development on strengths-based community development. Councillors' ambitions for their communities are clear but as the council's resources reduce members have an important role to play in supporting communities to be able to do more for themselves. **(Shared remit with Environment Housing and Communities Board)**

Consider a more outcomes focused and evidence-based approach to medium-term financial planning. As budgets reduce the development of a more consistent and clearer set of guiding principles and criteria to drive the budget process is needed to help bring consistency across the council.

Prepare for the financial challenges ahead. Although there is some awareness of future budget pressures, it is not yet widely understood in terms of the scale and impact on council and its ability to deliver. The council needs to develop a clear and robust plan and process to address the council's budget gap, which further mitigates risk.

Develop capacity for transformation and change. Incorporate a stronger user design focus, bringing existing teams together horizontally across the council and bringing in new capacity and skills.

As the Mayoral Combined Authority develops use the Leader's and Chief Executive's leadership roles to help further strengthen relationships.

Continue to influence and improve policy and practice in partnership with national and local government. Leeds could work with anchors and city partners to strengthen further their campaigning and lobbying on the financial challenge and the need for investment in the Leeds transport infrastructure to maintain their major contribution to the city and the economy. **(Shared remit with Infrastructure, Investment and Inclusive Growth)**

Use the opportunity of the digital transformation to co-produce with middle managers a system that is more agile and responsive to their needs on the ground **(Shared remit with Infrastructure, Investment and Inclusive Growth)**

<p>Environment, Housing and Communities</p>	<p>Review locality working to improve clarity and coherence for the council, partners and communities:</p> <ul style="list-style-type: none"> ○ Ensure shared understanding of priority areas, underpinned by work on indices of deprivation. ○ Map out services and existing assets, and through a collaborative process, review locality arrangements to potentially cluster and consolidate where this would add value and efficiency. ○ Review and align service provision geographies with health, education/clusters, and the voluntary sector. ○ Consider how to further strengthen place-based networks. ○ In this context, review and develop the community committees and draw on the work of the Social Progress Index to measure progress. <p>Invest in member development on strengths-based community development. Councillors' ambitions for their communities are clear but as the council's resources reduce members have an important role to play in supporting communities to be able to do more for themselves. (Shared remit with Strategy and Resources Board)</p>
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	<p>There is an opportunity to be a new national exemplar for community led integrated public service delivery. For example, starting with a new model of home care and a wide range of community services and activities, and net zero projects (Shared remit with Adults, Health and Active Lifestyles Board)</p>
Children and Families	<p>Take best practice on specialist commissioning and robust financial management from the Adults and Health directorate into the Children and Families directorate (Shared remit with Adults, Health and Active Lifestyles Board)</p> <p>Use the opportunity of the new leadership team to review and develop strong practice in Children's and Families in light of the MacAlister review and strengthen collaboration between Children's and Families, and Adults and Health services in communities (Shared remit with Adults, Health and Active Lifestyles Board)</p>
Adults, Health and Active Lifestyles	<p>Take best practice on specialist commissioning and robust financial management from the Adults and Health directorate into the Children and Families directorate (Shared remit with Children and Families Board)</p> <p>Use the opportunity of the new leadership team to review and develop strong practice in Children's and Families in light of the MacAlister review and strengthen collaboration between Children's and Families, and Adults and Health services in communities (Shared remit with Children and Families Board)</p> <p>There is an opportunity to be a new national exemplar for community led integrated public service delivery. For example, starting with a new model of home care and a wide range of community services and activities, and net zero projects (Shared remit with Environment Housing and Communities Board)</p>
Infrastructure, Investment and Inclusive Growth	<p>Use the opportunity of the digital transformation to co-produce with middle managers a system that is more agile and responsive to their needs on the ground. (Shared remit with Strategy and Resources Board)</p> <p>Continue to influence and improve policy and practice in partnership with national and local government. Leeds could work with anchors and city partners to strengthen further their campaigning and lobbying on the financial challenge and the need for investment in the Leeds transport infrastructure to maintain their major contribution to the city and the economy. (Shared remit with Strategy and Resources Board)</p>

- 7 Appendix 1 provides an initial update on how progress against these recommendations will be made and which officers are responsible each recommendation along with planned timescales.
- 8 It will be for each Board to determine individual work programme items. With the planned return visit by the Peer Challenge Team in Summer 2023, perhaps the best time to consider how monitoring of progress can take place or any further work on any specific recommendation will be in June 2023 when the successor boards will first meet and begin the process of identifying and agreeing work programme items for the coming 2023/24 municipal year.
- 9 As suggested in Appendix 1, performance reporting against these recommendations will be a feature of existing annual performance monitoring processes. Scrutiny Boards consider performance in respect of their remits in June and January of the municipal year so it is possible that performance tracking against the peer challenge recommendation could form a part of that existing process commencing in January 2024.

10 To support this item and to enable scrutiny to receive direct feedback from the LGA Peer Challenge Team Judith Hurcombe (LGA Peer Challenge Team Manager) has been invited to attend.

What impact will this proposal have?

11 Consideration of this report fulfils the Executive Board request for scrutiny to consider the LGA Peer Challenge report. On a wider note, this will enable scrutiny chairs and board members to have input into how the council responds to the findings of the Peer Challenge and has an opportunity to add value to that response.

12 Should any of the scrutiny boards wish to consider aspects of the recommendations in detail this report provides an initial opportunity to flag up that interest. In addition, any performance monitoring that scrutiny may wish to undertake is facilitated by this item.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

13 The terms of reference of the scrutiny boards continue to promote a strategic and outward looking Scrutiny function that focuses on the Best City Ambition.

14 Given the role of scrutiny as a critical friend focussed on adding value, consideration of the LGA Corporate Peer Challenge will widen feedback on the Council's initial response and provide challenge where appropriate to ensure that the recommendations are delivered and key issues are picked up.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

15 The initial action plan detailed in Appendix 1 has been informed by ongoing engagement with officers and drawing in views from members and partners.

What are the resource implications?

16 There are no specific resource implication associated with this report.

What are the key risks and how are they being managed?

17 There are no specific risk associated with scrutiny consideration of the LGA Peer Challenge report and subsequent action plan.

18 As the Action Plan is progressed, risks will be a consideration in line with the Risk Management Policy and reported through the regular risk management reports.

What are the legal implications?

19 There are no legal resource implication associated with this report.

Options, timescales and measuring success

What other options were considered?

20 Consideration of this issue was requested by Executive Board, as such no other options were considered.

How will success be measured?

21 It is planned that scrutiny will feedback to the Executive following consideration of this item and any further actions that are driven by the work programmes of the five scrutiny boards will be picked up through the usual reporting processes. By providing critical friend challenge it is hoped that scrutiny can add value to the response to the Peer Challenge report.

What is the timetable and who will be responsible for implementation?

22 Scrutiny Boards will have the option of considering any of the peer challenge recommendations in isolation as a focussed work item throughout municipal year 2023/24. In addition, progress and performance against the recommendations could be considered as part of the regular performance updates taken by the five scrutiny boards in June or, in this case more likely, January.

Appendices

- Appendix 1 - LGA Corporate Peer Challenge – Initial Action Plan considered by Executive Board on 8 February 2023.
- Appendix 2 – LGA Corporate Peer Challenge – Findings and Initial Response considered by Executive Board on 14 December 2022
- Appendix 3 – LGA Corporate Peer Challenge Report – considered by Executive Board on 14 December 2022

Background papers

- None

LGA Corporate Peer Challenge – Initial Action Plan

Date: 8th February 2023

Report of: Chief Executive

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

In December 2022, Executive Board received a report outlining the findings and recommendations of the Local Government Association (LGA) Corporate Peer Challenge which took place in November 2022. The findings and recommendations have been fully accepted and initial action planning has been carried out in response to them. Whilst the initial Action Plan has been in development, activity to respond to the LGA Peer Challenge recommendations has continued through a range of existing programmes.

This report provides an overview of the initial Action Plan (at Appendix 1) to enable progress, as further engagement takes place with Strategy and Resources Scrutiny Board (February 2023 meeting with the Chairs of other Scrutiny Boards invited), with council colleagues and partners (such as the Anchor Network and Third Sector).

As agreed at Executive Board in December 2022, the Action Plan will provide supporting evidence for a follow-up visit from the Peer Challenge team in summer 2023. In addition, the Action Plan will inform and form part of our refreshed organisational planning in Spring 2023, our financial planning as part of the Medium-Term Financial Strategy refresh and budget setting cycle, and a refresh of the Best City Ambition later in 2023. Monitoring and reporting will be through regular reporting routes, such as the Annual Performance Report.

Monitoring and reporting progress against the Action Plan will take place through existing reporting routes, for example the Annual Performance report and Equality Improvement Priority reporting and using existing communications and engagement routes.

Recommendations

Members of Executive Board are asked to:

- a) Note the progress to develop the LGA Peer Challenge Action Plan (Appendix 1) in response to the findings and recommendations of the LGA Corporate Peer Challenge.
- b) Note that the initial Action Plan alongside the LGA Corporate Peer Challenge final report will be considered by Strategy and Resources Scrutiny Board at their February 2023 meeting, in line with the recommendation from December 2022 Executive Board.

- c) Note that the Peer Challenge Action Plan will inform organisational and financial planning as well as the Best City Ambition refresh, and that monitoring, and reporting will be through existing routes such as the Annual Performance Report.

What is this report about?

- 1 This report provides Executive Board with an overview of the initial LGA Peer Challenge Action Plan, attached as Appendix 1, developed in response to the findings and recommendations of the LGA Peer Challenge which took place in November 2022. Background to the Peer Challenge can be found in the [report](#) which went to the December 2022 Executive Board meeting, as well as the [Peer Report](#) itself.
- 2 As agreed by Executive Board in December 2022, the LGA Peer Challenge report and initial Action Plan will be considered by Strategy and Resources Scrutiny Board at their February 2023 meeting, with the Chairs of other Scrutiny Boards invited, to ensure that strategic and organisation wide implications are considered.

The initial Action Plan

- 3 There is a great deal of activity taking place across the council and our wider Team Leeds city partnerships to deliver our Best Council Ambition to drive poverty and inequality, three strategic pillars: Health and Wellbeing, Inclusive Growth and Net Zero; our ambitions on community and locality working, child friendly city and to be a Marmot city, with so much of this being done in line with the Team Leeds approach set out in the Best City Ambition. Alongside this, as an organisation we continue to transform how we work in relation to our people, our finances and assets, exploiting digital opportunities, improving customer service, and engaging with citizens and communities. This Action Plan aims not to duplicate existing activity, but to complement those plans and highlight areas where further action is needed to respond to the Peer Challenge recommendations.
- 4 The purpose of the Action Plan is to provide supporting evidence for a follow-up visit from the Peer Challenge team in summer 2023. In addition, the approach will inform and form part of our refreshed organisational planning in Spring 2023, our financial planning as part of the Medium-Term Financial Strategy refresh and budget setting cycle and a refresh of the Best City Ambition later in 2023. Whilst the initial Action Plan has been in development, activity to respond to the LGA Peer Challenge recommendations has continued through a range of existing programmes.
- 5 For the purposes of our action planning, the recommendations are grouped around five themes:
 - Values, culture and workforce.
 - Locality and community working.
 - Transformation approach across the organisation.
 - Financial planning.
 - Work beyond the city.

Best City Ambition and strategic planning

- 6 Actions taken because of the peer review will be an important input to the next refresh of the Best City Ambition, along with noting that the Peer Review found good ownership of the Best City Ambition. The Ambition will be influenced by the opportunities and insight the Peer Review has given us, alongside the important updates of the Health and Wellbeing and Inclusive Growth strategies, the release of Census 2021 data, and the crucial work happening to further improve how we work with communities, the progression of the Leeds Community Anchors Network (LCAN) and the Anchor institutions programme. As the Peer Review indicated,

ownership and resonance are already in a strong position and the transfer from the Best Council Plan to something more broadly owned has been welcomed. We are confident however that there is more to achieve, and through discussion and engagement over the coming months we will explore ways to further strengthen and embed our Team Leeds approach and shared understanding of goals and priorities.

- 7 Given this fluid and quickly developing local and national context, we are intending to bring forward the first full refresh of the Best City Ambition to later this year, rather than leaving it until 2025 as originally planned. Initial proposals are planned to be reported to Executive Board in November 2023, with scrutiny and formal consultation to follow. As with the first Best City Ambition, there will be engagement on the initial proposals. Full Council will receive the refreshed Ambition alongside the Budget in February 2024.
- 8 In the interim, a programme of implementation work will continue looking at:
 - Refreshing our broader strategic planning framework and communicating and engaging about the Best City Ambition (including a plan on a page).
 - Embedding new performance measures (including the Social Progress Index) and monitoring arrangements.
 - Ensuring our partnership arrangements are fit-for-purpose.
- 9 How the LGA Peer Review action plan aligns within our strategic planning framework is outlined below.



How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing Inclusive Growth Zero Carbon

- 10 The focus of the Peer Challenge was on the Best City Ambition, with the on-site phase including a focused group discussion on each of the three pillars and the position statement providing background information as well as links to more detailed individual strategies and performance reports. The recommendations from the Peer Challenge will inform the Best City Ambition refresh and work to progress the three pillars, including the strategy refresh process that is underway for the Health and Wellbeing and Inclusive Growth strategies (due for reporting to Executive Board in Summer 2023).

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

11 The initial action plan has been informed by ongoing engagement with officers and drawing in views from members and partners.

What are the resource implications?

12 There are no specific resource implications from the Peer Challenge Action Plan at this stage. Any subsequent implications will be picked up as part of the regular budget planning, monitoring, and reporting cycle.

What are the key risks and how are they being managed?

13 As the Action Plan is progressed, risks will be a consideration in line with the Risk Management Policy and reported through the regular risk management reports.

What are the legal implications?

14 There are no specific legal implications arising from the Peer Challenge report or Action Plan. Any that arise will be picked up as part of progressing the recommendations through the council's regular governance routes.

Options, timescales and measuring success

What other options were considered?

15 There is an expectation that councils having a LGA corporate peer challenge will commit to publishing the feedback report and progressing action planning in response to recommendations.

How will success be measured?

16 Developing a clear Action Plan is the first stage of success, leading into the refresh of the Best City Ambition and organisational and financial planning. The follow-up Peer Challenge visit in summer 2023 will be a further method of assessing progress with the recommendations. Success will then be measured by regular reporting through the Annual Performance report, which will include reporting about engagement and satisfaction.

What is the timetable and who will be responsible for implementation?

17 The Action Plan is being reported to Executive Board in February 2023 via this report and will be considered by Strategy and Resources Scrutiny Board in February 2023, with the Chairs of other Scrutiny Boards invited. The result of the follow-up Peer Challenge visit is likely to be reported to Executive Board in September 2023, depending on the timing of the visit and follow-up report. The Director of Resources is responsible for implementation.

Appendices

- Appendix 1 – LGA Corporate Peer Challenge Initial Action Plan.

Background papers

- None.

Peer Challenge Review Initial Action Plan – February 2023

This Action Plan is our council response to the LGA Peer Challenge that took place in early November 2022. The Peer Challenge team made 15 recommendations which have been accepted by the council.

There is a great deal of activity taking place across the council and the wider Team Leeds city and community partnerships to deliver our Best Council Ambition to tackle poverty and inequality, make progress on the three strategic pillars: Health and Wellbeing, Inclusive Growth and Net Zero; further improve our ambitions on locality and community working; be a child friendly city and a Marmot city – all being progressed using the Team Leeds approach. Alongside this, as an organisation we continue to transform how we work in relation to our people, our finances and assets, exploiting digital opportunities, improving customer service and engaging with those who call Leeds home. This Action Plan aims not to duplicate activity that is already taking place within existing programmes but to complement and progress areas where further action is needed to respond to the Peer Challenge recommendations.

This Action Plan will provide supporting evidence for a follow-up visit from the Peer Challenge team in summer 2023. In addition, the approach will inform and form part of our refreshed organisational planning in Spring 2023, our financial planning as part of the Medium-Term Financial Strategy Refresh and budget setting cycle, and a refresh of the Best City Ambition later in 2023. Monitoring and reporting against the Action Plan will take place through existing reporting routes, for example the Annual Performance report, Equality Improvement Priority reporting, and using communications and engagement routes. The successful delivery of the action plan will require cross council delivery, as well as work with partners, with key accountable officers identified within the plan.

For the purposes of our action planning, the recommendations are grouped around five themes:

- Values, culture and workforce.
- Locality and community working.
- Transformation approach across the organisation.
- Financial planning.
- Work beyond the city.

Theme	Corporate Peer Review Recommendations	How we will progress this	Who is accountable	Timescales
<p>Values, culture and workforce</p> <p>(Supporting our ambition to be the best place to work where all staff can be their best.)</p>	<p>Keep being Leeds, keep being ambitious and living the values of collaboration, compassion and convening.</p> <p>Be mindful of the risk of staff burnout and provide clarity about priorities especially as budgets further reduce. Capacity at some levels is stretched and some employees are worried about the health and wellbeing of their colleagues.</p> <p>Build on the success of the EDI champions network and strengthen corporate champions at the senior level to support the further development and embedding of EDI in the council.</p>	<p>Continue the communications and engagement inside and beyond the council about the Best City Ambition.</p> <p>Evaluate and refresh the Communications and Engagement framework including leadership engagement arrangements, to simplify and improve visible representation of under-represented groups.</p> <p>Linked to work already taking place as part of People Strategy:</p> <ul style="list-style-type: none"> • Further enhance the Be Your Best Leadership and Manager Development Programme. • Refresh #TeamLeeds behaviours. • Evaluate, refresh and relaunch Wellbeing Offer and further improve the offer for Mental Health. • Refresh appraisal approach with a focus on prioritisation, burn out, and personal development. • Continue to tackle main recruitment and retention challenges. • Refresh EDI strategy (as an employer, a service provider and a convenor/community connector) and governance arrangements so there is consistency across directorates. Develop EDI champions at all levels of the organisation. • Review of Staff Networks to ensure consistency of role expectation, support and ability to influence council policy. <p>Linked to Be Your Best Leadership and Manager programme, develop a targeted Leadership Programme for under-represented groups.</p> <p>Build a focus on prioritisation/ stopping things/ consistent approach to service planning, including consistent data sets to inform prioritisation.</p>	<p>Director of Resources & Chief Officer, Human Resources</p>	<p>Ongoing</p> <p>February – April 2023</p> <p>February – June 2023</p> <p>Summer 2023</p> <p>February – June 2023</p>

Theme	Corporate Peer Review Recommendations	How we will progress this	Who is accountable	Timescales
<p>Locality and Community Working</p> <p>(Supporting our city ambition to tackle poverty and inequality.)</p>	<p>Review locality working to improve clarity and coherence for the council, partners and communities:</p> <ul style="list-style-type: none"> ○ Ensure shared understanding of priority areas, underpinned by work on indices of deprivation. ○ Map out services and existing assets, and through a collaborative process, review locality arrangements to potentially cluster and consolidate where this would add value and efficiency. ○ Review and align service provision geographies with health, education/clusters, and the voluntary sector. ○ Consider how to further strengthen place-based networks. ○ In this context, review and develop the community committees and draw on the work of the Social Progress Index to measure progress. <p>Invest in member development on strengths-based community development. Councillors' ambitions for their communities are clear but as the council's resources reduce members have an important role to play in supporting communities to be able to do more for themselves.</p>	<p>Use the Peer Review recommendation steps to take stock of Locality and Community approaches with a focus on People, Assets and Governance, using this as the primary vehicle for delivering the Best City Ambition right across the city.</p> <p>In tandem take forward the service and asset management review activity to inform opportunities for integration and rationalisation.</p> <p>Review how locally based services are developed and delivered with partners including the NHS, Education and Third Sector.</p> <p>Continue to support the development of the Community Anchor Network and encourage further connections with the Inclusive Anchors Network.</p> <p>Continue and enhance the development of all our strength and asset-based approaches, including a clearer narrative about these and the impact they can have.</p> <p>Refresh member development programme to include City Ambition, #TeamLeeds culture and strengths-based approaches.</p> <p>Linked to Be Your Best Leadership and Manager development programme upskill staff on understanding role and working with councillors.</p>	<p>Director Communities, Housing and Environment, with Director of City Development (locality assets), Director of Children and Families (School Clusters) and Director of Adults and health (Local Care Partnerships), Director of Resources (Best City Ambition)</p> <p>Director of Communities, Housing and Environment & Director of Resources</p>	<p>February – June 2023</p> <p>Over 2023</p> <p>Over 2023</p> <p>Over 2023</p> <p>February – April 2023</p> <p>Ongoing during 2023</p>

Theme	Corporate Peer Review Recommendations	How we will progress this	Who is accountable	Timescales
<p>Transformation approach</p> <p>(Supporting our ambition to be a more Efficient, Enterprising, Healthy and Inclusive Organisation, ensuring our financial sustainability and resilience.)</p>	<p>Develop capacity for transformation and change. Incorporate a stronger user design focus, bringing existing teams together horizontally across the council and bringing in new capacity and skills.</p>	<p>Refresh Organisation Plan to achieve greater consistency and drive change on more integrated basis. Develop clear narrative on how digital can support not only financial savings but also staff burn out.</p>	<p>Director of Resources</p>	<p>April 2023</p>
	<p>Take best practice on specialist commissioning and robust financial management from the Adults and Health directorate into the Children and Families directorate.</p>	<p>Take stock of transformation capacity to understand scope of programmes, funding, approaches, and workforce. Clarify what additional capacity is required, how that will be funded and how all the capacity across the council relates to each other (and partners where appropriate).</p>		<p>March – June 2023</p>
	<p>Use the opportunity of the new leadership team to review and develop strong practice in Children's Services in light of the MacAlister review and strengthen collaboration between Children's and Families, and Adults and Health services in communities.</p>	<p>Linked to integration within Children and Families, develop an approach that moves toward greater integration at a locality level across Children and Families, Adults and Health (including Public Health), Communities, Housing and Environment and partners.</p>	<p>Director of Communities, Housing and Environment, with Director of Adults and Health & Director of Children and Families & Director of City Development</p>	<p>Ongoing</p>
	<p>Use the opportunity of the digital transformation to co-produce with middle managers a system that is more agile and responsive to their needs on the ground.</p>	<p>Further develop user centred design capacity and approaches within change and transformation programmes to maximise opportunities through Core Business Transformation and other significant developments, such as the website, customer contact, PowerApps and Microsoft Dynamics Platform.</p>	<p>Director of Resources, Chief Officer IDS & Chief Officer HR & Chief Finance Officer</p>	<p>2023/2024</p>
		<p>Within Be Your Best Leadership and Manager development programme invest in managers so that they can be good transformation and change managers.</p>		<p>2023/2024</p>

Theme	Corporate Peer Review Recommendations	How we will progress this	Who is accountable	Timescales
<p>Work beyond the city</p> <p>(Supporting the Best City Ambition by making the most of regional and national opportunities and relationships.)</p>	<p>As the Mayoral Combined Authority develops use the Leader's and Chief Executive's leadership roles to help further strengthen relationships.</p> <p>There is an opportunity to be a new national exemplar for community-led integrated public service delivery. For example, starting with a new model of home care and a wide range of community services and activities, and net zero projects.</p> <p>Continue to influence and improve policy and practice in partnership with national and local government. Leeds could work with anchors and city partners to strengthen further their campaigning and lobbying on the financial challenge and the need for investment in the Leeds transport infrastructure to maintain their major contribution to the city and the economy.</p>	<p>Continue the work of the Leader (and other members involved in WYCA), along with the work of the Chief Executive (chairing the WY Chief Executive's meetings) to identify shared priorities for the region and progress those in a collaborative way.</p> <p>Consider further exemplar opportunities such as: Net Zero, Adult Transformation, award winning services such as Drug and Alcohol, a shared best practise through award submissions.</p> <p>Consider connections to key Whitehall networks with a stock take of existing relationships and consideration of further opportunities and networks. Continue Core Cities work and other influencing opportunities where it is considered a good return on investment.</p> <p>Develop communications and engagement framework, with clear key messages and narrative, along with the key account management approach to enable others to advocate for the city's needs i.e. funding and transport.</p>	<p>Chief Executive, Director of Resources & Director of City Development (as key link to WYCA)</p>	<p>2023/2024</p>

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LGA Corporate Peer Challenge: Findings and Initial Response

Date: 14th December 2022

Report of: Chief Executive

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report provides Executive Board with the findings and recommendations of the recent Local Government Association (LGA) Corporate Peer Challenge which took place in November 2022. Most councils have a Peer Challenge approximately every five years, with the last one in Leeds taking place in 2016.

The on-site period was 1st to 4th November 2022, with a Peer Challenge team of six, led by Georgia Gould (Leader, Camden Council) and Pat Ritchie (former Chief Executive, Newcastle City Council). In addition to a position statement from Leeds and extensive background information, the Peer Challenge team held in the region of 60 meetings and met more than 160 colleagues and partners. The timing of the Peer Challenge was helpful as part of assessing progress against the Best City Ambition, given the financial challenge and as part of the post-Covid reset and recovery.

The Peer Challenge report has only just been received, so action planning is underway rather than complete. Their headline findings were that there is *passion and ambition for the city, with the move to the Best City Ambition helping to further galvanise the city with partners feeling well supported and committed, and that finances are well-managed, but the scale of the challenge is significant, with staff being stretched and priorities requiring even greater focus.*

We fully accept the findings and recommendations and will report an Action Plan to the next Executive Board meeting. The approach to action planning will be to use the findings to refresh the Best City Ambition and our organisational and financial planning, leading into a follow-up visit from the Peer Challenge team in summer 2023.

Recommendations

Members of Executive Board are asked to:

- a) Note the findings and recommendations of the LGA Corporate Peer Challenge report.
- b) Note the approach to action planning and the timing of the follow-up visit.

What is this report about?

- 1 This report provides Executive Board with an overview of the Local Government Association (LGA) Peer Challenge of the council that took place in November 2022. The report summarises the scope of the Peer Challenge and the approach taken by the Challenge team, the findings and recommendations, the council's initial response and the further work planned.
- 2 Earlier this year, the council requested the LGA lead an independent Corporate Peer Challenge to help assess progress towards our Best City Ambition, the financial challenge and post-pandemic recovery and recommend where we could improve further. The [Local Government Association \(LGA\) Peer Challenge Framework](#) covers five core components to measure a council's performance and improvement, with the option to examine other areas identified with the individual councils.

LGA core components

- Local place and priority setting
 - Organisational and place leadership
 - Governance and Culture
 - Financial planning and management
 - Capacity for improvement
- 2 In addition, through discussion with the LGA and the development of our position statement, the following additional review areas were agreed: partnership working; the localities model; and the council's relationship with the West Yorkshire Mayoral Combined Authority.
 - 3 The Challenge team consisted of six peers: Georgia Gould (Leader, Camden Council); Pat Ritchie (former Chief Executive, Newcastle City Council); Sarah Reed (Executive Director of Corporate Services, West Northamptonshire Council); Mark Fowler (Corporate Director Population Wellbeing, Luton Borough Council); Jon Rowney (Executive Director Corporate Services, Camden Council); and Judith Hurcombe (LGA).
 - 4 The team prepared for their time in Leeds by reviewing the council's position statement together with supporting documentation to familiarise themselves with the council, the challenges it faces and its ambitions. During their four-day visit the team spoke to over 160 people, including Elected Members, colleagues from across the council and a range of partners through approximately 60 meetings.
 - 5 Full details of the team, its scope and focus, and the process followed can be found in the Corporate Peer Challenge feedback report, included as Appendix 1 to this report.

What impact will this proposal have?

Key Messages from the Peer Challenge

- 6 The full report is attached as Appendix 1 and will be unpacked in more detail when the Action Plan comes forward to Executive Board in the New Year. However, as a broad overview below are some of the headline findings and observations the peers made:
 - There is passion and ambition for the city, with the move to the Best City Ambition helping to further galvanise the city with partners feeling well supported and committed.
 - Partnership working is seen as a big strength both within the city and beyond, with excellent buy-in with Anchor organisations and a strong collaborative approach, especially with the voluntary and community sector.
 - A smooth transition on political leadership and collaborative can-do leadership style is seen across the council and city.
 - There are the ingredients required for a great locality-based system, with the buy-in of local community organisations in particular being recognised, but one that needs bringing together.

- Progress on low carbon agenda is excellent and we are delivering outstanding people-based services across the city.
- Finances are well-managed, but the scale of the challenge is significant, with staff being stretched and priorities requiring even greater focus along with a focus on wellbeing.

Recommendations from the Peer Challenge

7 The Peer Challenge team have made 15 recommendations which can be found listed in the attached report at Appendix 1. For the purposes of our future action planning, the recommendations are grouped around five themes, which can be found below.

Values, Culture and Workforce

- Keep being Leeds, keep being ambitious and living the values of collaboration, compassion and convening.
- Be mindful of the risk of staff burnout and provide clarity about priorities especially as budgets further reduce. Capacity at some levels is stretched and some employees are worried about the health and wellbeing of their colleagues.
- Build on the success of the EDI champions network and strengthen corporate champions at the senior level to support the further development and embedding of EDI in the council.

Locality Working

- Review locality working to improve clarity and coherence for the council, partners and communities:
 - Ensure shared understanding of priority areas, underpinned by work on indices of deprivation.
 - Map out services and existing assets, and through a collaborative process, review locality arrangements to potentially cluster and consolidate where this would add value and efficiency.
 - Review and align service provision geographies with health, education/clusters, and the voluntary sector.
 - Consider how to further strengthen place-based networks.
 - In this context, review and develop the community committees and draw on the work of the Social Progress Index to measure progress.
- Invest in member development on strengths-based community development. Councillors' ambitions for their communities are clear but as the council's resources reduce members have an important role to play in supporting communities to be able to do more for themselves.

Financial Planning

- Consider a more outcomes focused and evidence-based approach to medium-term financial planning. As budgets reduce the development of a more consistent and clearer set of guiding principles and criteria to drive the budget process is needed to help bring consistency across the council.
- Prepare for the financial challenges ahead Although there is some awareness of future budget pressures, it is not yet widely understood in terms of the scale and impact on council and its ability to deliver. The council needs to develop a clear and robust plan and process to address the council's budget gap, which further mitigates risk.
- Take best practice on specialist commissioning and robust financial management from the Adults and Health directorate into the Children and Families directorate.

Transformation approach as an organisation

- Develop capacity for transformation and change Incorporate a stronger user design focus, bringing existing teams together horizontally across the council and bringing in new capacity and skills. Further develop an evidence-led approach, supported by insight for prioritisation.
- Use the opportunity of the digital transformation to co-produce with middle managers a system that is more agile and responsive to their needs on the ground.

- Use the opportunity of the new leadership team to review and develop strong practice in Children's and Families in light of the MacAlister review and strengthen collaboration between Children's and Families and Adults and Health services in communities.

Work beyond the city

- As the Mayoral Combined Authority develops use the Leader's and Chief Executive's leadership roles to help further strengthen relationships. Some stakeholders feel a peer challenge would be a helpful catalyst at this stage.
- There is an opportunity to be a new national exemplar for community-led integrated public service delivery. For example, starting with a new model of home care and a wide range of community services and activities, and net zero projects
- Leeds is undoubtedly a beacon of best practice across the country. Continue to influence and improve policy and practice in partnership with national and local government.
- Leeds could work with anchors and city partners to strengthen further their campaigning and lobbying on the financial challenge and the need for investment in the Leeds transport infrastructure to maintain their major contribution to the city and the economy.

Action Planning and Reporting

- 8 The work to develop an Action Plan will be quick so we can maintain the momentum garnered by the Peer Challenge, but also engaging to ensure strong ownership amongst officers, members and partners. It will be focused on the five themes of the Peer Challenge recommendations and include engagement with Chief Officers, broader colleagues and key partners such as Anchor institutions and the Third sector. Reporting against the Action Plan will largely take place through existing reporting routes, for example the Corporate Annual Performance report and Equality Improvement Priority reporting.
- 9 Where possible, the recommendations are already informing work that is underway rather than waiting for the Action Plan. In other areas we are moving forward in the most sensible and pragmatic way, for example the recommendations about financial planning will be progressed after the Budget has been agreed at Full Council in February 2023. Our action planning will provide renewed emphasis and drive to support another push on relaunching the current version of the Best City Ambition, building on the positive feedback the peers provided. Many of the big opportunities identified in the Challenge report are trailed in full or in part in the Ambition, particularly around the Team Leeds approach. We will look to strengthen this further soon, as outlined below.

Responding to the Recommendations in our Strategy and Planning

- 10 Several of the Peer Challenge recommendations support the direction of travel set out in the Best City Ambition and provide guidance on how the council and our partners can strengthen this further. These written recommendations were supplemented by the verbal feedback received from peers while they were on-site. In 2023 we will refresh the Ambition in full, providing an opportunity to embed the recommendations into our future planning. In the interim we will continue to focus on how to further embed, communicate and build broader ownership around the Ambition.
- 11 Alongside the Best City Ambition the Peer Challenge recommendations – particularly those around values, culture, transformation and financial planning – will inform the next stage of internal organisational planning. The intention is to produce a refreshed plan outlining our detailed response and priorities in these areas by April 2023, in time to feed into appraisals and objective setting.
- 12 Preparation of the two pieces of work outlined above will run alongside the Peer Challenge Action Plan and together culminate in the peers' return visit in summer 2023.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

13 The focus of the Peer Challenge was on the Best City Ambition, with the on-site phase including a focused group discussion on each of the three pillars and the position statement providing background information as well as links to more detailed individual strategies and performance reports. The recommendations will also impact on work to progress the three pillars, including the strategy refresh process that is underway for the Health and Wellbeing and Inclusive Growth strategies, with further detail of this will be in the Action Plan to be reported to the next Executive Board meeting.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

14 Preparing for the Peer Challenge involved drafting a position statement about strengths and areas for development, based on key documents such as the Annual Performance report, other Executive Board papers and contributions from colleagues, for example case studies. Briefing material about the nature of a Peer Challenge and the LGA Framework was provided to those meeting the Peer Challenge team, along with a copy of the position statement. Reference to the Peer Challenge process was included in staff, member and partner communications in recent months.

15 The Peer Challenge team had various engagement and consultation as part of their visit. The team were accessible to staff from all levels and proceeded to seek views from as many people as possible. During the four days on-site the team:

- Spoke to more than 160 people, which included council staff, councillors, external partners, and stakeholders.
- They also met with a range of councillors, including some Group Leaders, Scrutiny Board Chairs and Community Committee Chairs.
- Gathered information and views from more than 60 meetings, four workshops (which were based on the three pillars and an additional one on the cost of living), along with additional documentation provided at the team's request.

16 The Peer Challenge report is being shared with colleagues, members and partners along with a note setting out that Executive Board will be considering the approach to action planning and that we will keep colleagues and stakeholders updated.

What are the resource implications?

17 There are no specific resource implications from the Peer Challenge report at this stage. Any subsequent implications will be picked up as part of the regular budget planning, monitoring, and reporting cycle.

What are the key risks and how are they being managed?

18 As the Action Plan is progressed, risks will be a consideration in line with the regular approach to risk management and reporting.

What are the legal implications?

19 There are no specific legal implications arising from the Peer Challenge report at this stage. Any that arise will be picked up as part of progressing the recommendations through the council's regular governance routes.

Options, timescales and measuring success

What other options were considered?

20 LGA Corporate Peer Challenges are carried out approximately every five years and this was undertaken under the normal framework, although it was slightly delayed because of the Covid-19 pandemic. Leeds could have chosen not to have a Peer Challenge but given that the previous one provided valuable insight that was not considered the best option. As a learning organisation, many colleagues, members and partners embraced the Peer Challenge and engaged with the team to get valuable insight and recommendations.

How will success be measured?

21 Developing a clear Action Plan is the first stage of success, leading into the refresh of the Best City Ambition and organisational and financial planning. The follow up visit in summer 2023 will be a further method of assessing progress with the recommendations. Success will then be measured by regular reporting through the Annual Performance report.

What is the timetable and who will be responsible for implementation?

22 The Action Plan will be reported to Executive Board in February 2023, with the next Best City Ambition report also being reported on that agenda, and the Annual Performance report being reported in summer 2023. The result of the follow up Peer Challenge visit is likely to be reported to Executive Board in September 2023, depending on the timing of the visit and follow up report.

Appendices

- Appendix 1 – LGA Corporate Peer Challenge Leeds City Council feedback report.

Background papers

- None.


LGA Corporate Peer Challenge

Leeds City Council

1st-4th November 2022

Feedback report





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1. Executive summary

Leeds City Council is a very well-led, ambitious and collaborative council, a beacon of best practice, delivering for and with its communities, partners and stakeholders. A uniform love, passion and ambition for the city shines through the organisation and through its many partnerships. Members, staff, stakeholders and partners speak of their enthusiasm of working in and with the council for the benefit of the city, the region and beyond.

Consistent political leadership is provided both internally and externally, and partners appreciate how the smooth political transition from the previous to current Leader of the Council has maintained confidence in the council's ability to deliver. This leadership reflects clear and meaningful values with the purpose of delivering for all communities of Leeds, in a way which is compassionate and impactful. There are good working relationships across the membership of the council, and political differences are respected across the political groups.

Partners working at both strategic and delivery levels feel well supported and committed to deliver for Team Leeds. Voluntary and community sector organisations are equally enthused about their roles in working alongside the council. They speak with pride about the council and what can be collectively delivered across the city. Stakeholders describe feeling as if they are part of the council's team, and they describe partnership working as a "true shining light in our city".

The personal leadership of the council's Chief Executive is widely recognised and praised both internally and externally. The can-do, inclusive approach and listening style reflect the council's agreed values, and are instrumental in encouraging stakeholders, staff and partners to engage with the council, and have confidence that their views are heard. This ranges from the most junior of staff through to senior leaders in anchor organisations, and at national level.

Senior level engagement between the council and some of the city's major public sector organisations has led to the development of the Anchor Institutions network.

Working alongside the council in a Team Leeds approach, the network's members are committed to shared employment standards, procurement principles, and equality, diversity and inclusion. Anchor partners enthusiastically speak of their commitment to the city and how much they value the support of the council. They evidence deep and collaborative partnership working which many other councils could learn from and is national best practice.

The current approach to locality working has evolved over time into a broad array of approaches and structures which are valued and have good engagement with communities and stakeholders. However, the arrangements appear to have a degree of overlap across a number of geographies and with some themes. A next step should be to review these arrangements in line with data and evidence, and available resources, as well as exploring how outcomes for residents can be best achieved, balancing enthusiasm and commitment with the resources available.

The Best City ambition was adopted in February 2022 and expands on the earlier Best Council plan, expanding the remit and ambition beyond the council. It has 3 core strategic ambitions of health and wellbeing, inclusive growth and net zero carbon by 2030. Partners, stakeholders and staff understand and have a collective ownership of these ambitions.

On the net zero ambition the council has some solid building blocks in place including the country's first Climate Commission in 2019, and the development with partners of a carbon budget and roadmap. A joined-up approach can be seen across in delivering the council's ambitions, with projects meeting more than one ambition, for example the district heating scheme underway Leeds PIPES addresses net zero and affordable energy objectives.

People based services continue to deliver across the city, including the noteworthy and unusual achievement of two consecutive outstanding ratings for Children's Services from Ofsted. The council has recently celebrated the 10-year anniversary of its child friendly city approach, which aims to make Leeds the best city to grow up in.

The council's finances have been managed well to date. The need to urgently reduce expenditure in 2020/2021 resulted in 811 people leaving the council through the Early Leavers Initiative, the detrimental impact of which is still felt and talked about across the organisation and more widely across partners. The financial challenge ahead is significant, compounded by Covid, inflation and the cost-of-living crisis: the council knows that greater investment in transformation and planning to do things differently will be needed if it is to meet its forecast budget gap, reported to the September Executive Board, of £183m by 2027/28.

There are many areas in which the council should be regarded as a national exemplar, including where the council influences policy and practice. A recommendation arising from the LGA Corporate Peer Challenge undertaken in 2016 was to further develop its national leadership role, which the council has clearly acted upon. It has the potential to do more for the city, the region and the sector, as despite the challenges ahead, there is significant and widespread confidence in its role as a partner and deliverer of high-quality public services.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1. Keep being Leeds, keep being ambitious and living the values of collaboration, compassion and convening

2.2. Be mindful of the risk of staff burnout and provide clarity about priorities especially as budgets further reduce

Capacity at some levels is stretched and some employees are worried about the health and wellbeing of their colleagues

2.3. Build on the success of the EDI champions network

and strengthen corporate champions at the senior level to support the further

development and embedding of EDI in the council

2.4. Review locality working to improve clarity and coherence for the council, partners and communities:

- Ensure shared understanding of priority areas, underpinned by work on indices of deprivation
- Map out services and existing assets, and through a collaborative process review locality arrangements to potentially cluster and consolidate where this would add value and efficiency
- Review and align service provision geographies with health, education/clusters, and the voluntary sector
- Consider how to further strengthen place-based networks
- In this context, review and develop the community committees and draw on the work of the Social Progress Index to measure progress

2.5. Invest in member development on strengths-based community development

Councillors' ambitions for their communities are clear but as the council's resources reduce members have an important role to play in supporting communities to be able to do more for themselves

2.6. Consider a more outcomes focused and evidence-based approach to medium-term financial planning

As budgets reduce the development of a more consistent and clearer set of guiding principles and criteria to drive the budget process is needed to help bring consistency across the council

2.7. Prepare for the financial challenges ahead

Although there is some awareness of future budget pressures, it is not yet widely understood in terms of the scale and impact on council and its ability to deliver. The council needs to develop a clear and robust plan and process to address the council's budget gap, which further mitigates risk

2.8. Develop capacity for transformation and change

Incorporate a stronger user design focus, bringing existing teams together horizontally across the council and bringing in new capacity and skills. Further develop an evidence-led approach, supported by insight for prioritisation

2.9. Take best practice on specialist commissioning and robust financial management from the Adults and Health directorate into the Children and Families directorate

2.10. Use the opportunity of the new leadership team to review and develop strong practice in Children's and Families

in light of the MacAlister review and strengthen collaboration between Children's and Families, and Adults and Health services in communities

2.11. Use the opportunity of the digital transformation

to co-produce with middle managers a system that is more agile and responsive to their needs on the ground

2.12. As the Mayoral Combined Authority develops

use the Leader's and Chief Executive's leadership roles to help further strengthen relationships. Some stakeholders feel a peer challenge would be a helpful catalyst at this stage

2.13. There is an opportunity to be a new national exemplar for community-led integrated public service delivery

For example, starting with a new model of home care and a wide range of community services and activities, and net zero projects

2.14. Leeds is undoubtedly a beacon of best practice across the country

Continue to influence and improve policy and practice in partnership with national and local government

2.15. Leeds could work with anchors and city partners to strengthen further

their campaigning and lobbying on the financial challenge and the need for investment in the Leeds transport infrastructure to maintain their major contribution to the city and the economy

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Member Peer – Georgia Gould, Leader, LB Camden
- Chief Executive Peer – Pat Ritchie CBE
- Officer Peer – Sarah Reed, Executive Director, Corporate Services, West Northamptonshire Council
- Officer Peer - Mark Fowler, Corporate Director, Population Wellbeing, Luton Borough Council
- Officer Peer - Jon Rowney, Executive Director Corporate Services, LB Camden Council
- Judith Hurcombe - LGA Peer Challenge Manager

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance

arrangements? Is there a culture of challenge and scrutiny?

4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on:

- Partnership working
- The localities model and
- Its relationship with West Yorkshire Mayoral Combined Authority (the CA).

3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days onsite at Leeds, during which they:

- Gathered information and views from more than 60 meetings, in addition to further research and reading.
- Spoke to more than 160 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

The council has 3 stated headline priorities of health and wellbeing, inclusive growth and zero carbon. The Best Council strategic plan was expanded in February 2022 to become the Best City Ambition and is underpinned by these priorities. There is a clear commitment and collective narrative to making Leeds a better city for its residents, businesses and stakeholders, and this is reflected in the council's day to day engagement and service delivery, and how members and officers talk about their roles and what they want to achieve. There is widespread buy-in externally to the council's ambitions for the city and to its values, which are readily discussed in an unprompted way by staff, councillors, partners and community groups.

The city's response to Covid and how it worked with community, voluntary, public sector and private sector stakeholders is regarded by partners as outstanding. The response built on already good working relationships, particularly within the Leeds health and care system, and an engaged and mobilised 3rd sector and was able to deliver quickly and with confidence.

Whilst Covid was a challenge for everyone, collective efforts and engagement have led to the emergence of Community Anchors. Work led by Voluntary Action Leeds is ongoing to develop this network, described by them as a movement, and with the aims of improving access to services, working in partnership, and getting people involved.

Outstanding Ofsted ratings were given to the council for 2018 and 2022 and evidence of powerful restorative practice and preventative practices. Ofsted described consistently strong and creative social work delivered to an exceptionally high standard, with senior leaders and council members being unstinting in their efforts and ambitions for children to achieve their full potential. Experience is shared with other councils through the Department for Education's Partner in Practice programme.

This year the council celebrated 10 years of being a Child Friendly City. The council's stated overall aim is to tackle poverty and inequality, putting children and

young people at the centre of a strong economy. This includes a children's mayor, over 750 child friendly ambassadors who are businesses, individuals and community organisations, and annual awards which recognise the contributions of children, community organisations and businesses.

Leeds is one of a few cities worldwide to reduce levels of childhood obesity, with reductions across all age ranges and significant reductions amongst 4 and 5 year olds. This follows the introduction of its obesity strategy in 2009 which targets pre-school children and works through a family and community setting approach.

The council has strong adult and community-based services, built on the ABCD strengths-based approach working in communities, and is a further illustration of the council's compassionate approach. Adult social care is widely regarded as well-led and impactful. A clear commissioning framework is in place with good outcomes and further consideration should be given to how that framework could also apply to Children's Services. The implementation of the national MacAlister review of children's social care envisages a strong community model to produce better outcomes and reduced costs for Looked After Children. Given the pressures on councils arising from Children's Services, including in Leeds, now would be a good time to consider how such community model would work, including the lessons and experience which can be shared from Adults and Health Directorate.

There is strong partnership work to keep the city safe through the night time economy including licencing, taxis and street support. Partners told the peer team that the council's support helps the police and other agencies make best use of their resources. These collective efforts have resulted in the city being awarded a purple flag for excellence in managing the evening and night time economy, for the 4th consecutive year.

The Best City Ambition the city's mission is to tackle poverty and inequality and improve the quality of life for everyone who calls Leeds home. From 2017-2022 16,249 homes have been delivered, and in 2021 Leeds produced 2.2% of England's housing supply. Significant housing growth across all tenures enables an impactful housing pathway. This is demonstrated for example through the use of temporary

accommodation and recent success with work across Children's and Families for young people leaving care.

Wrap around support through the city's Street Support partnership is regarded as national best practice. Launched in 2018 it provides a cross partner (council, health, police and the voluntary sector) approach to help the homeless, rough sleepers and associated vulnerable people. The work provides life changing interventions that over time prevent ongoing demands on services. It also includes work to raise awareness, inform, educate and engage people in the best ways to help those in need on the streets of Leeds city centre to discourage begging and help people access the services they need.

The city has an ambitious carbon reduction programme with a clear mission, and partners have bought into shaping and delivering it. The Big Leeds Climate Conversation held in 2019 included extensive consultation with over 80 events, and ran alongside the Leeds Climate Change Citizens' Jury, with the findings from these feeding into the city's plans. A climate emergency was declared in 2019 and performance is reported annually to the Executive Board and more regularly to scrutiny.

In 2021 the council embarked on a public sector decarbonisation scheme (PSDS), backed by government funding of £25.3m. The aim of this is to decarbonise 40 publicly owned buildings and reduce the city's carbon emissions by 4,000+ tonnes each year. Under Phase 1 of the PSDS, over the past year eight leisure centres, 12 primary schools, four homes for older people, two popular attractions, four civic buildings, a children's centre, a community hub and six other council-owned buildings have all received upgrades. In total, 7,500+ solar photovoltaic panels were installed as part of the programme, with dozens of council buildings now being part-powered by local renewable electricity. The low carbon Leeds PIPES district heating network is also reducing the council's use of gas combustion boilers, saving money and improving local air quality. In September 2022, the council announced plans for decarbonisation works in another 10 buildings, including children's centres and primary schools, as part of PSDS Phase 3. The council already has what is believed to be the largest electric vehicle fleet of any local authority in the UK and will be investing in its first electric Refuse Collection Vehicles in 2022. Work is ongoing with

the Energy Savings Trust to develop a plan for how the remainder of its fleet can be transitioned to zero emissions vehicles by 2030.

The Connecting Leeds Transport Strategy has decarbonisation as one of its central pillars. The strategy outlines the key steps to deliver the changes needed in transport to meet the city's 2030 target of making Leeds Carbon neutral. It includes an ambition of Leeds being a place where a car is not needed to get around the city; improving the efficiency of the transport network and making better use of road space; and encouraging and leading the uptake of zero emission vehicles in freight, public and private transport.

Council performance is reported to the Executive Board reflecting headline priorities through a Best Council Plan Scorecard, which was last updated in March 2022. The council's comparative performance compared to other metropolitan councils is available through LGInform. For the most recently available data this shows that Leeds spends more than average on education services, children's social care, cultural services, highway and transport services, and regulatory services but lower than average on adult social care. Improving trends can be seen in the number of additional affordable homes and collection of non-domestic rates. For most of the LGInform headline comparative data, the council performs broadly in line with its metropolitan peer group although there are some worsening trends including delayed discharge of care, 16-17 year olds not in education or training, and household recycling rates: https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-dashboards?mod-area=E08000035&mod-group=AllMetropolitanBoroughLainCountry_England&mod-type=namedComparisonGroup

How performance is reported, and how data and evidence are used in informing decisions and driving service improvement are areas where the council should consider a refresh. This should include the frequency of reporting headline data to councillors, for example the City Plan Scorecard was last reported to the Executive Board in March 2022. Some observers felt that the council could do more to overtly evidence data and analysis in its wider decision making and in its scrutiny activities, and in doing so make better use of the information readily available including through the Leeds Data Mill. This may require investment in the development of new skills.

There is the opportunity to use next year's business planning process to highlight and target priorities for Best City delivery. As resources shrink the council needs to plan more for others using their resources to deliver the shared ambition for the city.

4.2. Organisational and place leadership

The council engages through collaborative and consistent leadership across the city and internally across its departments. The council's Leader is visible, and partners praised the commitment to the city and to its many diverse communities. Councillors express ambition for communities and their potential and voice a desire to deliver more for residents through their community leadership roles. Frontline staff and their colleagues at all levels, partners and stakeholders speak with enthusiasm about the accessible and values-led leadership of the Chief Executive.

Frontline staff echo members' enthusiasm, and they too speak passionately about their pride in the city, their work and the difference they make to communities. They feel supported and feel able to voice where the council could improve further, through their own direct line managers or working with other service managers and feel empowered to ask managers more senior in the council for support or to get involved. When asked by the peer team to describe the council's leadership frontline staff described a strong team spirit, with "fantastic" management who are caring, accessible, look after their colleagues and who visibly deliver the council's stated values. They also recognise that there are always issues which need improvement, and that managers do step in and address problems where they can.

Business representatives describe the city as having clear priorities, with good relationships which are helpful and collegiate. They describe key partners and the council feeling that they "are all in it together" and feel part of Team Leeds. There is confidence in the Chief Executive's and senior managers' ability to engage and deliver, including those working on property, environmental and transport programmes. Civic pride events were also described as being part of the glue which brings people together across the city, and examples cited include carnivals, cycling events, and the annual charity fundraising Abbey Dash run.

The Leeds Inclusive Anchors Network is a group of the city's largest, mainly public sector employers, supported by the city council. They come together and focus on

areas where they can make a difference for people as an employer, through procurement, through service delivery or as a civic partner. Anchors are locally rooted, have high spend, provide vital services and are influencers, enablers and champions within the city. There are 13 anchor institutions in Leeds: Leeds Teaching Hospitals NHS Trust, Leeds Beckett University, Leeds City College, Leeds and York Partnership Foundation NHS Trust, University of Leeds, Leeds College of Building, Leeds Community Healthcare NHS Trust, Leeds Trinity University, Leeds City Council, NHS Digital, Yorkshire Water, British Library and Northern Gas Networks. An additional large business is about to join the network.

Anchors speak with enthusiasm about their roles and their potential across the city, and outcomes delivered so far include over £1bn of goods and services purchased locally, the Lincoln Green targeted employment scheme led by Leeds Teaching Hospital Trust getting 50 local people into jobs, and a focus on social value across the city. Anchors describe supportive conversations with councillors and council officers, as well as recognising the potential for the network to expand to include more businesses. They also recognise the potential impact for delivering in the city's priority neighbourhoods, and in collective working on climate change. The Anchors are also ambitious to have greater connection and synergy with the Community Anchors network across the city, which could deliver more outcomes for local people. This includes taking the best practice recently gained on recruitment and employment through a range of projects and applying it more widely across the city with more businesses and employers.

The depth of community knowledge and the investment the council has made in community empowerment is a real strength. The ABCD approach and the work to develop community ambassadors and to support and encourage and help facilitate deeper networks within communities is impressive. Similar to the drive by city ambassadors, the focus by local stakeholders also continues to have impact and delivers the city's ambitions, for example the Food Strategy for Leeds.

The collective ambition for the city is very deeply embedded across the council and its partners. The council takes up opportunities on a large scale and is trusted to deliver, and partners describe it as "an organisation which likes to say yes". This presents a challenge going forward, as the council's budget gap over the next few

years and demand pressures mean that capacity will need to be considered and the opportunities which LCC so keenly promotes and explores now, may be harder to deliver as resources are reduced.

Changes at director level bring a degree of uncertainty and change to the dynamics of the top team, and the peer team heard of concerns about this change and how these dynamics would work. New appointments also bring new opportunities to consider ongoing visible dispersed leadership across the council and to reflect more widely on succession planning.

4.3. Governance and culture

There are positive working relationships across the council. This is led from the top and is reflected in the council's structure, with the inclusion of the two main opposition party leaders on the council's Executive Board. Political differences are openly aired and respected across the council's membership, cross party working is normalised and is a strength, and councillors work to high standards of behaviour and conduct. This is complemented by low numbers of complaints about councillors through formal and informal channels.

Working relationships between councillors and officers are mature, transparent and constructive. The council was an early adopter of the LGA's Model Code of Conduct, and a cross-party working group has amended the code to fit local circumstance and the culture of the organisation and how it makes decisions. This includes further amendments to the Leeds code in light of updates to the LGA Model, particularly to provide clarity for councillors on expectations about declarations of interest. The Member-Officer protocol was refreshed in February 2022, although officers describe few occasions when there is a need to refer to the code and what is expected, as this seems to be widely understood and adhered to, not least due to the visible values the council promotes and has embedded.

Councillors and officers feel that scrutiny is respected and the approach and work of the 5 Scrutiny Boards adds value to council decision making. The scrutiny function is well-resourced, being supported by 3 full time equivalent officers. Two of the Boards are chaired by opposition councillors. The focus of scrutiny activity has clear links to the city's priorities as stated in the Best Council Ambition and on issues which

local people would recognise as significant to their daily lives. The annual report summarises headline scrutiny activity in terms of impact and outcomes for the city and its stakeholders.

During 2021-2022 areas of scrutiny focus included access to local NHS dental services, preventing death and serious injuries on Leeds roads, and integrated digital services and how residents contact the council. The ongoing review of bus service provision across West Yorkshire was highlighted by several people as a good example of how scrutiny works well in Leeds, with appropriate levels of challenge and good input from councillors and officers. Items being considered for next year's scrutiny workplan include flood risk management and the green economy.

Making better use of data and evidence across the council applies to the Scrutiny Boards and broader policy development which would be further enhanced by collecting, using and analysing data and other information to shape enquiries and recommendations. This may require the development of existing skills and introducing new skills for both members and officers and will need new investment. Such skills could also be applied to pre-decision scrutiny and earlier engagement on policy development could add more value to the development of the council's policies, especially when difficult decisions have to be made.

The council's Governance Framework has 7 core principles including "Defining Outcomes" and this is reflected across the council's business, on a formal basis through reports and is recognisable on a day to basis through the language and dialogue members and officers have about their roles and the services being delivered. This focus on outcomes is clear and commendable. It does however, need to be tempered with beginning to focus on thinking the unthinkable in terms of the future finances of the council, what it can and cannot afford to deliver, staff capacity and resilience, and how services and interventions are prioritised. The council's ambition to deliver the best is very clear, but will its future finances and capacity always allow this to happen?

The council's approach to equality, diversity and inclusion could be further developed by having a more consistent and comprehensive approach in formal decision making, particularly in ensuring that reports have been subjected to more robust expert input

before entering the decision-making cycle. Given the importance and emphasis placed on EDI matters across the council, this could be reflected in the Annual Governance Statement.

The overall impression given in the council's approach to governance is that Leeds is a self-aware, reflective organisation which is open to challenge and learning. It could improve further by exploring in more detail and tackling some of the concerns of middle managers about the speed of delegated decision making, which at times feels too slow for the ambition of the council and causes frustration at this level, particularly for those working in corporate and support functions. Whilst the peer team gained a small insight into concerns of middle managers, taking some more time to research and understand those concerns would be a step in reducing what some perceive to be as unnecessary bureaucracy and an opportunity to improve user satisfaction.

Trade unions work well with the council and working relationships are good, and there is mutual respect between the two parties with a drive to continue to support Team Leeds. Making stronger links between staff and the community anchor organisations would help to raise awareness of cost-of-living concerns which are affecting staff as well as residents.

4.4. Financial planning and management

The council has a strong track record of balancing the budget and delivering savings plans and addressing a difficult finance challenge with reduced finances over the last decade. Between 2010 and 2021 the council has reduced staffing levels by over 2,800 FTEs (full time equivalents).

There is a clear commitment to medium-term financial planning with a strengthened focus on a three-year direction. The Medium-Term Financial Strategy (MTFS) covers the period 2023/24 to 2027/28 and was presented to the Executive Board in September 2022. The aim of the strategy is to set out the council's commitment to provide services that meet the needs of people locally, that the council is financially resilient, stable and sustainable for the future, and the use of resources represents good value for money. The MTFS identifies an estimated General Fund budget gap of £182.6m for the five-year period. Other assumptions over the duration of the

MTFS include an assumption of no progress on implementing the Fair Funding review, and that council tax collection rates will remain at 99% whilst recognising that this remains an area of high risk given the economic situation facing residents.

The capital investment programme is well developed and ambitious and reflects the council's good track record of attracting external funding to the city. It has a clear aim of supporting the delivery of inclusive growth in the city. The overall level of borrowing required to fund the 2022-27 capital investment programme of £2.7bn is £570.1m, which over the life of the MTFS will require additional provision of £26.78m to service the debt, driven by the anticipated increase in external interest costs. The 4-year Housing Revenue Account (HRA) capital programme provides for capital investment of £598.5m up to 2025/26.

The council's General Fund reserve stands at £33.2m with no contribution towards reserves anticipated during the current financial year. A £3m contribution to the General Fund reserve is assumed for each year from 2023/24 onwards. The opening General Fund earmarked reserves for 2022/23 stood at £143.4m, including £37.5m of Strategic Contingency Reserve. A General Fund Energy Reserve of £1.07m was created as part of the 2021/22 budget process, and which was carried forward into 2022/23 where it will increase the budgeted 2022/23 reserve from £2.87m to £3.94m. Leeds has the lowest proportion of available reserves relative to its net budget of comparable metropolitan local authorities.

The net revenue budget for 2022-23 is £521.9m. An in-year overspend was projected at £20.4m in October 2022 and a budget gap for 2023-24 of £65.7m has been identified. Like other councils the budget is under pressure from a combination of increased demand, inflation, energy costs and anticipated pay increases. The largest departmental overspend of £11.855m is predicted in the Children and Families directorate, reported as driven by Covid related pressures and increasing numbers of Looked After Children. Mitigating actions across the council were agreed in September 2022 including a freeze on recruitment (including on agency staff and overtime), and a freeze on non-essential spend.

Provision of 2% for pay awards has been made, and the September report to the Executive Board includes an illustration of the impact of the current national

employers' offer of a flat rate increase of £1,925 per annum. An increase of 4% has been budgeted for from 2023/24, and the overall cost of the estimated pay increase will cost £81.7m over the duration of the MTFS.

A review of the council's property estate is underway with a focus on keeping the buildings of most local importance and use, as well as reflecting a shift to a more agile and hybrid office estate.

There is a well-considered and thoughtful approach to risk and commercialism, with a clear connection to the council's stated strategic objectives. The budget sign off includes appropriate reference to risks and appears to be logically consistent with the decisions taken.

Savings and pressures are set out by individual directorates, and proposals also include the consideration of alternative options, timings of decisions and the likely level of savings. Current departmental collaboration with finance is maturing but appears to vary slightly across departments. A more consistent framework and approach across departments would allow more focused prioritisation.

The scale and the challenge of the future financial pressure needs to be more clearly understood across the council and the city, and at the time of the peer challenge had a lower than might have been expected profile. The previous significant budget reduction which led to the rollout of the Early Leavers Initiative and 811 staff leaving quickly during 2020/21 caused a shockwave through the council which people still talk about, particularly in the context of losing roles and individuals who were well respected and held some of the organisational memory of the council. The scale of the budget challenge looming over the next 3 years is still not widely understood and there is a general expectation that the council will continue to be able to deliver services and work in partnership, yet this will become significantly harder given the extent of the 5-year gap identified in the MTFS.

There is a clear focus on balancing the budget for next year with the MTFS proposing to use reserves during 2023/24 to accommodate pressures arising due to the national cost-of-living crisis. The council acknowledges that the use of one-off funding, such as drawing on reserves, to support ongoing budgetary pressures is not

financially sustainable. More attention and focus therefore need to be on longer term outcome-focused transformation to contribute towards a more sustainable budget, but whether a wholly balanced budget can be achieved in the medium term is unclear due to the scale of the gap and pressures involved.

4.5. Capacity for improvement

Although the organisation is large and complex the values and behaviours framework provides the glue, and the direction is provided by the Best City Ambition to focus efforts on better outcomes for local people.

There is a clear internal People Strategy in place that helps to embed the values, focuses on improvement and the high-level ambitions of the council for the city. This strategy is up front about making the council the best place to work and sets out what employees can expect of the council, including flexible career paths and progressions, and emphasis on being your best at work. Emphasis is placed on how managers and staff engage with each other, and employees reflect how much they enjoy working for the council. A key aspect of this engagement is formal and informal dialogue and everyone the peer team engaged with told us they have regular appraisals which add value to their roles and how they feel supported.

Equality, diversity and inclusion has high profile and commitment internally and externally. In 2020 the Executive Board agreed new equality improvement priorities aligned to the Best Council Plan for 2021 – 2025 and these were recently revised to reflect the Best City ambition. EDI performance is reported annually to the Executive Board under two broad headings of what has been achieved and what else needs to be done. The report received in September 2022 included many examples of delivery, of which two were the city being one of 7 host cities across the country for The World Reimagined (TWR), a national creative education project inviting artists to help transform understanding of the Transatlantic Slave Trade and its impact; and progress on decarbonising social housing. A framework is being developed for the council as an employer, a service deliverer and as a community leader. The identification of a named corporate champion or lead would help to keep EDI matters in focus.

External EDI representatives describe being proud of LCC's approach and achievements and they feel connected to the Best City vision. They describe the council as open, transparent and responsive, and willing to change approaches in the face of evidence, for example the transport investment programme reflects people's lived experiences following engagement from the council's highways and planning services. They also appreciate the leadership and listening style of the outgoing Director of Adults and Health and her role in supporting involvement in the Better Lives Board.

Internally there is a zero-tolerance ambition which aims to create an inclusive culture across the organisation. This is underpinned by a workforce EDI inclusion plan which has 5 priorities, which have involved staff networks, trade unions and employees from across the council in their development. These priorities are on recruitment; progression; training including mandatory EDI training for all appraising managers launched in October 2022; zero tolerance; and data monitoring.

Staff networks have been created for: BAME employees; carers; disability and wellbeing; early careers; mental health; LGBT+ Staff Network; military families' support; and women. In 2021 subgroup of the carer's network was formed called Super Families, which is a support group specifically for parents/carers of children with special and complex needs; this is regarded as the first of its kind in the country. As well as acting in a 'critical friend' role, the networks also support ongoing improvement in organisational development and cultural change work. Representatives of the networks are engaged, thoughtful and appropriately challenging of the council's EDI plans and delivery, and whilst the consultative role is welcomed and embraced, some had reservations about the networks overlapping with the council's HR functions and processes in policy development and implementation.

This year Leeds became the first local authority to appoint a Freedom to Speak Up Guardian, to support efforts to tackle discrimination and improve EDI within the organisation, as well as to provide an opportunity to champion everyone's right to be heard within the council. This role will operate with some independence and autonomy, with direct links to the Chief Executive, and a role in reporting trends and

significant concerns. It is not regarded however as a substitute for HR advice, formal processes or trade union representation. At the most senior levels the creation of this role has been welcomed and there is interest in its potential impact on the culture of the organisation.

Public health is understood and feels supported across the organisation. It has gained momentum from the city's response to Covid, where the public health function was engaged and included in social care and housing. The approach to joining up services across the council includes actively trying to put residents first and support and understand and apply the Marmot principles of the importance of having good homes, good social networks, access to good education and work, and low carbon living, rather than public health being added as an extra layer of activity.

Emphasis is placed on supporting staff at work and regular wellbeing pulse surveys are undertaken, with 5 surveys conducted since 2020. The most recent undertaken was survey 5, conducted in March 2022. Results are shared with managers across the council via innovative dashboards. Three in five staff (60%) were feeling fairly or very happy when they completed the survey and three quarters of staff (76%) reported they were happy with the level of support they receive at work. However, there are concerns about work levels being too high or stressful, lack of support/communication, feeling undervalued, personal health or family support issues and losing staff to ELL/increased workload/staff shortages.

Some of these concerns were also voiced by staff during the peer challenge, including concerns about some colleagues feeling tired, at risk of becoming burnt out and increasing levels of staff sickness. Although work has been done around well-being to support staff in the workforce the peer team received many comments around the challenges of the complexity of work being done on the ground and increasing demand from local communities. They echoed the trade unions concerns about the cost-of-living crisis affecting employees as well as residents and businesses across the city. and consideration could be given to further support for them as employees. Continuing to maximise digital solutions to support productivity and smart ways of working will help to improve capacity and this work as already started through the ways of working programme. However, this needs to be a

continuous approach and integrating work with partners will also support helping to work smarter as a city.

More can still be done to continue to engage and co-produce with the voices of everyone across the council. There is recognition of the need to offer more support in the middle management cohort of staff and more to do with around half of the workforce that are digitally not connected at work, which would in turn support greater engagement for example in staff surveys.

A Core Business Transformation (CBT) Programme is underway which seeks to bring about fundamental changes in the way Finance, Procurement, Human Resources (HR) and Payroll activities are undertaken across the council, which will generate annual savings of £4m. CBT is anticipated to deliver significant changes by 2024/25, although some middle managers expressed concerns that more can be done to unlock processes and improve pace before then, including a less bureaucratic approach to delegated decisions, and faster and slicker recruitment processes. Managers reflected that there is a tendency for departments to work well vertically, but that more cross-council working involving a stronger user design focus would support the sharing of new ideas and practice and be a more effective way of working on large scale transformation.

Overall, there are challenges ahead which affect capacity and which will need to be carefully managed, including some things which will need to be done differently, with or by others. Leeds is a council which is self-aware and quietly confident and the position statement it produced for this peer challenge was well written and reflective about its strengths and where it needs to improve. Partners describe LCC as having a culture of calmness and humility which pervades the whole organisation, backed up by real ambition and delivery. These are real assets for the future.

4.6 Locality working

As reflected elsewhere in this report, the city has a strong and vibrant social infrastructure. Many community organisations are involved and the buy-in of these organisations is clear and evident. The council's political leadership is clearly committed to neighbourhood working and the opportunities and impact it brings to communities.

There are a wide variety of locality approaches in place including:

- 19 Local Care Partnerships covering the whole of the council's geography in a collaboration with health and community organisations. These focus on person centred care as well as the broader determinants of health in localities.
- Community Care Hubs in each of the city's 33 electoral wards which involve voluntary, community and social enterprise organisations. Originally their role was to support residents through the initial Covid lockdown in 2020, and activities included food provision; collecting and transporting prescriptions and other essentials; befriending services; health promotion; and other bespoke service, including walking pets
- 37 neighbourhood networks
- There are 12 priority neighbourhoods - these operate at the MSOA level - and have been determined because they are in the bottom 1% of MSOAs in the Index of Multiple Deprivation. They provide for very focussed and localised action in areas of the city where poverty is most acute
- 12 'pathfinder' communities supported by a Community Builder (referenced below)
- Approximately 30 clusters based around schools and services for children and their families

Building on the Community Care Hubs led to the development of the Leeds Community Anchor Network (LCAN), which aims to continue and build on the citizen-led activities and partnerships from both before and during the pandemic. The role of a Community Anchor is to strengthen community participation; encourage involvement of local people in local issues and services; bring together local organisations to work in inclusive partnership; support the community to call for changes in policy in practice through advocacy for a community; and be gateways to services people need.

The city's asset-based approach to community development (ABCD) led to 12 'pathfinder' communities across Leeds being identified in 2019, each with access to a Community Builder to identify people active in the community and bring others

together. Independently assessed in 2021 the programme showed a range of positive outcomes across the pilots, including estimating that up to £14.02 of social value is returned for every £1 invested. The intention is to build on this approach further across the city, which is welcomed by community partners. Members' levels of awareness about the asset-based approach are mixed and some councillors hold strong views about what could be regarded as a more paternalistic model of distributing grants to communities rather than working alongside communities to empower them. Creating some learning and development opportunities for councillors on the ABCD model and how it works would be beneficial to them as individuals, and to the communities they represent.

There is clearly a great deal of enthusiasm, activity and impact being achieved by locality working across Leeds. Some networking and mapping out of provision is being undertaken at priority neighbourhood level. However, structures and geographies are varied and some aspects appear to be overlapping, with boundaries, rationale and responsibilities not always clear to those involved. But in an environment of reducing budgets and increasing pressure on demand for public services, locality working should also be put under the spotlight to ensure the best is being achieved for communities. A review of locality working is needed to address potential duplication of effort or resources, and this should include locality working in its broadest sense, including ward level budgets and the role of councillors. A challenge will be to minimise duplication, maximise resources and join up activity without stifling effort, enthusiasm and impact.

4.7 Partnership working

Partnership working is a core value and an established way of working across the council and the city. The council plays a key leadership and convening role, extensively recognised inside and externally of LCC. A wide diversity of partnerships is in place, and these feel genuine with an equal footing, and a lack of hierarchy between the council and its many partners.

Strong partnership working is evident with national government, Core Cities and neighbouring local authorities. The degree of partnership buy-in from the broader city and with anchor institutions is outstanding. The evolution from the Best Council

Plan to the Best City Ambition in February 2022 has been a powerful way of galvanising partners across the city at a time of less resource.

The council can point to many achievements through partnership working including:

- Leading the successful campaign for the relocation of Channel 4 from London to Leeds which was announced in 2021
- Good examples of ensuring assets are delivering for communities e.g., Lincoln Green project
- The creation of the Anchor Network and the projects it has delivered

Partners are effusive about the council and its role in the city, and this enthusiasm could be harnessed further to encourage the further growth of existing partnerships and the support for new ones, although to do this would require more resources. However, the current and future resource pressures on the local authority present a barrier to this, and a creative approach may be needed.

Partners were also clear in expressing their frustration about the lack of national investment in the city's transport infrastructure being a major barrier to economic growth for Leeds and the wider region.

4.8 The Combined Authority

There is widespread recognition from partners and stakeholders within and beyond the council's geography that the Leeds economy is crucial to the success of the wider region. Partners feel that there is limited evidence of a clear embedded regional economic strategy being agreed which reflects the importance of the city's potential contribution to the regional economy. There is scope for Leeds to further support the development of the strategy, subject to the agreement of other stakeholders across the CA.

The council was instrumental in establishing the Combined Authority with national government and plays a strong leading role. The Leader of the Council is the Deputy Mayor, and the Chief Executive chairs the Chief Executive's Group.

Throughout the peer challenge we heard that Leeds has the potential to play a stronger role to play across the Combined Authority, particularly on filling the current capacity gap on economy, technology and innovation. Some observers recognise that Leeds playing a stronger role could develop tensions between other councils within the CA but felt that relationships should be mature enough to overcome reservations for the benefit of the greater good, which would in turn benefit neighbouring authorities and their communities as well as Leeds. The peer team also heard of some partners' expectations that as the regional Mayoral model develops, Leeds could help develop stronger political relationships with and between the Mayor and other council Leaders.

To make further progress with CA partners, Leeds could identify where it could offer support to neighbouring boroughs so that everyone can benefit from the capacity which Leeds has, but others do not.

Whilst it is not the purpose of this peer challenge of Leeds City Council to give a view on other organisations and what they should or should not do, several people told the peer team that a peer challenge might be a helpful tool in supporting the relationship between Leeds, the other councils and WYMCA.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Mark Edgell, Principal Adviser for Yorkshire and the Humber, is the main contact between your authority and the Local Government Association. He is available to discuss any further support the council requires

Mark.edgell@local.gov.uk

Civic Enterprise Leeds Update

Date: 20 February 2023

Report of: Director of Resources

Report to: Strategy and Resources Scrutiny Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

At the start of the 2022/23 municipal year CEL moved to sit within the remit of the Strategy and Resources Scrutiny Board.

The purpose of this report is to provide 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.

Civic Enterprise Leeds sits within the Resources Directorate with a headcount 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 2021/21 and total staffing costs at 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.

Recommendations

Members of Strategy and Resources Scrutiny Board are asked 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.

What is this report about?

The following provides an overview of the CEL service areas, with budget figures also included where relevant.

1. Effects of COVID Pandemic

Before the report goes into the detail of the make up of CEL it is important to reflect on the challenges that CEL faced through the last three years, the impact that COVID had on service delivery, and the key role that CEL and its staff played in keeping the city running.

Whilst many staff were able to work from home during the pandemic, the vast majority of CEL staff were needed to carry out their frontline roles. Schools were still open for the city's most vulnerable children, who needed to be transported by Passenger Transport, fed by Catering Leeds and the schools needed cleaning by Cleaning Services. Other vital roles had to be undertaken, such as the cleaning of care homes, Meals at Home Deliveries, Fire Safety Checks in flats, repairs in Council Houses and much more.

As well as carrying out business as usual activities through the pandemic, CEL's teams stepped up to deliver several other vital services to ensure the city was kept safe, many way beyond what would normally be expected including:

- Building a temporary Mortuary at Waterside
- Managing the PPE Hub facility
- Carrying out responsive COVID Cleans in LCC Buildings and Schools
- Seconded staff across to NHS PPE Hub
- Provided a shuttle bus service for LTHT staff
- Provide a Transport Service for Key Worker COVID testing
- Delivered over 132,000 free school meals to the city's most vulnerable at their homes
- Co-ordinated delivery of 13,000 Xmas Hampers to UFSM Families

This put a huge strain on the work force. Colleagues had to come into the workplace daily through the height of the pandemic with obvious concern and anxiety around transmission, which has had a knock on affect on our attendance, which in turn has affected productivity. Absence levels continue to be higher than pre covid, due to colleagues being absent through being COVID positive but also indirectly as the cumulative impact upon staff and management took its toll.

Lots of positive work has gone on in terms of support for staff and the services are beginning to recover. This year has been somewhat of a reset year addressing issues such as back logs of work, attendance, changing expectations and inflationary pressures.

Summary of Key Areas of CEL

2. Cleaning & Facilities Management (Including PRESTO Meals at Home-PRESTO at Home Services and School Crossing Patrol. and CPM (£37.5M))

Cleaning and Facilities Management (FM) deliver soft FM services

- This covers a range of services and includes: Cleaning, security, management of receptions, concierge services, caretaking, building inspections reporting of repairs, technical support, key holding and other vital building liaison duties such as room bookings and event management.
- Cleaning to communal areas of all HRA properties including daily Stage 1 Fire Safety Check Sheets

- A specialist Team delivers services such as Bin Chute unblocking, bulky item removal, fly tipping removal, corporate removals, HRA removals including emergencies, , void property and garden clearance/cleaning, window cleaning, corporate trade, and confidential waste removal.
- PRESTO at Home Services deliver over 450 hot meals a day 365 days a year to some of the City's most vulnerable and offered a home cleaning, companionship, window cleaning and gardening service.
- School Crossing Patrols (SCP) - Covers 59 school crossings managing the staff and surveying new requests for SCP service and carrying out annual reviews for eligibility.
- Schools Cleaning- provide an internal building cleaning to 85 schools across Leeds.
- Civic Flavour- Our in-house Events Caterer and Operates Cafes at Leisure Centres

Staffing

- We have a workforce headcount of 1,275 with 28 management and supervision staff.

Key Areas of Focus

- Bringing together of CPM and FM as part of the property review to deliver a consistent approach to FM across all council buildings
- Deliver the £1.6 million savings required in the budget
- Develop our traded welfare offer under the PRESTO banner
- Expand our commercialisation agenda
- Continue to deliver our insourcing agenda
- Develop our Café offer to be a centre of Excellence for Commercialisation
- Supporting staff to develop and progress to support financial inclusion strategy
- Support the Future Ways of Working Programme and asset rationalisation and modernisation.

Corporate Property Management – CPM

- CPM deliver responsive management and prioritisation of revenue maintenance and repairs to the corporate estate, management of cyclical servicing schedules and compliance with statutory building regulations as well as coordinating building condition and energy efficiency surveys.

Staffing

- 10 Staff in the wider team split across building surveyors, maintenance officers and support staff.

Key Areas of Focus

- Integrate CPM with FM to create a single point of contact for all hard and soft FM issues to reduce duplication and bureaucracy and creating efficiencies
- Support Asset Management with detailed intelligence on building conditions and spend to enable good decisions to be made on the asset rationalisation programme.
- Implement a new building inspection regime to give detailed information on building conditions to help make informed decisions on investment.

3. Passenger Transport (including mail room) (£20m)

- Passenger Transport operate a fleet of 198 specialist passenger transport vehicles from Westland Road and Management of 450 private hire routes per day, work streams include:

- Home to School Transport of SEND young people who qualify for transport assistance, can range from one-to-one transport to a place on a minibus with a majority of routes scheduled with Passenger Assistants.
- Independent Travel training to encourage and train young people to travel to school on public transport and increase their independence.
- Parental Travel Allowance, a scheme that delivers direct payments (where it delivers a saving) to families to organise their own transport arrangements.
- Provision of transport support for Children Looked After both home to school and other essential journeys.
- Post 16 Transport to Colleges.
- ASPIRE- Provision of home to day care setting for qualifying adults to Aspire settings and the provision of buses and drivers through the day to support activities.
- Adult Social Care transport provision to various centres cross the city for vulnerable adults.
- Mail room delivery service for the Council's corporate mail system

Staffing

- A total of 558 drivers and assistants with 26 management and supervision staff.

Key Areas of Focus

- Build on the excellent work delivered so far in reducing costs by £2million through a combination of insourcing, better contract management, smarter scheduling, and upping occupancy levels
- Reduce the costs of the most expensive one to one transport by smarter use of PTA's.
- Increased take up of independent travel training to promote independence
- Enhance customer experience through the use of our digital platform Response 365
- Managing the pressure on the budget and service that the increasing number of SEND passengers year on year is putting the service under

4. Catering Leeds (£19m)

Delivers welfare and commercial catering to:

- Schools – providing a fully managed school meals service. This includes planning menus, training staff, cooking and serving meals, developing, and marketing the service to all schools. Catering Leeds also offers catering provision for breakfast clubs, after school clubs and supporting the healthy eating curriculum in schools. We have 165 primary contracts and 2 high school contracts.
- Early Years – providing breakfasts, lunches and teas in nurseries including food and menus that are suitable for very young and weaning infants. We have 23 EYC contracts.
- Adult Social Care – providing a full 7-day catering services in Council residential homes and day centres. We have 12 contracts.

Staffing

- We have a workforce headcount of 1100 staff and 23 supervision and management staff.

Key Areas of focus:

- Meal numbers are now rising to pre pandemic levels but have previously been down by , around 25%. Consistent marketing of meals and promotion to parents takes place and

meal numbers are now at 30,000 per day which we hope will rise during colder months as is usually the case.

- We have had approval to procure an electronic solution within the service for the primary school meals side of the business. This is following several pilots, a business case developed in partnership with IDS, approval by FPG and approval from BCDT.
- We support the Heathy Holiday programme every half term and can send up to 1200 meals a day out to differing sites from our transport kitchen located at Cross Green.

5. Fleet Services (£12m)

Fleet Services provides fleet management and maintenance functions for the Council's 1300 mixed municipal fleet and has a regulatory role in ensuring compliance with Regulations and the Goods Vehicle Operator Licence and includes:

- Stores – holding maintenance and repair parts
- Fleet Deployment – managing the hire Framework Contract and client liaison
- Fleet Management – management of the procurement and disposal of fleet, servicing, and MOT schedule. Regulation of O Licence, Licence Mandate Checks, management of traffic offences and fuel management
- Fleet Maintenance – servicing, routine planned and reactive works, light and large goods vehicle MOT

Fleet Services have one of the largest EV Fleets in the UK, 358 EV's that's 24% of the entire Fleet are EV, all future Fleet considerations are focusing on EV and we are about to place an order for 3 EV Refuse Collection vehicles.

Key Areas of Focus:

- Currently undergoing a restructure of staffing at all levels.
- Focus on future fleet planning and 2030 targets
- Training programmes for engineers to develop skills which will meet future vehicle demands, e.g., electric and hydrogen

Staffing:

- 55 operatives / office staff and 5 management and supervision staff.

6. Leeds Building Services (£72m)

- LBS is the Council's internal service provider for building related activity which operates as a traded service funded through income (approx. £72m), generating a net surplus (approx. £10.5m)
- LBS currently has approximately 590 staff (150 back-office staff, 400 operatives and 40 apprentices) and delivers a full array of building services/trades for services across the council from minor housing repairs to multi-million-pound refurbishments.
- The service has just concluded a service review where a new structure has been implemented with the last few vacancies just being filled. It is divided into separate business units, summarised below along with the budget for each unit.

Responsive Repairs & Voids (RR&V): (£27m)

- Delivering more than 100,000 property repairs (of all trades) per year to approximately 32,000 Housing properties in the South & East of the city although some work is also undertaken for Adult Social Care, Commercial Asset Management, Corporate Property Management and Sanctuary.

- The scope of work includes providing 24/7 response and covers everything from minor repairs through to larger refurbishment works e.g. following fire damage.
- Approximately 2,000 voids per year are also delivered which includes the full schedule of work through to handover to tenant on final fix.

Key Area of Focus:

- Over the last 12 months the service has undergone significant change with various major projects being run simultaneously including the South repairs and voids contract being in-sourced, implementation of a new IT system and the service review.
- The priority for this team is to bring some stabilisation and develop and implement more robust operational processes which provide better outcomes for customers and in turn improve customer satisfaction.
- Productivity is another key area for this unit as it has a large proportion of the direct labour workforce. The new IT system needs to be developed to enable better reporting and a significant amount of work is planned with operatives to ensure better capturing of time and measured outputs (SOR's and SMV's).

Mechanical & Electrical (M&E) (£14m)

- The M&E section is made up of specialist trades delivering a vast array of services and is also responsible for the statutory and legislative activities delivered by LBS. Within the service review we have aligned some electrical resources to the planned section, but the M&E Senior Service Manager has retained overall responsibility for the compliance of all M&E activity. A summary of each of the teams is provided below:
- Electrical - The Electrical team within M&E deliver the cyclical and specialist repairs undertaking approximately 25,000 jobs per annum. The work includes much of the statutory compliance servicing activities, repairs and installations to the Councils estate including but not limited to Electrical Inspections, Security Alarms, Fire Alarms, Communal Lighting, CCTV, Data/Networks, Door Entry Systems, Catering Equipment, White Goods and PAT testing.
- Heating - The heating team undertake approx. 8,500 jobs per annum. The work includes Gas servicing, repairs and installation work to the council's estate including Housing, CPM and Schools. The work includes all heating and water related activities such as commercial plumbing, air-conditioning, ventilation, and water management (Legionella risk assessments and monitoring).
- Lifts - The lifts team undertake approx. 6,500 jobs per annum. The work includes the servicing and repairs of high-rise lifts and stair lifts. The portfolio includes lifts in all council buildings and housing properties including high-rise and low-rise blocks. The team also oversee the delivery of the Housing lift replacement programme.
- Workshop – The workshop team undertake approx. 2,000 jobs per annum. The work includes a workshop based at Seacroft which allows for fabrication, repairs and installation of metalwork including gates, fencing, handrails, screens, and barriers.

Key Area of Focus:

- As with repairs and voids the insourcing of the South provided growth in this section with the cyclical activities that transferred across – predominantly periodic inspections.
- The volume of compliance activity undertaken by the M&E team is challenging and the teams focus is to ensure the risk to the council is minimised by delivering performance excellence. The team are developing an increased focus on performance and reporting which will provide a platform from which to identify further service improvements and efficiencies.
- With the future of building services changing more towards renewable technologies the service is working on a resource and training plan to ensure the service can provide the skills required.

Planned Works: (£28m)

- The Planned Works Section delivers a range of capital schemes for Housing, CPM, Schools, and other council directorates as work is identified. The work is extremely diverse and changes year on year which makes planning resources and delivery very difficult. As part of the service review some electrical resources were aligned to the planned section to provide closer working on larger schemes and consistency of approach.
- The current programme of work within the planned section is outlined below:
- Kitchen, Bathroom and Rewires - Delivering kitchen and bathroom replacements to approximately 600 properties per annum with a turnover in the region of £3m
- Roofing replacements - Undertaking roofing replacements to approximately 125 properties per annum with a turnover in the region of £1m
- Painting - Undertaking external painting works to windows, doors, gutters, fascia's and soffits of 3,000 properties per annum with a turnover in the region of £1.6m
- Sprinkler Installations – Carrying out sprinkler installations to approximately 6 high-Rise blocks per annum with a turnover in the region of £3.5m
- Adaptations – Undertaking the range of adaptations to approx. 650 council housing properties per annum including wet floor showers, handrails, ramps, showers, and property alterations with a turnover in the region of £4m
- CPM Backlog Maintenance – the CPM backlog maintenance programme is approximately £3m per annum and consists of a wide variety of improvement works to the council's civic estate including windows, doors, roofing, heating, electrical, fire safety works, and general refurbishment works.
- CPM Repairs/Capital work – Undertaking a repair/improvement service for the council's civic estate and consisting of a full range of building services dependant on demand with an annual turnover in the region of £2m.
- Demolition - Overseeing the demolition of council properties deemed surplus to requirements. The volume fluctuates by demand however turnover is approx. £800k per annum.
- Flooring - The flooring team deliver approximately £1m of flooring work per annum. The work consists of tiling, carpet and specialist flooring to the council property estate including CPM, Housing, and schools.
- Fire Safety – Delivering various schemes of fire safety work to housing properties with a value of approx. £2m per annum.
- Projects – Various ad-hoc commissioned work which differs year on year. This year's programme includes schemes such as Cross Gates Hub, Door Access/Controls systems to Civic Hall, Wykebeck Improvements, Spring Gardens HOP, Acorn Lodge, LED Lighting Schemes (De-carb), Libraries, Gyms, Museums etc. the value is forecast in the region of £6.1m per annum.

Key Area of Focus:

- Resource planning and certainty around the future work pipeline are two main priorities for the planned works section to ensure that sufficient work is allocated to enable resources to be fully productive and support LBS in meeting its challenging financial plan.
- The financial forecasting and commercial management are another key area to ensure that best value is being provided for the Council. This is to be supported by the commercial team which has been subject to investment by the recruitment of QS resources.

H&S/Asbestos/Support Services (£3m)

- The H&S, Asbestos and Support section is designed to provide required support to the operational teams and provides business administration, Communications, HR process support, invoicing processing, staff welfare process, reception duties.
- The H&S team assist with ensuring compliance with relevant legislations, develop risk assessments and produce construction phase plans amongst other things.
- The asbestos team has been aligned to the Health & Safety section as it is extremely closely aligned to H&S and pre-construction activity. The team undertake over 6,000 jobs per annum with a turnover in the region of £3m. The work includes asbestos surveys, re-inspections and removals across the council estate including Housing, CPM and Schools.

Key Area of Focus:

- Ensuring the service is fully compliant with H&S legislation and that staff are safe and ensuring the business has efficient and effective processes in place to support operational delivery.

Commercial and Projects

- The Commercial & Projects section provides specialist support activity on complex and key operational & strategic objectives.
- Commercial – The commercial team provide commercial support and challenge to the business units, and this sits separately to ensure segregation of duties. They lead on all commercial activity such as agreeing rates with contractors, producing final accounts, submitting, and evaluating tenders and estimating work. They also provide guidance and activity on the vast array of procurement activity undertaken within LBS. They work closely with Colleagues in PACS but handle the volume within the service and provide the liaison between 3rd parties, other services, and the operational teams.
- Projects – The project team provide project disciplines to the key operational & strategic activity including service improvement and data analysis. For example, the team are currently supporting on the materials re-procurement which is a huge undertaking as it changes how and where our staff can purchase materials.

Key Area of Focus:

- Ensuring the service is complaint with Council processes and policies and that suitable and proportionate commercial controls and rigour is in place. This activity will feed into the decision-making process on all matters relating to the service.

7. CEL 2022/23 Budget

- CEL has a net 2022/23 budget of £6.9m but the scale of the operation becomes apparent when considering that the division has a gross expenditure budget of £146.3m and an income budget of £139.4m. Of the expenditure budget, just over 47% of this is comprised of staffing budgets of £68.9m which represents 2,248 FTEs. Of the £139.4m budgeted turnover, approximately £120.6m is generated through the different trading functions and delivery of services to other Council Directorates, the HRA, schools and members of the public.

Key area of Focus:

- Delivery of the 22/23 Budget Action Plan, £2.6m is built into the budget base for each service. Over and above this we need to also manage the proposed pay award pressure of £2.3m (after allowing for current staff savings and where we can passport increases).

Finally, all our services are subject to inflationary pressures as in the wider economy with the latest CPI at 10.5% which we are trying to manage through reviewing scope for efficiencies and investigating the potential to increase our charges where circumstances allow.

8. Commercialisation

Insourcing

- Civic Enterprise Leeds are always looking at opportunities to insource services and to also grow our traded offer with other external organisations.
- Several services have been successfully insourced and although the ambition is to expand the number of in-house services, there is not a 'one size fits all' approach that can be taken. There needs to be a mix of public and private provision to spread the risk of finance and service delivery.
- Within CEL, their roots go back to compulsory competitive tendering days and the idea of competition continues to drive the approach in catering and cleaning. Though challenging, it has forced the services to be lean, competitive, and helped them deliver the skills they need to remain competitive in the market. They also carry out several benchmarking exercises on cost and productivity.

Examples of CEL services successfully delivered in-house include:

Multi-Storey Flat bin chute clearance

- This was outsourced several years ago and is critical in terms of keeping tenants safe if there is a fire. Private companies were struggling to deliver the service as it requires the support of several Council departments (Housing, Refuse and CEL) and so it was considered beneficial to bring this back in-house in 2017 given the internal communications and relationships we have between services.
- Additionally, the unit costs were lower as we could package with teams already on-site doing other work, reducing travel time. This meant in-house services were 25% cheaper (our charge out rates are around £70 compared to Private Contractor at £100) and KPIs were better as we were able to cut through the issues private providers faced.

Office confidential waste and general waste

- Both services have been in-sourced over the past two years and have both been delivered more cheaply than before. We have more flexibility for example only emptying bins when they need emptying. We also already had the vehicles and equipment.
- The advantage of these contracts is beginning to be felt now as we are also insulated from any cost increases a private provider may have passed on.

Window cleaning

- This was in-sourced in 2016 with the rationale that we would be able to flex the specification (cleaning when required rather than to a specified frequency) and upskill staff. Generally, it was only the bigger, national companies who could meet our specification and therefore you end up paying for their overheads too; but we are now 16% cheaper overall. For example, the cost of cleaning the windows of the Civic Hall used to be £900 when outsourced and it is now £600. This includes a level of return to the centre, thereby helping the council's overall budget.
- We have also been successful in tendering this work for example in Doncaster, Barnsley and South Yorkshire Fire and Rescue, and to homeowners through our Presto service.

Passenger Transport

- In the last 2 years we have made around £2m of savings, in part through insourcing the most expensive private hire routes. There is a need to be cautious and not change the balance too much as it would damage our relationship with the private sector, who were very helpful throughout the pandemic when we had fewer staff. The principle is collaboration not competition with companies in Leeds.

Bench Marking Examples

Table 1

Area	Inhouse Costs	Private Contractor Cost
Passenger Transport- 15 Seat WAV- Average Run	£1,130 pw	£1285 pw
Window Cleaning (Civic Hall)	£600 per occasion	£900 per occasion
MSF Chute Clearance	£70 per occasion	£100 per occasion
Confidential Waste Disposal	£45,000 pa	£56,000 pa
Building Trade Waste Removal/Disposal	£165,000	£245,000

Our Traded Offer

- CEL under its various names has always traded its services mainly catering and cleaning as schools have had devolved budgets and been able to determine themselves how they deliver the service, either in house or engaging an external contractor, cleaning in over 80 schools with an income of £3 million and catering in 167 schools with an income of £13,804,260. All this work must be won and retained against stiff competition from the private sector.
- More recently CEL have used that knowledge and experience of charging and trading to play a more active role in tendering for external work. We have strong Unique Selling Point (USP) which we have promoted, whilst we trade our services to bring in income, we do this in an ethical way and within the values of the Council and to benefit the city not just in bringing in income but creating employment with excellent terms and conditions.
- The initial focus of our marketing and tendering activity has been around organisations which share our values, such as other neighbouring authorities, third sector organisations and other public sector services in Leeds Such as Leeds Teaching Hospital Trust and Yorkshire Housing.
- This targeted approach has been extremely successful, our blend of offering a quality service at a competitive price whilst retaining our Public Sector morals and ethics has put us in excellent stead whilst tendering for work which has been evaluated across a blend of quality, price and social value and we are currently delivering traded services to the organisations below.

Table 2

Client	Service
Unity Property Services	Cleaning and Window Cleaning
Unison	Cleaning
Path Yorkshire	Cleaning
Leeds City Credit Union	Cleaning
Moor Allerton Elderly Age	Cleaning
St Ledger Homes Doncaster	Window Cleaning
UTC Leeds	Cleaning
South Yorks Fire and Rescue	Window Cleaning
Leeds Teaching Hospital Trust	Collections & Deliveries
Sheffield City Council	Cleaning
Barnsley Council	Window Cleaning

Presto Services

- As we actively market and expand our PRESTO services this area of the business continues to grow, it offers several services to homeowners to enable them to continue to live independently in their home such as Meals at Home, providing a hot meal deliver with welfare check 365 days of the year, a companion service, window cleaning and gardening. Trading in these areas is difficult as we are often competing with single owner/operators who have little over heads, but the business is growing steadily as many of our customers appreciate the peace of mind and assurance, they get that we are the Council and are accountable in an industry where there are high numbers of rogue traders operating.
- We have seen significant growth in business in this area from customers who don't have any independent/support issues, but have busy lives and who want a reliable, ethical, and accountable organisation to carry out work in and around their home.

Table 3

Area	Annual Income
PRESTO Cleaning	£106,000
PRESTO Companions	£188,000
PRESTO Window Cleaning	£5,000
PRESTO Gardening	£406,000
PRESTO Meals at Home	£800,000

Other Areas of Trading

- We are actively trading in other areas of the business, trading with members of the public operating cafes within leisure centres and the Private MOT line at Fleet Services. Income and levels of business in these areas was severely affected by COVID and Lock Downs and in effect we are starting the business up again from scratch, but income is building back up and we are embarking on an exciting project at Yeadon Tarn to open a new food and drink outlet with the ambition to turn this in a centre of excellence for public sector commercialisation.

Table 4

Area	Annual Income
Civic Flavour	£185,000
John Charles Café/Events	£166,000
Armley LC Cafe	£26,000 (new venture started part year)
Aireborough LC Cafe	£40,000
Fleet Services MOT Line	£11,000

Career Pathways

CEL see further benefits of trading and commercialisation other than bringing in income or saving on expenditure. TUPE often applies in these areas and staff transfer in on their old Terms and Conditions, in most cases these are vastly inferior to the Council's T&C's, often in these types of industries it is the National Living wage with basic pensions and statutory sick pay. Whilst we TUPE staff in we always consult with the immediately to bring them on to LCC T&C's (we ensure that prices we submit will cover these additional costs), we see trading and insourcing a way of levelling up pay inequalities across the city in traditionally low paid areas.

These colleagues have generally had little access to training and development, in CEL we pride ourselves in our training and development offer for all our staff. Our ambition is for all our staff to have training and development and access to progression opportunities and use our entry level positions as a feeding stream to progress staff through the organisation both within CEL and beyond. A prime example of this is within Facilities Management where cleaning and caretaking staff are encouraged to progress through our Front of House roles and beyond.

9. Barriers to Insourcing and Commercialisation

- Whilst we are always looking at opportunities to insource and trade, we recognise that there are risks around being 100% reliant on in house services and that it can be prudent to spread the level of risk and that also in some areas it is just too difficult to compete, and insourcing isn't always the best option for value for money.
- Areas where we would struggle to insource further include:
- Civic Catering – on the commercial side, there are a lot of events that are out of hours and our terms and conditions would mean higher rates of pay and so it is almost impossible for us to be competitive in these situations.
- Specialist services such as sanitary bins – there are high set-up costs, and this is an area of specialised waste removal. Private firms are already very strong in this area with economies of scale so it would not make sense for us to look in areas such as this.

There are several Key Elements which make it difficult to trade in some areas:

- **Enhancements** – these are at the heart of industrial relations and cover issues such as double pay at weekends or time and a half at other times. The Local Authority is most competitive Monday-Friday 9-17:00 due to these weekend and other hours commitments. Outside these core times, it's harder to be competitive.
- **Other Terms and Conditions** – entitlements to pensions, absence conditions (e.g. sick pay). Whilst this is part of our unique selling point whilst trading, we do need to recognise that the stark cost differences between our own and competitors Terms and Conditions. We

are proud of the terms and conditions that we offer and recognise the benefits this brings to our staff and the city but also recognise that this inhibits our ability to compete in certain sectors.

- **Productivity** – some of our practices make it difficult to deliver as efficiently as possible. As an example, whilst the use of routing technology has increased, it is still not utilised fully to issue and track jobs to allow smarter dispatch to increase productivity.

10. Procurement

- Our front-line services are operating in a competitive market and many private organisations deliver similar services and often some of their value/commercial advantage is in the procurement of their supply chain. Within the Council however we are required to comply with Public Procurement Regulations, and these are a barrier in some situations as they don't provide front line services much flexibility and ability to negotiate is very limited which means we are sometimes not able to get best value.
- We are working closely with colleagues across the Council to try and find ways to encourage engagement with SME's and have recently amended the CPRs to enable services to create a pre-approved list in some cases which will provide some flexibility but the success of this needs to be tested as the changes have just been made.
- In addition to the above the procurement process often ties companies into a fixed/set price, often for the life of the contract. This puts the risk onto the supply chain which in some cases is a sound commercial position however, due to recent cost increases being so high companies are building in this risk meaning much higher prices and on occasion the risk puts companies off tendering altogether. To find a way round this and encourage as much competition as possible we have tried a variety of mechanisms including building in set increases linked to different indices to give tenderers comfort that they are protected from inflationary pressures. On a recent exercise we applied this to the contracts with a set period of the start of year 3, 5 and 7 on a 4+4 contract.

11. Conclusion

- CEL remains in a strong position in its traded and commercial activities and is a prime example of operating as an ethical in-house contractor. It is the intention to carry on with expansion plans and work with other parts of the Council to overcome some of the prevention barriers. It does recognise however that there is not a one size fits all approach to insourcing and often a blended mix of public, private service delivery works well and helps the Authority spread the risk in terms of both finance and service delivery.

What impact will this proposal have?

12. This report provides scrutiny with an initial opportunity to consider the services provided by Civic Enterprise Leeds and identify areas that could be focused on in more detail in future work items.
13. The Council's scrutiny function is keen to add value and this introductory report following the change in the Board's remit to include CEL, offers an opportunity to do that where appropriate.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

14. Given the scope of CEL and the variety of services it provides its work clearly impacts on all three of the Best City Ambition key pillars.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

15. Consultation has taken place with the chair of the Scrutiny in the preparation of this report.

What are the resource implications?

16. This is an update report to scrutiny there are no specific resource implications. Budget and income levels are provided where appropriate.

What are the key risks and how are they being managed?

17. This is an update report to scrutiny there are no specific risks associated with it. Risk management measures will be carried out by CEL as part of their service activity.

What are the legal implications?

18. There are no specific legal implications.

Options, timescales and measuring success

What other options were considered?

19. N/A

How will success be measured?

20. N/A

What is the timetable and who will be responsible for implementation?

21. N/A

Appendices

- There are no appendices to this report

Background papers

- None

Procurement update report: Contracts, Terms & Conditions and Contract Monitoring

Date: 20th February 2023

Report of: Director of Resources

Report to: Scrutiny Board (Strategy and Resources)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

- The Council's procurement function helps to ensure that the Council is able to deliver the 3 pillars of the Council's Best City Ambition. The goods, works and services we choose to buy and commission, the suppliers we select, the influential relationships we maintain with those suppliers, and the commercial opportunities we offer can help deliver inclusive growth, improve the health and wellbeing of local people, and support the push toward zero carbon.
- As reported previously, as part of the Core Business Transformation programme work is ongoing to review the Council's entire "procure to payment" processes in order to:
 - maintain effective procurement support, including sufficient capacity/capability and appropriate training and guidance; and
 - maintain efficient systems and processes in order to deliver value for money in relation to external spend

(the **P2P Review**).

- A key element of the P2P review was an LGA facilitated peer review of the Council's procurement function in June 2021 and consequent recommendations (the **LGA Peer Review**).
- This report provides an update on progress in implementing the actions developed in response to issues identified during the P2P Review and in response to recommendations arising from the LGA Peer Review (the **P2P Action Plan**).
- This report particularly focuses on:
 - progress in relation to developing a Council-wide best practice approach to contract management,
 - proposals to further develop opportunities for delivery of additional social value in procurement, and
 - savings/avoided costs in relation to external spend, and future opportunities.

Recommendations

Members are recommended 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.

Why is the proposal being put forward?

- 1 This report provides 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 is attached at Appendix 1.
- 2 Members' attention is brought particularly to 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.

Contract Management

- 3 Contract management and procurement work hand in hand throughout the lifecycle of a contract. Contract management arrangements should be considered during the procurement of a contract to ensure that the Council's requirements are clear and deliverable.
- 4 Good contract management can provide many benefits, including:
 - the identification and realisation of financial savings, continually ensuring that contracts respond to the Council's changing requirements;
 - the delivery of desired outputs including the provision of quality services to the Council and community;
 - the development of service specifications by identifying and encouraging innovation and industry best practice;
 - the avoidance of costs and other issues which might otherwise have arisen;
 - ensuring that actual spend accords with budgets, or any over/underspend is monitored and managed.
- 5 On the other hand, research by the International Association for Contract and Commercial Management shows that poor contract management can cost as much as 9% p.a. In short - without appropriate contract management the Council may not get what is being paid for, and opportunities to realise greater efficiencies/outputs are being missed.
- 6 The Contract Procedure Rules (**CPRs**) provide that the relevant Director is responsible for ensuring that the Contract is managed appropriately. A recent review indicates that there are over 400 Council employees whose roles involve contract management. However, typically individuals responsible for managing the Council's contracts are subject matter/technical experts and contract management is inconsistent across the Council.
- 7 In order to support implementation of a Council-wide best practice approach to contract management, both Corporate Governance and Audit Committee and this Scrutiny Board have previously endorsed a proposal to amend the Director of Resources scheme of delegation (with sub-delegation to Head of PACS) to include: "Setting, supporting and monitoring the council's policies and procedures for: ... c) procurement, purchasing, contract management and commercialisation;...". This amendment is in the process of being actioned, however in the meantime a number of initiatives have commenced:
 - a) Contract Management Module: A contract management module has been developed and launched on YORTender to:
 - i. ensure contract management is considered during the procurement phase,
 - ii. to support basic contract management during the operational phase of a contract; and
 - iii. to provide high-level management reporting information.

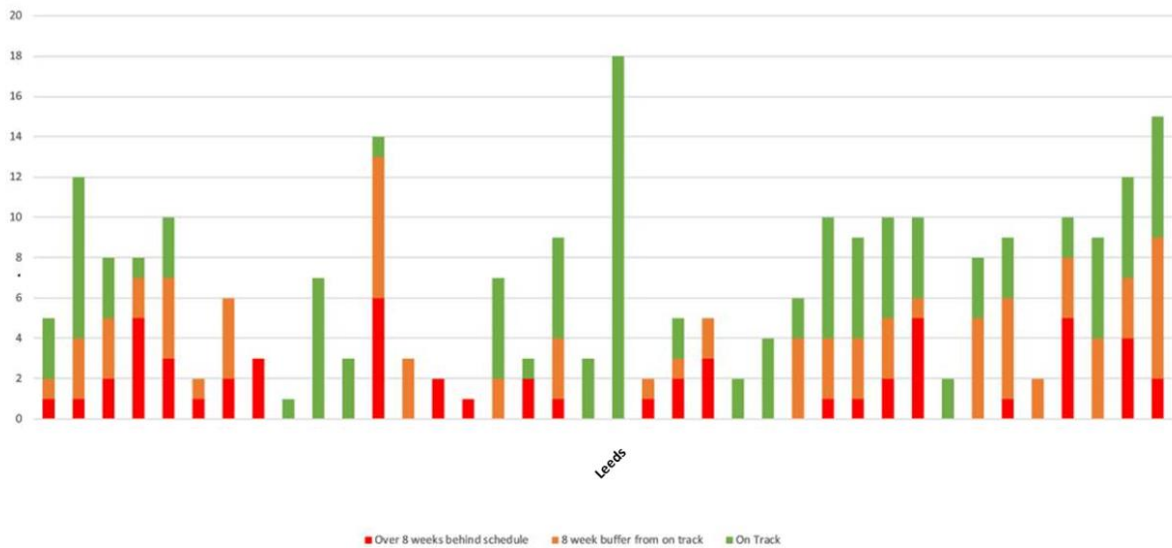
Since 4th October 2022, it is a requirement that the Contract Management Module shall be completed for all contracts registered on YORTender (i.e. those valued above £10k) and in

addition all contracts above £100k must have a Contract Management Plan in place (though it is permissible for a single Contract Management Plan to cover more than one contract, and the contents of the plan should be scaled and proportionate to the value and risks of the contract).

Completion of the Contract Management Module should typically take 15-30 minutes. Guidance as to how to complete the module is provided (see Appendix 2) and further support is available from PACS.

While completion of the Contract Management Module prior to award of contracts was low in the first 3 months (at only c25%), liaison with and support to directorates has meant that completion now stands at c50%. Further, feedback from officers is that the module is intuitive and can be completed within the anticipated timeframes.

- b) **Business Change Delivery Lead (Contract Management):** In July 2022 the Core Business Transformation programme team (in conjunction with PACS) recruited a Business Change Delivery Lead to work across CBT and PACS to deliver change and improvement in contract management. The post holder has been undertaking work to identify existing contract management best practice (both internally and in other organisations), develop and embed new and improved processes, investigate and utilise new technology and to develop a “best practice” approach to contract management.
- c) **Contract Managers:** Contract managers across the Council have been consulted to better understand the current challenges with contract management and where processes, training and systems might be improved to support them to deliver effective contract management. A recent review and data enhancement exercise identified that there are more than 400 employees who are responsible for managing contracts on behalf of the Council. This group now receives regular communication on contract management and has been invited to provide feedback and ideas on how we might deliver positive change.
- d) **Newsletter:** The first issue of a contract management newsletter was circulated to contract managers and senior officers in December 2022 (see Appendix 3). Further editions will be issued each quarter. The intent behind the newsletter is to share contract management information, to highlight news and best practice, to identify resources and training opportunities, and with a view to developing a contract manager “community”;
- e) **Training:** An internal training and guidance package is under development. In the meantime, training resource via the Government Commercial College has been identified. This includes an online foundation-level contract management training course which is available to all contract managers. The foundation training consists of 6 modules that take approximately 1 hour each and can be completed whenever is convenient. More advanced training has been sourced for free from the Government Commercial College as part of the Contract Management Pioneer Programme (**CMPP**), with the objective that learning and best practice should be further disseminated within the participating organisations. This is available for staff for whom contract management is a core part of their role and to date 18 members of staff have signed up to practitioner/expert level contract management training (with further opportunities for staff to participate in the coming months). Comparison against other local authorities is in the table below. Reference to the names of other authorities have been removed, but as can be seen Leeds is the highest cohort of learners from any authority and the only authority where all the cohort are currently “on track” (coloured green).



- f) Good Practice: There are examples of good contract management practice.
- i. Adults and Health Commissioning are responsible for large, high value contracts for home and residential care. The team has developed processes and tools to manage over 100 providers with aggregate spend of c£30m, gathering intelligence and adopting a risk-based approach with a detailed risk matrix, with typical savings of c.10% p.a.

Examples of these processes and tools:

- Intelligence is gathered on residential homes via multiple sources (health and social care staff, family, inspections) and not just through general contract management work/data;
 - Processes are in place to collect and record information and log risks/issues with RAG ratings used to identify any homes with issues, and to alert the contract manager who can contact them as a priority. The matrix also collates information on market pressures, recruitment, staff interactions/hours;
 - Staffing of care providers is a major issue so it is monitored closely;
 - Regular supplier events and meetings are held – not just contract management meetings but sessions where suppliers can share concerns and discuss current staffing/economic challenges. This has created a supplier “community” where those engaged with the contract can interact and share best practice;
 - Strong governance and stakeholder engagement, and a clear chain for escalation, includes monthly board meetings held and data shared with senior staff to discuss risks, quality of service delivery, any struggling providers.
- ii. The Council has PFI assets with a capital value of over £1bn. Contract Management is delivered by a corporate team of contract managers (schools, independent living and leisure) and by contract managers within services (waste, street lighting and housing). Additional resource is procured externally on an ad hoc basis (e.g. legal, technical and financial).

Examples of benefits of good contract management:

- Income Generation – negotiation of default interest rate increase for an advance payment in relation to the street lighting LED installation programme resulting in £225k payment to the Council;
- Variation – Technical changes to allow for off-take and purchase of heat from the waste facility to use as a low-carbon heat source for the Council’s district heat network, supporting residents in multi-story flats in fuel poverty, generating income

- from sale to commercial business customers and reducing energy costs for public sector customers. Mothballing of equipment at the waste facility for extracting materials no longer viable for recycling, saving £2m p.a. by way of compensation;
- FM Benchmarking – applying contractual benchmarking provisions on Swarcliffe housing PFI resulting in £63k p.a. reduction in price since 2017;
- Insurance benchmarking – applying contractual insurance benchmarking provisions has resulted in £4.6m savings in aggregate since 2017;
- Contractual remedies – application of remedies for underperformance resulting in c£828k deductions across all contracts in the current year to date.

As the PFI contracts approach expiry, Government recommends that authorities commence preparations for expiry and future maintenance at least 7 years before the actual expiry date. The Council's first contract expiry is in 2025, with a further 11 contracts expiring between 2030 and 2038, and the final contract expiring in 2041 (though with an option to extend to 2043). The need to augment existing resource and skills has been identified in order to efficiently deal with the expiry, ensure that the assets are handed back in the appropriate state (i.e. effectively "good as new"), to adopt appropriate continuing facilities management arrangement and to provide assurance that the Council is not paying twice for the same service. Resource proposals have been developed in such regard and are currently being progressed.

- g) External support: We are currently in the process of seeking to appoint an external partner to help undertake an in-depth review of contract management in relation to 5-10 contracts, with a view to identifying opportunities for savings and improving contract management practice. In addition, as part of the CMPP the Council will receive support from Local Partnerships for 1 week in February to focus on the following 3 critical areas:
- i. Developing a formal process to measure or assess the effectiveness of Contract Management as a practice across the Council;
 - ii. Developing a formal framework to identify, share and embed good practice across the Council;
 - iii. Developing a process to support the capability of contract managers across the Council.

Social Value

- 8 The Social Value Act (2012) requires the Council to have regard to Economic, Social and Environmental well-being (**Social Value**) in connection with our contracts. Social Value involves looking beyond the price of each individual contract and looking at what the collective benefit to a community can be when a public body chooses to award a contract. It refers to wider financial and non-financial impacts of projects and programmes including the wellbeing of individuals and communities, social capital, and the environment.
- 9 The Council has been delivering additional Social Value through its contracting activity for many years and in 2016 signed up to the 'Leeds Social Value Charter'. Since 2020 it has been a requirement of CPRs that Social Value opportunities are considered in respect of all contracts, and in terms of those tendered contracts a minimum of 10% the evaluation criteria must be allocated to Social Value elements of bids.
- 10 Social Value in High Value Contract: To facilitate and embed consideration of Social Value opportunities in procurement activity Social Value Guidance for Commissioners was developed, a Social Value Board of officers from services across the Council was established, and an external consultancy (Social Value Portal) was procured to help deliver, record and monitor Social Value in relation to contracts valued over £100,000.
- a) The contract with Social Value Portal expires on 31st March 2023, and this has provided the opportunity to review arrangements for delivery of Social Value through Council contracts.
 - b) As part of this review, the feedback from the Survey of Internal Control was considered:

- i. over 70% of responses considered Social Value to be well embedded or fairly embedded. Consequently, it is considered that the Council no longer need rely on external consultancy support to deliver Social Value through procurement and is able to evaluate and monitor delivery of Social Value in-house. Resource proposals have been developed in such regard and are currently being progressed;
 - ii. However, issues noted were a lack of understanding that Social Value is a reference to additional value being provided above the core subject matter of the contract (particularly in the context of “peoples” services) and that work is needed to improve handover of contract management of Social Value commitments. It is considered that the additional support that will be provided through the above-mentioned resource proposals will help respond to such issues (i.e. providing further support to services to understand the benefits and opportunities of Social Value, and providing support in relation to monitoring delivery).
- c) A further concern articulated by commissioners was in relation to the Social Value Portal costs passed through to suppliers. This was considered particularly problematic in the context of Social Value, given that these were monies flowing to a London-based company. While bringing these services in-house will still result in costs of administration being passed on to suppliers, it is anticipated that such costs will be less than 50% of the current fees charged by Social Value Portal.
- d) In order to evaluate, monitor and report on Social Value in respect of the high value contracts (i.e. £100k plus), the Council has liaised with other authorities across the region to refine an evaluation and reporting system developed by East Riding Council (the Social Value Engine). Following a trial of the system over recent months, it is considered to be user friendly and fit for purpose. The Council will procure licences to access Social Value Engine, but (as noted elsewhere) will provide resource and support internally to use the new system for evaluation and reporting purposes. In terms of reporting functionality, as well as reporting on proxy-values of Social Value delivered, the Social Value Engine dashboard can report on actual outcomes (i.e. numbers of jobs, volume of CO2 avoided etc), can report on a per-contract basis or across the whole portfolio and can also report on a locality basis. An example of a dashboard report is at Appendix 4 (note that the values in the Appendix 4 report are not real and are formulated for dashboard demonstration purposes only). It is understood that Scrutiny Board wishes to receive regular updates as to Social Value performance indicators and (along with the annual corporate KPI regarding % of local vendors), updates of this dashboard could be made available to Scrutiny Board.
- e) In terms of evaluation of Social Value proposals in tenders, in accordance with the LGA Peer Review recommendation to “consider increasing the level of ambition on social value to drive a stronger focus on achieving social value objectives through procurement”, a review of the current minimum evaluation requirement of 10% for Social Value is underway, with a view to increasing these weightings where practicable (e.g. procurements where quality is of lesser importance).
- 11 Social Value in all Contracts – At present, while Social Value must be considered in respect of all the Council’s contracting activity, in practice it is primarily focused on high value contracts (i.e. £100k plus) as it is not currently practical to measure and monitor Social Value delivered through lower value contracts. Furthermore, a survey undertaken of all Council suppliers (i.e. not just larger contracts) in relation to Social Value, received only 13 responses out of over 2,000 survey recipients, suggesting disconnect between the Council’s supply chain and a commitment to deliver social and economic value in Leeds.

The Social Value Fund has been developed in order to facilitate delivery of Social Value across all the Council’s contracts. Any organisation (other than those that risk bringing the Council’s reputation into disrepute) are able to contribute a modest annual fee to the Social Value Fund in exchange for a listing for their business on the Council’s Social Value Fund Contributors webpage

(providing contributors with access to a “backlink” of significant digital value). All current suppliers of the Council will be invited to contribute (this will be optional).

For future procurements, bidders will be entitled to a Social Value evaluation benefit if they have made a Social Value Fund contribution and the Council’s standard Ts&Cs will require all contractors to make an annual Social Value Fund contribution. Social Value Fund contributions will then be utilised in proportion toward local and community initiatives supporting the Council’s Best City Ambition and relating to the subject matter of contracts to which contributors are counterparties.

Commencement of the Social Value Fund will coincide with the refresh of the Council’s high-value contract Social Value requirements, and will be administered in-house by the same team.

- 12 Social Value in “Tail Spend” – Tail Spend refers to products that are low value, and typically (but not always) low volume and not subject to existing contracting arrangements. Tail Spend purchases are often not visible until it appears in end of year accounts and can cause budget pressures if not controlled. These purchases are usually made by members of staff outside of formal procurement practices, and typically goes unmanaged. Examples of Tail Spend can include schools buying stationery for a specific, short term need, social workers buying urgent goods for families, or the purchase by a service of equipment and accessories that they are unlikely to buy again or in the near future.

The Council will shortly commence a trial using the CCS Tail Spend framework - a digital buying platform which:

- allows the purchaser to filter by social value criteria such as SME vendors, Carbon Net Zero and buying locally;
- provides a simple user experience;
- allows for the Council to propose suppliers (i.e Leeds-based suppliers);
- allows the Council to put controls in place in relation to spend and to decide what level of approval a buyer has;
- provides accurate and contemporaneous spend and management information to help reporting.

- 13 Support to Leeds Suppliers – We are currently developing proposals to provide direct, free, support to local SME’s/VCSE’s. In particular, this will include:
- a) engaging with potential local suppliers via a new comms and marketing plan;
 - b) providing potential suppliers with training, support and guidance regarding bidding for public contracts;
 - c) understanding barriers to bidding for Council contracts.

Savings/Avoided Costs

- 14 Inflationary pressures over the past 12 months have adversely impacted the ability to achieve savings in relation to the Council’s external spend. The Council’s policy over recent years has been to put in place fixed term contracts which are subject to a firm fixed price. However, some suppliers have sought to challenge this by asking for price increases during the term or in the more extreme cases intimating they will terminate their service. Consequently, guidance has been developed to support contract managers if faced with a request from a supplier for support (including increasing the contract price). The guidance is attached at CONFIDENTIAL APPENDIX 5 of this report. It may harm the Council’s commercial position if shared with suppliers.
- 15 Despite these inflationary pressures, there do remain opportunities to make savings/mitigate cost increases in relation to external spend during both the procurement and operational phases of contracts. Recent examples include:
- a) Rescheduling delivery of cleaning products to a single point for receipt - £100k p.a. saving;

- b) Purchase of non-branded equivalent car parts - £30k p.a. saving;
- c) Review of fleet sub contact expenditure and amalgamation, insourcing tyre contract, reducing long term hire, savings on labour and parts on Electric Vehicles, insourcing of training – c£300k p.a. saving;
- d) Establishment of a Task and Finish group to provide a joined-up approach between Childrens and Families and other services to identify and progress mitigating action plans to reduce budget pressures. Key actions identified and being progressed include:
 - i. A review of young people ready to move from the Council’s semi-independent living contract (OWL) into independent living and matching these to suitable Council tenancies;
 - ii. Using the capacity created across OWL for young people previously on external placements;
 - iii. Reviewing children’s transport provision.

Savings of £990k directly attributed to the actions identified and progressed within the Task and Finish group.

- e) Analysis of adult’s placement data to challenge provider pricing including over provision of support, potential charging for the same support workers across different care packages, and excessive profit margins – c10% p.a. savings;
- f) Application of contractual PFI performance mechanisms - c£828k savings in year to date.

16 In order to facilitate future opportunities for further savings/avoided costs/income generation:

- a) training as to “should cost” modelling was provided to procurement and commissioners on 2nd February 2023. “Should cost” models provide a forecast of what a service, project or programme “should” cost over its whole life allowing for a better understanding of the costs associated with different delivery model options to provide insight into the potential delivery models. They also help protect against ‘low-cost bid bias’ (the tendency to favour the lowest cost bid as the preferred option) and provide further assurance in respect of the Council’s spending decisions;
- b) In the current year to date PACS has contributed to savings, avoided costs, investment funding and income generation for the Council and regionally of over £32m. Given the value of the Council’s external spend and the breadth of commercial activity that the Council/regional partners are involved in, there is scope for even greater contribution and a continuing need to ensure we have sufficient capacity and capability in relation to commercial matters. As referred to variously elsewhere in this report and the appendices, proposals are currently under consultation in relation to providing additional corporate resource to:
 - i. support the implementation of a Council-wide best practice approach to contract management;
 - ii. facilitate handback to the Council/public sector partners of over £1bn of PFI assets in accordance with the required standards, and with a view to efficiencies in respect of future service delivery;
 - iii. develop a supplier management strategy (focused on delivering further value/opportunities and managing risks in relation the 162 suppliers with whom the Council spends over £1m p.a.);
 - iv. increase pro-active market engagement/market management in relation to procurement activity;
 - v. maximise additional social value through procurement activity;

- vi. support effective and efficient delivery of commercial activities within services, and increase income generation opportunities;
- vii. support delivery of further capital investment in Leeds and the wider region (and identify opportunities for income generation in respect of the same); and
- viii. review and develop proportionate, user-friendly systems and processes (including harnessing digital tools and capabilities) in relation to procurement and contract management activity in order to ensure efficient delivery and to help inform decision making.

Fair Payment of Tax

- 17 It is understood that Scrutiny Board is interested in ensuring fair payment of corporation tax by the Council's suppliers.
- 18 Unfortunately evaluating whether a bidding organisation has the Fair Tax Mark is not something that we feel we can properly do at the moment. Indeed, the Fair Tax Mark organisation recognise that this form of Social Value (i.e. the payment of national taxes) would necessarily not be linked to the subject matter of the contract and therefore is not permitted under the current legislation. Further, it appears that there are some parties who may be interested in contracting with the Council but who would be unable to get Fair Tax Mark accredited because they do not pay corporation tax (e.g. sole traders, partnerships), and there are relatively few organisations who are actually accredited at the moment. This may cause issues in relation to fair treatment of tenderers.
- 19 Nevertheless, noting concerns of Scrutiny Board, CGAC and the Executive Board Member/Leader in this regard we will continue to pursue opportunities for ensuring fair payment of tax by the Council's suppliers and will look to engage nationally on this matter (including through DLUHC and LGA).

What impact will this proposal have?

Wards affected:		
Have ward members been consulted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

- 20 The P2P Review seeks to further improve the efficiency and effectiveness of the Council's procurement, contract management and invoice processing function, in order deliver the key areas of the Council's Procurement Strategy:
- a) Value for money, and efficiency
 - b) Governance – legal compliance and managing risk
 - c) Social Value and the Real Living Wage
 - d) Commercial opportunities
 - e) Supplier engagement and contract management.

What consultation and engagement has taken place?

- 21 Together with senior officers from across the Council, both the Leader and the Chair of Scrutiny Board participated in the LGA Peer Review.
- 22 The P2P Review is the subject of Council-wide consultation as part of the Core Business Transformation Programme.

- 23 Seeking opportunities for procurement savings is subject of oversight by BCT: Financial Challenge, and feeds into the overall Council budget-setting process.
- 24 Regular consultation and engagement with the Executive Member takes place, and an annual procurement assurance report is provided to Corporate Governance and Audit Committee.

What are the resource implications?

- 25 The procurement systems and processes in place, along with the adoption of appropriate terms and conditions and robust contract management activity represent an appropriate use of resources and achieve good value for money. However, the CBT programme presents an opportunity to consider more efficient use of technology and to ensure processes are also efficient. As regards contract management, additional corporate resource will be required to support directorates and ensure that best practice is being applied across the Council, however this will be subject to provision of a business case in such regard in due course.
- 26 The systems and processes anticipated by the Procurement Strategy represent an appropriate use of resources and are good value for money. Additionally, the procurement activity supported enables both cashable and non-cashable savings to be made in the commissioning lifecycle. The Procurement Strategy however recognises that resource constraints mean that we are currently not able to concentrate on all procurement categories as much as we would like, and that may have an adverse impact on the Council's ability to obtain value for money in terms of both costs and in respect of fully delivering the wider outcomes that could be achieved through increased social value. This was further recognised as part of the recommendations from the LGA Peer Review.
- 27 The P2P Review presents opportunities to draw further value from the Council's procurement activity, while adopting more efficient processes. In addition, investing in further commercial resource will help maximise value and ensure delivery of anticipated outputs from the Council's commercial activity (i.e. "invest to save").
- 28 Note comments at paragraph 16(b) and variously in this report regarding resource proposals that have been developed and are currently under consultation with Trade Unions with a view to approval and recruitment in early 2023/24.

What are the legal implications?

- 29 While the P2P Review will seek to deliver improved efficiency and greater strategic value from procurement activity the current Procurement Strategy, CPRs and procurement tools and documentation meet all legal requirements.
- 30 The review and refresh of the Council's procurement processes will ensure that they continue to be fit for purpose with a view to improving compliance as well as efficiency. Similarly, improving contract management arrangements across the Council will also deliver benefits from a governance and compliance perspective. Finally, improving P2P systems and processes will facilitate compliance by the Council with requirements of the new procurement regulations (now anticipated in 2024).
- 31 Appendix 5 is CONFIDENTIAL. In accordance with Access to Information Rule 10.4(3), it contains information relating to the financial or business affairs of the Council, and the public interest in maintaining exemption from disclosure of this information outweighs the public interest in disclosing the information at this time.
- 32 This report is not eligible for call-in.

What are the key risks and how are they being managed?

- 33 The systems and processes that form part of the Council's procurement framework are currently functioning well, however they include significant levels of manual processing and are inefficient. One of the aims of the P2P Review is to improve this.
- 34 One of the Resources directorate risks relates to risk of procurement challenge, and it is anticipated that improving processes and systems will further reduce the risk of challenge. One of the actions identified as part of the P2P Action Plan was development of a procurement risk register, which is now in place. Risks in relation to the procurement and operation of specific contracts are reported monthly to the City Solicitor, and are also subject to escalation within relevant directorates. There have been no formal challenges to procurement activity in the year to date, and work is continually undertaken to ensure the tender evaluation guidance is embedded through training and monitoring.
- 35 The major current risk is in relation to price inflation. The Council's policy is for the vast majority of fixed term contracts to be subject to a firm fixed price. Some suppliers have sought to challenge this by asking for price increases during the term or in the more extreme cases intimating they will terminate their service. Consequently, guidance has been developed to support contract managers if faced with a request from a supplier for support (including increasing the contract price). The guidance is attached at CONFIDENTIAL APPENDIX 5 of this report. It may harm the Council's commercial position if shared with suppliers.
- 36 The Council will need to stay alert to new legislation introduced by the Government (the **Procurement Bill**) to implement a reformed public procurement regime that is anticipated to come into effect in 2024. The procurement law reform outlined in the Procurement Bill will apply to all public bodies, including local authorities. While aspects of the Procurement Bill seek to provide greater procurement flexibility, the Procurement Bill also looks to introduce significant additional obligations on many aspects of public procurement, including enhanced transparency requirements. The Council will need to manage this risk by ensuring it has adequate resources to fulfil the new transparency requirements, and training and upskilling officers responsible for procurement.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 37 The Council's procurement function ensures that the Council is able to deliver the council's three Key Pillars.
- 38 Effective procurement activity supports the Council's ambitions of a strong economy and a compassionate city, and the Procurement Strategy is specifically drafted in response to the Best Council Plan. Individual procurements support most/all of the Council's priorities and breakthrough projects.

Options, timescales and measuring success

What other options were considered?

- 39 A "do nothing" option was considered and discounted. Options for developing P2P systems will be the subject of a business case and competitive procurement process. Developing contract management best practice is the subject of ongoing research and consultation.

How will success be measured?

- 40 Success will be measured against “best practice”, the number of procurement challenges and contract disputes received, and the Procurement Strategy KPIs. In addition, the new Contract Management module will for the first time allow for monitoring of key aspects of contract performance across all contracts valued above £10,000, and improving contract management processes will contribute to the Council’s financial challenge savings.
- 41 The Social Value Engine dashboard and the Tail Spend platform will provide contemporaneous reporting and data.

What is the timetable for implementation?

- 42 The P2P Action Plan is split into 3 phases, which align to the phases of the Core Business Transformation programme. The Phase 1 immediate actions having already commenced with most having already been completed. The medium-term actions relate either to the procurement of a new financial management technology/system and delivery partner which is in progress or will be impacted by the detail of the Government’s new procurement regulations (anticipated to be in place in 2024). The final phase are outputs from the new technology/systems to be delivered and will follow completion of the procurement exercise. See Appendix 1 for further detail.
- 43 Resource proposals have been developed as anticipated by the P2P Action Plan and are currently under consultation with Trade Unions with a view to approval and recruitment in early 2023/24.

Appendices

- 44 Appendix 1 – P2P Review Update
- 45 Appendix 2 – Contract Management Module Guidance
- 46 Appendix 3 – Contract Management Newsletter
- 47 Appendix 4 – Example Social Value Dashboard Report
- 48 CONFIDENTIAL Appendix 5 – Guidance Relating to Current Supplier Pressures - In accordance with Access to Information Rule 10.4(3).

Background papers

- 49 None

APPENDIX 1 - P2P Review Update

Part A – Overview

The action plan below has been developed in response to the recommendations made following the LGA Peer Review of the Council's Procure to Pay (**P2P**) business function.

P2P is a workstream within the Core Business Transformation (**CBT**) programme that will transform and modernise the way core business activities (Finance, Procure to Pay, HR, Payroll) are undertaken across the Council.

Due to the co-dependency of the P2P action plan on the deliverables of the CBT programme, the actions have been aligned with the delivery phases of the programme.

The CBT programme is split into 3 phases:

- **Phase 1:** the first phase focuses on business readiness and change that is not technology dependent. In the context of the CBT programme, this phase involves engaging with the market to develop our understanding of available technology and how it can best be harnessed to achieve our ambitions. Further detail about the progress in delivering Phase 1 actions to date is included in the "Update Statement" section at Part C of this Appendix 1.
- **Phase 2 and Phase 3:** The Phase 2 actions relate either to the procurement and implementation of the new technology/require support from the Transformation Partner to deliver the business change or will be impacted by the detail of the Government's new procurement regulations (anticipated during 2024). The final phase are outputs from the new technology/systems to be delivered.

Part B - Procure to Pay Review Action Plan

CBT Phase 1 (Sept 21 – Sept 22)
Readiness/discovery

CBT Phase 2 (Sept 22 – Sept 23)
Commence working with a Transformation Partner / Tech Design & Implementation

CBT Phase 3 (Sept 23 – Sept 24)



LGA Recommendations

1) Focus more energy and resources on delivering strategic value from procurement (e.g. an overall savings plan for procurement, supplier engagement, commercial, social value) and contract management rather than further improving already excellent levels of compliance

2) Utilise technology to improve efficiency and to gather data that will underpin procurement decisions going forward.

3) Ensure that PACS have the updated skills and capacity to drive a more strategic approach, specifically in relation to leadership and category management.

4) Review the council's procurement strategy to ensure it reflects the balance of corporate priorities with the details moved to an operational delivery plan.

5) Allow category managers the capacity and remit to re-implement a proper category management approach for all key spend areas

6) Elected members should be engaged with the strategic decision making for procurement and contract management. There should also be member representation on the social value and climate change boards.

7) Ensure there is a Leeds-wide approach to contract management and commercial, leveraging the good skills which exist in areas like the PFI team.

8) Improve working with system partners.

9) Consider increasing the level of ambition on social value to drive a stronger focus on achieving social value objectives through procurement.

Review contracts register to update contacts and budgets	Review and simplify CPRs and proc documentation to aid self-service for low value procurements	
Start Commercial Business Partner ("CBP") trial in CHE (ongoing commercial mgmt. work see section 7)	Roll out Commercial Business Partners to other directorates (subject to trial evaluation)	
Reallocate 3FTE to support savings; FPS; P2P systems review; social value; contract management		
Develop and implement Procurement Risk Register	Review Council processes - including flexibility anticipated under new Procurement Regs (2023) and reflect new processes in the new technology	
Develop and implement savings and added value plan for new procurements and current contracts, also develop income generation plan (the SAVInG Strategy)		
Implement auto-invoice processing solution and review and standardise purchasing and payment policies and processes		
Mobilise new eTendering portal		
Embed use of SV Portal to aid delivery of SV through procurement		
Explore use of market intelligence platforms	Explore use of Power BI to produce info/intelligence to aid commercial strategies and decision making	
Identify and implement new integrated ERP technology (inc market intelligence software) to improve procure to pay efficiency and enable production of business intelligence that can aid performance, value realisation, strategic commercial decision making		
Review procurement skills framework and responsibilities - market analysis and engagement, category experience		
Undertake procurement skills audit and identify/address training requirements – negotiation/commercialisation		
Simplify reporting lines, improve information sharing amongst PACS/Commissioners/decision makers		
Review and refresh procurement strategy		
Undertake interim review of KPI's		
Review structure and resourcing requirements		
Further develop ability for directorates to self-support lower value procurements - skills and technology		Continuous review/reallocation of resources to support further savings, added value, income generation, improved outputs
Report action plan and strategy/KPI review to Exec Member/CGAC		
Regular updates to Exec Member on SV progress, and annual updates to CGAC/ Scrutiny		
Review and update delegation/sub-delegation scheme relating to contract management		
Develop/embed contract management best practice: i) skills framework; ii) training (contract management and commercial/negotiation skills); iii) best practice guidance/ docs		
Commercial Business Partner(s) to drive improvement of commercial skills in CHE and across all LCC		
Appoint new Commercial Finance Manager and explore income generation and trading opportunities (including exploration of trading opportunities relating to PFI contract management)		
Further develop Social Value commitments (inc 3 rd sector and Anchor Network).		
Consider opportunities for more collaborative procurement i.e. Leeds-wide (NHS), regional (WYCA or SPG)) to reduce costs and/or as income generation opportunities		
Continued working with YORprocure SPG and YORhub, sharing know-how/lessons learned (e.g. new procurement reg, carbon neutral toolkit, regional use of market intelligence platforms, commercialisation)		
Increase resources to embed, monitor and support delivery of social value		
Develop examples of Social Value achieved to inspire new procurements/ join up with other Leeds partners		

Part C - P2P Review Update Statement

Please note that copies of various documents referred to below are available upon request.

1. Delivering Strategic Value in Procurement and Contract Management

- **Contracts Register** – Data migrated to the Council’s new e-procurement system (“YORTender3”). A process of data cleansing has been undertaken to ensure correct allocation of contracts to specific procurement categories, directorates, contract managers etc. Given the volume of data and the manual nature of the process, this is a continuing and ongoing process until new technology allows for reliable automated updates. Additional information relating to contract value and spend per year to help understand contract utilisation and performance, and opportunities for savings.
- **CPRs/Procurement Docs**– CPRs are kept under continual review and regularly refreshed. A more fundamental review of CPRs and Procurement Documents is underway with a view to simplifying and making more user friendly. We are currently gathering information relating to the approach of other local authorities. Launch of these new documents is likely to be mid-2023.
- **Commercial Business Partner (CBP)** – An initial 12 month pilot testing the concept of a CBP commenced on 31st August 2021 following recruitment of a new staff member with private sector commercial and entrepreneurial experience. The CBP was working primarily with CHE on various initiatives (contract reviews and income generation ideas), and also provided support to Resources. Significant immediate savings and service improvements have been identified, and longer-term strategic transformation opportunities are also being progressed. A broader consultation has been undertaken with directorates to establish their commercial support requirements, with proposals for two permanent CBPs – one focused on “people” related services and the other “place”. These proposals are part of a formal consultation with Trade Unions with a view to approval and recruitment in early 2023/24.
- **Reallocation of Resource** – Resource from PACS procurement support team has been reallocated to support delivery of additional Social Value through procurement, to support the Faster Payment Service, to support development of contract management best practice (including secondment to the CBT programme team), and support the Financial Challenge savings review.
- **Procurement Risk Register** – In place and now business as usual. Procurement risks are also identified on the corporate risk register, and individual directorates/services should identify risks in relation to their own specific procurement activity. PACS provides monthly updates to the City Solicitor in relation to particular procurement and contract risks of which it is aware.
- **Review Council Processes** – It is likely that the new procurement regulations will not be enacted until 2024. However, review of the Council procurement processes is ongoing in any event. Process mapping is underway to develop an automated/self-service system for low value procurements, and the Council will shortly trial a “tail-spend” solution aimed at simplifying the process for very low-value off-contract spend, providing improved data and visibility of such spend, and encouraging such spend to be made with local suppliers.
- **SAVInG Strategy and Tracker** – A strategy for delivering procurement and operational contract savings and increasing income generation has been drafted. An accompanying savings tracker is used (cash savings in procurement and contract management, but also recording non-cash savings/avoided costs and income generation). Proposed development of contract management best practice should support services to identify further savings opportunities (particularly given the difficulties in securing additional price savings, in the context of significant inflation).

2. Utilising technology

- **Auto Invoice Processing** – The new Kefron system went live in the Council on 1st April 2022, and is scheduled to be rolled-out to non-FMS schools in the near future. It is noted that purchasing/payment arrangements need to be considered and incorporated into contract management plans prior to contract award.
- **New e-tendering Portal (YORTender3)** – The new YORTender3 e-procurement portal went live on 1st January 2022 with training provided to over 300 users. A full contract management information module has been created and is now operational on YORTender3 – see below. A further module for e-evaluation is currently being mapped, before being built, tested and deployed.

- **Social Value Portal (SVP)** - SVP is an online platform for evaluating Social Value aspects of tenders and monitoring delivery of Social Value commitments by winning bidders. SVP has been used by the Council as part of its procurement processes since September 2020, with the first procurements to use SVP going live in April 2021. However, the contract with SVP expires on 31st March 2023, and alternative approaches will be utilised in relation to delivering additional social value through procurement activity – see below.
- **Market Intelligence Platforms** – A review of online benchmarking/market intelligence systems is underway. While the benefits of benchmarking comparators are limited given that they are based on raw, often inaccurate data (taken from public data sources), such systems do allow for an indication of the levels of Council spend with particular suppliers and whether such spend forms a significant proportion of a particular supplier's turnover. This provides a clear understanding of bargaining strength for negotiation (particularly when it comes to contract extension options). Costs of access to these systems is typically c£20-£25k p.a., and a business case will be produced in due course.
- **Power BI** – Use of Microsoft Power BI is anticipated will improve data analysis and management reporting. A Power BI work package has been developed, however IDS resourcing issues have resulted in delays to progress.
- **New ERP Technology** – The Council will shortly commence implementing Dynamics which will improve purchasing/payments. The P2P workstream is currently working on a 'business case' for investment in resources/technology to improve and transform end to end process. Market engagement and research to be undertaken to understand opportunities afforded by new technology.

3. Having the skills/capacity to deliver strategic value

- **Procurement Skills Framework** – This has been amended to reflect LGA Peer Review recommendations and a CPD system implemented for procurement officers.
- **Procurement Skills Audit** – The procurement skills framework has been utilised and self-analysis undertaken to identify development plans for procurement officers (including coaching, training, knowledge sharing), and a generic training programme for all staff (particular areas of focus being the Government sourcing playbook, supplier engagement and contract management).
- **Simplify Procurement Reporting Lines** – This is under continuing review. In the meantime, in order to improve connectivity between PACS, procurement officers working in services and commissioners across the Council:
 - The 6-weekly Procurement Practitioners Group is attended by procurement staff from across the Council;
 - All category teams are attending the office at least once per week, including colleagues from the Construction and Housing and IDS procurement category teams co-locating with other PACS category teams;
 - CBP role supports direct link between services and PACS procurement officers; and
 - Adoption of a uniform approach to category reporting lines to ensure (for example) comprehensive capture and systematic feedback on waiver and direct award reports.

4. Review of Procurement Strategy

- **Review and Refresh Procurement Strategy and KPIs** – Initial review undertaken to confirm the Procurement Strategy is still fit for purpose. More fundamental review to commence in 2023 to ensure it responds to the new Procurement Bill and remains fit for purpose for the medium term.

5. Capacity to implement full Category Management approach

- **Review Structure/Resource Requirements** – Proposals for the creation of new Head of Procurement role and two “senior category manager” posts to ensure provision of effective category management approach and allow for a more strategic view of procurement across the Council. These proposals are under consultation with Trade Unions with a view to approval and recruitment in early 2023/24.
- **Continuous review of resource** – Ongoing.

- **Develop directorates ability to self-support procurements** – See above regarding simplification of processes/procurement documents and developing automated/self-service system for low value procurements.

6. Involve Elected Members in Strategic Decision Making

- **Report action plan to Exec Member/CGAC** – Ongoing.
- **Ongoing reports to Exec Member/CGAC/scrutiny** – Ongoing.

7. Council-wide approach to Contract Management and Commercialisation

- **Review and update delegation/sub-delegation scheme relating to contract management** – Proposal to amend Director of Resources scheme of delegation (with sub-delegation to Head of PACS) to include: “Setting, supporting and monitoring the council’s policies and procedures for: ... c) procurement, purchasing, **contract management and commercialisation;...**”. This has been endorsed previously by CGAC and Scrutiny and is in the process of being actioned.
- **Develop/embed contract management best practice** – CPRs provide that the relevant Director is responsible for ensuring that the Contract is managed appropriately and every contract ought to have a Contract Management Plan in place before award (but a single plan can cover more than one contract, and the contents of the plan should be scaled and proportionate to the value and risks of the contract). A recent review indicates that there are over 400 Council employees whose roles involve contract management. However, typically individuals responsible for managing the Council’s contracts are subject matter/technical experts and contract management is inconsistent across the Council.

In order to support implementation of a Council-wide best practice approach to contract management, a number of initiatives have commenced:

- A contract management module has been developed and launched on YORTender3 to ensure contract management is considered during the procurement phase, to support basic contract management and to provide high-level management reporting information. It is a requirement that the module is completed prior to award of any contract required to be registered on YORTender3 (i.e. those over £10k in value);
 - A contract management newsletter is issued to share contract management information, to highlight news and best practice, to identify resources and training opportunities, and with a view to developing a contract manager “community”;
 - Online foundation level contract management training for all staff has been sourced via the Government Commercial College, and practitioner/expert level contract management training has been sourced for 17 members of staff;
 - Appointment of an external partner to undertake an in depth review of contract management in relation to 5-10 contracts with a view to identifying savings opportunities is planned;
 - Local Partnerships (via DLUHC) will work with the Council for 1 week in February to focus on the following 3 critical areas:
 - Developing a formal process to measure or assess the effectiveness of Contract Management as a practice across the Council;
 - Developing a formal framework to identify, share and embed good practice across the Council;
 - Developing a process to support the capability of contract managers across the Council.
- **Commercial Business Partner(s) to drive improvement of commercial skills in CHE and across all LCC** – See above.
 - **Appoint new Commercial Finance Manager and explore income generation and trading opportunities** – The new Commercial Finance Manager has been in post in September 2021. Work has been across a wide variety of areas from income generating activity (e.g. leisure and filming, and benchmarking charges with other core cities), to facilitating Museums and Galleries exhibitions tax relief claims, to significant work in relation to C&F traded services and high-cost placements. Proposals for the creation of new Head of Commercial role and trainee commercial accountants are intended to facilitate further focus on: gathering up to date comprehensive information regarding all income generation activity, areas where traded services could be more profitable, new income generation opportunities, training/development opportunities, and proposals for greater consistency and oversight in relation to commercial activity. These proposals are under consultation with Trade Unions with a view to approval and recruitment in early 2023/24.

8. Improving Working With System Partners

- **Further develop SV commitments** - A refresh of the Council’s requirements in relation to delivering additional social value through procurement activity with a view to a relaunch in early 2023/24. This will include utilising a new social value evaluation and monitoring tool that the Council has co-developed with other authorities in the region and private sector partner (Social Value Engine), and bringing the evaluation and monitoring of social value in high value contracts entirely in-house. In addition,

proposals for contributions to be made by suppliers in relation to lower value contracts to a new Social Value Fund will be implemented. Alongside this, the Council is working on a number of initiatives to support and increase opportunities for SMEs/VCSEs in the region in winning contracts with the Council (and other local authorities) and increasing the proportion of Council spend with such parties.

- **Consider opportunities for more collaborative procurement** – Ongoing activities with NHS bodies and with other authorities regionally (e.g. White Rose Children’s Framework contracts). Sub-regional West Yorkshire Procurement Leaders group established to address closer working and forging stronger relationships, with intention to share procurement pipelines between West Yorkshire authorities for information and with a view to identifying collaboration opportunities. The additional resource proposals (see above) will facilitate the opportunity to consider further strategic opportunities for such collaboration.
- **Continued working with YORprocure SPG and YORhub, sharing know-how/lessons learned** – Ongoing, including in relation to various sub-groups.

9. Increase level of ambition to drive a stronger focus on achieving social value objectives through procurement

- **Increase resources to embed, monitor and support delivery of social value** – Consideration of additional social value opportunities is now well embedded in the Council’s procurement activity. As such, it is intended that evaluation and monitoring of social value in relation to high value procurements will be brought in-house when the SVP contract expires in March 2023 and consideration as to how to lever further social value from procurement activity is ongoing. Further, the Social Value Fund will provide an opportunity to deliver additional social value in lower value procurements. Proposals for the creation of a small social value team to facilitate this are under consultation with Trade Unions with a view to approval and implementation/recruitment in early 2023/24.
- **Develop examples of Social Value achieved to inspire new procurements/ join up with other Leeds partners** – Ongoing.



Leeds
CITY COUNCIL

Contract Management Briefing Note and Module Guide

Procurement & Commercial Services

Updated Nov 2022



Foreword by Councillor Debra Coupar

Good contract management can provide many benefits, including:

- the delivery of desired outputs including the provision of quality services to the Council and community.
- the development of specifications which encourage innovation and industry best practice.
- the identification and realisation of financial savings or avoidance of unnecessary cost; and
- the prompt resolution of issues that may arise.

On the other hand, research by the International Association for Contract and Commercial Management shows that poor contract management can cost as much as 9% p.a.

In short - without appropriate contract management the Council may not be getting what is being paid for from its c£1bn of external spend each year, and opportunities to realise greater efficiencies/outputs are being missed.

While there are examples of excellent contract management across the Council, the recent LGA Peer Review of procurement in the Council identified that there isn't a consistent, best practice approach to contract management adopted Council-wide and recommended that we should:

“Ensure there is a Leeds-wide approach to contract management and commercial, leveraging the good skills which exist in areas like the PFI team.”

In response, we are in the process of developing such a Council-wide best practice approach to contract management as outlined in this guidance. While we understand that this won't be developed and embedded overnight, there are things that directorates and services should be doing immediately to improve contract management, in particular:

- Using the YORTender3 Contract Management Module for all new procurements. Contract management and procurement work hand in hand throughout the lifecycle of a contract. The YORTender3 Contract Management Module:
 - ensures that there is consideration of future contract management arrangements during the procurement of a contract to ensure that the Council's requirements are clear and deliverable.
 - facilitates appropriate contract management following contract award to ensure adherence to these requirements and delivery of the expected outputs.
 - encourages regular review to ensure contracts are continuing to respond to the Council's changing requirements and inform the requirements of a future procurement.

- Reviewing contract management in your directorate. Identify any resource/training needs, and ensure you understand the contracts in your area.
- Reviewing individual contracts. Firstly, the Council's needs change over time, so we need to be mindful of this and continually review contracts to ensure that they respond to those changing needs. In addition, are we doing the basics of contract management – is there a contract management plan, are we checking invoices, are we applying the contract when we need to, are we regularly liaising with contractors and other stakeholders?

With c£1bn of external spend each year, we can't emphasise enough the need for good contract management.

Introduction

This is interim guidance to support the development and embedding of a Council-wide best practice approach to Contract Management. It identifies what is being done to develop Contract Management best practice and identifies immediate opportunities to improve Contract Management.

This guidance will be updated and re-published as key actions are delivered.

The Council's Current Contract Management Position

The Contracts Procedure Rules provide that the relevant Director is responsible for ensuring that contracts in their area are being managed appropriately (both internally and externally). In addition, every contract ought to have a Contract Management Plan in place before award (but a single plan can cover more than one contract, and the contents of the plan should be scaled and proportionate to the value and risks of the contract).

A recent review indicates that there are over 300 Council employees whose jobs expressly include contract management. However, typically individuals responsible for managing the Council's contracts are subject matter/technical experts and, as highlighted in the LGA Peer Review, contract management is inconsistent across the Council. Whilst there are pockets of good contract management practice, it appears that there are many contracts where there is little or even no contract management. Reasons for this might include: a lack of understanding of the contract and what it requires, a shortage of resource, limited experience/training in contract management, uncertainty over who is responsible for managing the contract.

What is being done?

There are currently two main initiatives under development which relate to improving contract management across the Council in the medium term. These are:

Contract Management Systems

YORTender 3 CM Module

A Contract Management module is now available on YORTender3. The Contract Management module acts as a basic contract management plan and provides high-level contract management information. It is compulsory to complete and use for new contracts being awarded.

For all contracts other than High Value contracts (those valued over £100k), completion and use of the Contract Management module will act as a Contract Management Plan (i.e. no additional Contract Management Plan is necessary).

In terms of existing contracts, services are encouraged to use the Contract Management module for all their contracts at the earliest opportunity, however it is recognised that a prioritisation approach may be appropriate given resource implications (i.e. focus initially on high value/high complexity contracts).

Further information and guidance in respect of the YORTender3 Contract Management module is provided at Appendix 1 of this Guidance, and a package of training and support is available from PACS as to how to use the Contract Management module.

CM Systems for Complex Contracts

As part of the wider CBT programme, contract management systems to support delivery of more complex contracts will be assessed for suitability.

Contract Management Best Practice Objective

This initiative is currently under development within PACS, and its purpose is to review existing best practice in contract management across the Council and elsewhere (for example [Local Government: Making savings from contract management](#)), and look at how this can be proportionately applied across all the Council's contracts.

It includes:

- Updating the delegation of Executive Functions to the Director of Resources (and his sub-delegation to Head of PACS) to include: "Setting, supporting and monitoring the council's policies and procedures for: ... c) procurement, purchasing, contract management and commercialisation...;"
- Developing and embedding:
 - a contract management skills framework (identifying the competencies needed to manage contracts of varying levels of complexity)

- proportionate training.
- best practice guidance/documents.
- Delivering additional corporate resource to support development of commercial skills and contract management in directorates.

Immediate Opportunities to Improve Contract Management

While a Council-wide best practice approach to contract management is still being developed, there are several things that directorates should do immediately by in relation to contract management.

Directorate Contract Management Review

Contract management training

There is free online Contract Management - Foundation training provided by the [Cabinet Office' Commercial Training College](#). It is broken down into six core modules, each of which takes around 90 minutes to complete, and is formatted in such a way that it can be stopped/started as required to fit around busy schedules. It is recommended that all staff involved in contract management undertake this course.

Further specialist training may be required officers involved in the management of complex contracts or specialist contracts (such as JCT or NEC construction forms). Please contact PACS for further information in this regard.

Identifying contract management resource

Directorates should identify their contract managers and contract management resources. Any resource issues, or training or support needs should be identified and reported to PACS.

Contract understanding

Anyone responsible for contract management should be familiar with the contracts they're involved with and how to apply them. In particular:

- the rates and charges,
- the specification requirements and any KPI's, and
- any rights to deduct/withhold monies from a Contractor or other remedies for underperformance.

Completion of the YORTender3 Contract Management module should ensure a comprehensive understanding of the particular contract, however if anything is unclear (either in understanding the contract terms or how to apply them) guidance ought to be sought from PACS.

Contract Reviews

As a priority, with a view to establishing further opportunities for savings and ensuring contracts are responding to the current requirements of the Council, review existing spend with suppliers and contracts including asking the questions below. It is recommended that this is undertaken on a prioritisation basis, starting with higher value/more complex contracts.

- Are there any applicable Directorate external spend savings targets?
- Does the actual cost reflect the anticipated contract price (identify over-spends/duplicate spend)?
- Is there a contract management plan, is it still fit for purpose (individual plans may be appropriate for more complex/higher value contracts, however note that a single plan may cover a number of contracts), and is it being used?
- Do you 'check and challenge' to avoid overpayments? (e.g. cross check that rates and charges are correct, ask suppliers to provide source records to verify charges (purchase invoices and/or timesheets), ensure contractual obligations and KPI's are being delivered, double check that invoices haven't previously submitted/already been paid)
- Are there opportunities for automation/self-service for ordering and purchasing under the contract?
- Is this a service or supply that can cease without any material adverse consequences?
- Can the scope of this service/specification be reduced or changed without any material adverse consequences (are we asking for more than we need or including "gold-plated" requirements)? Are all KPIs still relevant/necessary (too many KPI's may be an administrative burden and unnecessary cost); are they being monitored/applied in practice (if they are not being applied, the Council may be paying a costly premium)?
- Are there any levers over or benefits to the supplier that may be applied to facilitate a contract re-negotiation/price review (e.g. particularly in consideration of exercising an option to extend a contract term)?
- Are the contract remedies (including reducing payments) being applied in instances of underperformance?
- If there is no scope for savings, can additional value be negotiated for the same price (i.e. social value or improved/increased outputs)?
- Are we maintaining regular liaison and relationships with contractors and stakeholders?

APPENDIX 1 - YORTender 3 Contract Management Module Guidance

Training and Resources

Guidance materials for Contract Management can be found on the [Managing a Contract Insite page](#) and on SharePoint in the "[Contract Management](#)" sub folder within the folder for YORTender 3 Training Materials.

Using the module

This section will guide Contract Managers/Commissioners through each step of the Contract Management Module.

The module should be added to your tender record as soon as possible after it has been set up and should be completed before the contract has been awarded. The module will be accessible to you at any time over the life of the contract and should be kept up to date with any changes, including:

- If there has been a change to the Contract Management Plan
- After a Contract Management meeting or an annual review has been held
- When there is a dispute, or a penalty has been imposed
- When KPIs are reviewed
- If there is a contract variation

Supporting or new documentation may also be uploaded to the record at any time to the "Attach internal documents" section of the tender checklist.

For contracts under £100k, the module can be used in place of the Contract Management Plan template. For contracts over £100k, the module still needs to be completed but will not replace your contract management plan which should be uploaded to the system.

Setting up the Contract Management Module

Note that you must be set up as a user on YORTender and have been assigned to the tender to add or update the module. If you are set up as a user and cannot locate the tender, contact the owner (the individual who set up the record) and ask them to add you in the "Assign Team" section.

The module should be added to the record and completed before the contract has been awarded.

To add the module:

Log into YORTender.

Click on the "My Quotes/Tenders" section of your homepage.

Services

My quotes/tenders
4 My ongoing, 449 Ongoing, 65 Closed,

Scroll to the tender or search for it using the ID or reference or description fields.

When located, click on the tender title to go to the checklist.

The Contract Management Module should be set up using the "Dynamic Forms" step of the tender checklist.

✘ Dynamic forms Edit
Add KPIs and other forms to the quote/tender

Click on the "Edit" button and in the next screen click on "Add".

In the next screen fill out the three sections as follows:

- Reference: The tender reference number
- Description: The tender/contract title
- Select Form: From the drop-down selection, choose "Contract Management"

KPIs and other forms

Reference:

Description:

Select form:

When the three sections are complete, click "Add".

This adds the Contract Management Module to your tender record. The module will be accessible at any time via the "KPIs and other forms" checklist step.

Click on the contract title to enter the module. This will take you to the individual steps that need to be filled out.

Forms in quote/tender						
<input type="checkbox"/>	Form	Type of form	Version	Form Controller	Updated	Validated
<input type="checkbox"/>	41589 - Building Materials Contract	Contract Management	7	Louis Price	08/06/2022 16:44	✘

Add... Edit... Delete Done


Not every step needs to be completed at the same time; individual fields can be updated as required but you **must** scroll to the foot of the page and click "Save" to save any entries.

Completing the contract management module steps

If there are fields you cannot complete immediately these can be left for the moment and updated when you have the required information. You **must** however scroll to the foot of the page and click "Save" to save the answers you have completed so far.

Once you have completed the module, click the "Set to valid" button. This will mark your module as complete for reporting purposes.

If you have not completed all the mandatory fields when attempting to validate the module you will receive an error message:

 One or more validation errors found in form!
Please review marked sections.

Scroll down the module and the incomplete section/s will be highlighted. Complete the section/s, click the save button and then click "Set to valid" again.

You will still be able to return to the module and update fields as required.

1. Contract Management Plan

Contract Management Plan	
<p>* Contracts under £100k please summarise your plan here. Supplementary information can be upload to internal documents if required. Contracts over £100k please upload your plan to internal documents and provide a brief summary.</p>	<p>Contract over £100k. The contract management plan has been uploaded to the record. Key summary: Risk to procurement functions if system unavailable/offline</p>

CONTRACTS UNDER £100K

If your contract is under £100k in value, the contract management plan may be summarised in this field. Note that the text limit is 800 characters so if your plan cannot be summarised in this space upload supplementary details (e.g. as a Word document) to the "Attach internal documents" section of the checklist. If you have uploaded supplementary information state so in this field.

The summary should include

- Overview - what is the contract for?
- How performance will be monitored and measured
- Risk management – any key risks and who is responsible
- Expiry arrangements and exit plan (note that this may change over time and should be amended accordingly if so)

CONTRACTS OVER £100K

If your contract is over £100k in value, then your full contract management plan must be uploaded to the “attach internal documents” section of the contract checklist. The contract management plan template can be found here on Insite [InSite - Forms and guidance \(leeds.gov.uk\)](https://leeds.gov.uk).

State in the text field here that the form has been uploaded and summarise any key elements, which may include the following:

- Overview - what is the contract for?
- How performance will be monitored and measured
- Risk management – any key risks and who is responsible
- Expiry arrangements and exit plan (note that this may change over time and should be amended accordingly if so)

If the contract management plan alters during the life of the contract, this field should be updated to reflect any changes. Uploaded documents should be replaced with updated copies, for example if changes to the contract management plan have been made in relation to expiry arrangements/exit plan.

2. Leeds City Council Contacts and Contract Manager Training

2. Leeds City Council Contacts	
* Name of Director responsible for Contract Management	Neil Evans !
* Name of Contract Manager	Louis Price !
* Contract Manager qualification required	<input type="radio"/> Expert <input type="radio"/> Practitioner <input checked="" type="radio"/> Foundation !
* Is the Contract Manager trained to the required level (Foundation, Expert, Practitioner)?	No
* Please specify reasons why not	Contract manager has not yet undertaken training. Planned for 14.07.2022

Complete the “Name of Director responsible for Contract Management” and “Name of Contract Manager” fields with the name of the responsible Director and name of the contract manager. The name of the responsible Director will be the Director of the service the procurement falls under.

Contract manger qualification required: Please select the appropriate standard for your contract.

“Contract manger qualification required” refers to the Cabinet Office Contract Management Professional Standards. Details of the professional standards can be found [here](#) or in the [accreditation brochure](#).

The Foundation training can be accessed by registering with the [Government Commercial College](#). Information on how to enrol for the Practitioner or Expert programmes can be obtained from the Cabinet Office by contacting them at contract-management@cabinetoffice.gov.uk

Briefly, the standards are:

- Foundation – for the management of small, straightforward, lower-value contracts. The council expects that everyone named as a contract manager will be trained to at least foundation level
- Practitioner – for the management of contracts you lead on, or provide support for, that are moderately complex.
- Expert – for the management of large-scale, complex contracts.

Is the Contract Manager trained to the required level (Foundation, Expert, Practitioner)? Select either “Yes” or “No” in the drop down box.

While you should make every effort to ensure you have the appropriate level of training to manage your contract please answer accurately. This will help Procurement and Commercial Services identify where there is a training need.

3. Risk / Issue Register

Risk / Issue Register	
<p>* Contracts under £100k please provide details here. Supplementary details can be uploaded to internal documents if required. Contracts over £100k please upload your register to internal documents and provide a brief summary.</p>	<p>The full risk register has been uploaded to the record. Key risks are a system failure, data protection, unauthorised access and data loss.</p>

CONTRACTS UNDER £100K

For contracts under £100k summarise any key risks, planned mitigations and responsibilities in this field. Note that the text limit is 800 characters; if your plan cannot be summarised in this space upload supplementary details (e.g., as a Word document) to the “Attach internal documents” section of the checklist. If you have uploaded supplementary information state so in this field.

Your summary should include:

- Key risks
- Probability
- Impact
- Countermeasures
- Owner

CONTRACTS OVER £100K

If your contract is over £100k in value, then your full risk register must be uploaded to the "attach internal documents" section of the contract checklist. State in the text field here that the form has been uploaded and summarise any key elements, which may include the following:

Your summary should include:

- Key risks
- Probability
- Impact
- Countermeasures
- Owner

4. Savings Log

Savings Log	
<p>* Contracts under £100k please outline savings here. Supplementary details can be uploaded to internal documents if required. Contracts over £100k, please upload your savings log to "attach internal documents" and clearly summarise agreed annual budget for the contract (distinct from annual contract value) and where possible record current expenditure.</p>	<p>Savings log has been uploaded to the record. Annual budget is £125,000 and current expenditure is £123,000</p>

CONTRACTS UNDER £100K

For contracts under £100k summarise any anticipated or realised savings in this field. Note that the text limit is 800 characters so if savings cannot be summarised in this space, upload supplementary details (a spreadsheet, for example) to the "Attach internal documents" section of the checklist. If you have uploaded supplementary information state so in this field. If you don't believe any savings will be realised, state so in the text box.

CONTRACTS OVER £100K

If your contract is over £100k in value, then your savings log should be uploaded to the "Attach internal documents" section of the contract checklist. Briefly summarise key savings in the text box and state total projected savings. Realised savings can be updated in the text box later.

5. Social Value

Social Value	
<p>* If not recorded in the social value portal, please outline any social value commitments.</p>	<p>The supplier has committed to: Employ staff locally Using hybrid vehicles for stock delivery, reducing emissions</p>

Summarise social value that the supplier has committed to delivering via either the Social Value Portal or as required under the specification in this text box.

Social Value commitments may include Employment and Skills, environment (including climate emergency and biodiversity loss), single use plastic and promoting local employment.

If no social value commitments have been made state this in the text box.

Update this box to confirm social value delivered during the contract term.

6. Supplier Financial Health-check

Supplier Financial Health-check

* Have you undertaken a supplier health check? This is only a mandatory requirement for contracts over £100k. Yes

Use the drop-down box to state whether a financial health check has been undertaken for the contract’s supplier(s). Note that a health check is mandatory for contracts over £100k and should also be undertaken annually as a minimum.

7. Supplier Communication

Supplier Communication

* Please record the supplier contact details, specifically the account manager / supplier contact name and email address.

Advanced Research Ltd
Account Manager: Jenny Marks
Email: jenny.marks@AR.co.uk
Phone: 0121 354 7894

Provide full contact details for a minimum of one individual per supplier. Although supplier details are already recorded on the contract record via the supplier’s YORtender account, these often are not for the same individual who will be responsible for contract or account management. These details can be used in the absence of the contract manager in case of emergency.

If the contract has many suppliers a separate document may be uploaded to the “Attach internal documents” section of the contract checklist. If you have done so state this in the text box.

8. Supplier Payment Arrangements

Supplier Payment Arrangements

* What payment method will be used? Supplier must be made aware of payment requirements. Invoices must have a purchase order number and be goods received. FMS

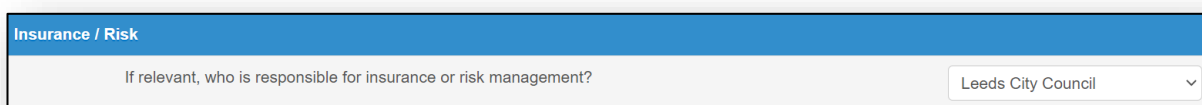
Use the drop-down box to select which method will be used to pay the supplier; P-Card, FMS or Other. When discussing payment with your supplier/s, please consider the most efficient means of payment for the council:

P-Cards: The Council's preferred method of payment. We receive a rebate for using them and costs are saved from not having to process invoices.

Invoices: It is important you discuss with your supplier how the Council will be invoiced. Invoices should be consolidated wherever possible to save on Council costs and staff resource. You should also discuss with your payment team / administrators how orders will be raised and ensure they're aware of current payment processes.

Information on new payment process can be found on Insite here: [New automated invoice processing system \(leeds.gov.uk\)](https://leeds.gov.uk)

9. Insurance / Risk



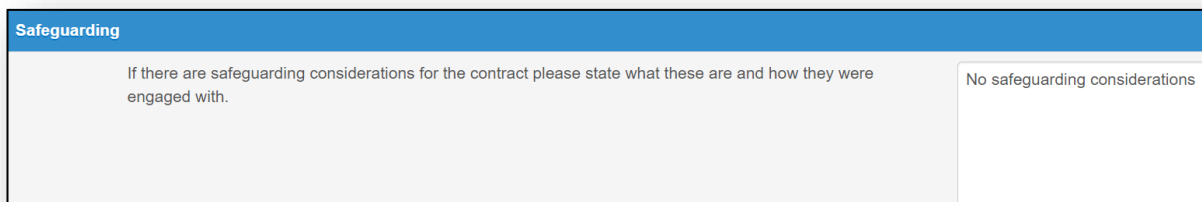
Insurance / Risk

If relevant, who is responsible for insurance or risk management?

Leeds City Council

Use the drop-down box to select who is responsible for insurance or risk management. The options are Leeds City Council, Shared or Contractor. If this question is not relevant to your contract leave the default option selected, Leeds City Council.

10. Safeguarding



Safeguarding

If there are safeguarding considerations for the contract please state what these are and how they were engaged with.

No safeguarding considerations

Use this section to record any safeguarding considerations related to the contract. If there is not enough space to clearly summarise safeguarding consideration, upload additional documentation to the "Attach internal documents" section of the checklist and note this in the text box.

If there are no safeguarding considerations, then state this in the text box.

11. Payment Discounts or Rebates


Payment Discounts or Rebates	
Please provide details of any payment discounts or rebates, including but not limited to: P-Card, Faster Payment Service, Reduction of scope in services/specification, Reduction in scope of price reduction/suppression of inflationary uplift.	Supplier has signed up to the Faster Payment Service - 1% discount. Scope of delivery reduced March 2022 reducing overall contract cost by £2,150

This box should be used to record any payment discounts or rebates. This may include, but is not limited to, the following:

- Faster Payment Service (1% discount)
- P-Card Rebate (3% Discount)
- A reduction in the scope of services or goods
- A change in the specification which reduces cost
- Reduction or suppression of inflationary uplift

Note the value of any projected discounts or rebate in the text box if this is possible.

12. Supplier Contract Management Meetings

Supplier Contract Management Meetings	
* How often are regular contract management meetings with the supplier held or planned in line with the contract management plan?	<input type="radio"/> Monthly <input type="radio"/> Quarterly <input type="radio"/> Six Monthly <input type="radio"/> Yearly 

Select the appropriate option for how often meetings will be held with your supplier(s) under the contract management plan. If your frequency differs from the options please select the closest option, e.g.: if you hold bi-weekly meetings select "Monthly".

The agenda for your Contract Management meetings should include:

- Contract Performance
- Disputes
- Key Performance Indicators (KPIs)
- Contract Exit Plan
- Social Value that the supplier has committed to delivering
- Risks and risk management
- Savings opportunities or opportunities for added value/service improvement

A detailed list of suggested topics can be found in the [Contract Management Plan Template](#) in section 7, "Communication with provider".

13. Key Contract Outputs or KPIs and RAG Status

Key Contract Outputs or KPIs

* Contracts under £100k please provide details here. Supplementary details can be uploaded to internal documents if required. Contracts over £100k please upload your list of key contract outputs or KPIs to "attach internal documents" and list main outputs / KPIs.

Helpdesk emails resolved within 48 hours. 1% credit/retention for each 0.1% lost below 96%
Priority 1 issues resolved within 4 hours. 1%

* RAG status

Amber / Red

If Amber or Red, include summary of issues

12% of helpdesk queries not resolved within 48 hours with last quarter. Credit issued and improvement plan required.

CONTRACTS UNDER £100K

For contracts under £100k please summarise any key contract outputs or KPIs in the first text box. If more space is required contract outputs or KPIs may be uploaded to the "Attach internal documents" section of the checklist.

If you have uploaded supplementary information state so in the text box.

CONTRACTS OVER £100K

For contracts over £100k please upload a list or document containing key contract outputs and/or KPIs to the "Attach internal documents" section of the checklist. State this in the text box with the document name.

RAG STATUS

RAG stands for "Red, Amber, Green"

Use this drop-down box to select either "Green" or "Amber / Red". Green indicates that contract outputs or KPIs are being fully met or exceeded and Amber / Red indicates that there are either concerns with performance or failures on behalf of the supplier/s.

If Red / Amber is selected an additional text box will be activated asking you to provide a summary of issues. Summarise performance concerns or failures to meet outputs or KPIs. The "Attach internal documents" section of the checklist may be used to store additional documentation.

14. Internal Annual Contract Review

Internal Annual Contract Review

* Date of next review 01 09 2022

* Has there been an annual review of the contract? No

* Please specify reasons why not
Contract commenced on 01/06/22 and the first review is due on 01/06/23 730

This is by reference to an annual internal LCC review of the contract that should be undertaken by the Contract Manager, supported by PACS, financial business partners and other relevant stakeholders.

Date of next review: Use the drop-down selections to set the date of the next annual internal LCC contract review. This field should be updated throughout the life of the contract with each review that takes place.

Has there been an annual internal LCC review of the contract: Use the drop-down box to select the appropriate entry? These are:

- Yes
- No
- Not required due to contract length (if your contract is less than a year in length)

Choosing “No” will activate an additional text box “Please specify reasons why not”. Use this to state your reason for not having a review. This may be because the contract has just commenced, and you have not yet held your first review (as in the above example).

The agenda for your annual review should include:

- Contract Performance
- Disputes
- Key Performance Indicators (KPIs)
- Contract Exit Plan
- Social Value that the supplier has committed to delivering
- Risks and risk management
- Any changes to the Council requirements
- Any directorate savings requirements that this contract may count toward.

15. Disputes

Disputes	
* Please provide details of current disputes. If contract is complex or over £100k please upload details of any disputes to internal documents.	Please see uploaded document "Disputes June 2022". Summary - non-delivery of goods in March, short delivery in May. Lack of communication. Contract penalties required.
* Please provide details of previous disputes and agreed resolutions. If contract is complex or over £100k please upload details of any disputes to internal documents.	Similar dispute in November 2021. Improvement plan agreed which has now not been complied with.
Additional comments. Please use this section if additional space is required to summarise any ongoing disputes or issues.	Have raised the issue with Mark Smith (mark.smith@erpt.co.uk / 0113 265 1452). Previous emails uploaded to internal documents. Resolution is urgent as endangering service delivery

Contract disputes can be recorded in this area.

- A summary of current or ongoing disputes can be recorded in the first text box.
- A summary of previous disputes or agreed resolutions can be recorded in the second text box.
- A third text box is available for any additional information.

The cost and complexity of your contract and frequency of disputes may mean there is not enough space in this area to record everything in detail. Further detail may be uploaded to the "Attach internal documents" section of the checklist if this is the case.

When summarising or uploading additional information the contract manager should consider what the key elements of the dispute are and what information is crucial should disputes need to be dealt with (or potentially recur in future) in their absence. The details recorded here, or uploaded, should provide enough background for the dispute to be dealt with in the contract manager's absence.

16. Contractual Penalties

Contractual Penalties	
* Please provide details of any payments withheld.	1% of quarterly maintenance fee withheld due to unplanned system downtime as per contract terms. Value is equal to £1,250. Supplier to amend invoice
* Please provide details of any other penalties.	No other penalties at present

The text box "Please provide details of any payments withheld" should be used to record details of any payments withheld as the result of any disputes or under-performance.

If there is insufficient space in this text box upload full details to the "Attach internal documents" section of the checklist and summarise the key points here.

Details of non-payment related penalties may be recorded in the "Please provide details of any other penalties" text box. Further detail can again be uploaded if required.

17. Contract Variations

Contract Variations	
Contracts under £100k, please provide full details. Contracts over £100k, please upload your variations to "attach internal documents" and provide brief summary.	See uploaded contract variation. Summary: change to contract period. Initial end date is now 31/03/2023

CONTRACTS UNDER £100K

For contracts under £100k, contract variations should be summarised here. The summary should note exactly what element(s) of the contract have changed.

CONTRACTS OVER £100K

For contracts over £100k, upload your contract variation to the "Attach internal documents" section of the checklist. Briefly summarise the key elements of the variation in the text box.

18. Exit, Transition or Re-procurement Plan

Exit, Transition or Re-procurement Plan	
<p>* Contracts under £100k, please summarise here. Further details can be uploaded to internal documents if required. Contracts over £100k, please upload your exit, transition or re-procurement plan to "attach internal documents" and provide brief summary.</p>	<p>See uploaded exit plan. Plan is to be reviewed annually. Currently outlines options for data extraction/download. Archive module to be activated</p>

CONTRACTS UNDER £100K

For contracts under £100k, summarise any exit, transition or re-procurement plan here. If your contract is intended to be a one-off procurement state so in this field. Additional documentation can be uploaded to the "Attach internal documents" section if required.

CONTRACTS OVER £100K

For contracts over £100k upload your exit, transition or re-procurement plan to the "Attach internal documents" section of the checklist.

19. Miscellaneous

19. Miscellaneous	
<p>Any other information considered relevant.</p>	<div style="border: 1px solid #ccc; height: 60px; width: 100%;"></div>

The miscellaneous field may be used for any additional information you would like to record in relation to contract management. This field is optional.

What's New?

Contract Management Module

Our new Contract Management module is now live in **YORtender**! The module utilises dynamic forms in the new **YORtender** system and has helped us simplify the process for low value procurements and captures vital information on contract management.

Given the financial pressures the council is under it is more important than ever that our contracts are managed effectively and we can collect good quality data. The module will help us achieve this.

Information about how to access it is in the “Information and Resources for Contract Managers” section of this newsletter.

It is a mandatory requirement that the module is completed for all newly awarded contracts as of 3rd October 2022.

If you need support or advice using the module, please contact louis.price@leeds.gov.uk

The screenshot shows a web form interface. At the top, it says 'Dynamic form'. Below that are 'Instructions' and a legend for icons: 'x' for Calculated field, 'M' for Mandatory field, 'D' for Derived field, and 'H' for Hidden field. The form title is '56105 - Contract Management Test'. It shows a timer 'Time left before session times out 59:48'. Below that are fields for 'Form Code: Contract Management v1', 'Form Description: Contract Management Module', 'Form Owner: Samantha Lee-Lawrence', and 'Form Controller: Louis Price'. The main section is '1. Contract Management Plan' with a star icon and instructions: 'Contracts under £100k please summarise your plan here. Supplementary information can be uploaded to internal documents if required. Contracts over £100k please upload your plan to internal documents and provide a brief summary.' To the right, a status box says 'Contract over £100k. The contract management plan has been uploaded to the record. Contract is for payment processing software, licence and maintenance.' with a '800' and a green checkmark. At the bottom, it says '2. Leeds City Council Contacts'.

Contract Management Foundation Training

All officers who manage contracts for Leeds City Council should complete the Contract Management Foundation training available through the Government Commercial College. The training is free, available online and can be completed at your own pace.

To access the training, you need to register with the Government Commercial College. This is a simple and straightforward process you can do [here](#).

Once registered, you will be able to access the course catalogue and commence the Contract Management Foundation training.

More information about the course can be found in the [accreditation brochure](#).



Information and Resources for Contract Managers

OUR SHARED VALUES
AND BEHAVIOURS HELP
EVERYONE BE THEIR BEST

SPENDING
MONEY WISELY



...I MAKE EVERY
POUND GO
FURTHER

Make the most of what
we have

Stick within budget

Manage money and
resources well

Deliver more efficient
ways of working

Work with partners
to get best value

#TEAMLEEDS



Contract Management Module

Contract management information is often stored locally in a variety of different systems, meaning it is difficult to obtain and unavailable at a corporate level. This information is vital to ensuring contracts are being robustly managed and monitored and ensures the Council has reliable intelligence about its contracts.

The Contract Management Module is the first step towards introducing technological solutions to help us gather corporate information about our contracts and facilitate better contract management.

We are also looking at other tools that will collate intelligence to help us make informed decisions around procurement strategies, contract management and sourcing suppliers.

Module Resources and Guidance

Information, guidance documents and training materials for the Contract Management Module can be found on the [Managing a Contract Insite page](#):

- [Contract Management Briefing Note and Module Guidance](#) - provides background on improvements we are making to contract management and has full, step-by-step, guidance for completing the module.
- [Contract Management Module Quick Guide](#) - shorter, bite-sized guidance on setting up and using the module.
- [Contract Management Module Training Video](#) - a video (31:52) demonstration on how to set up and complete the module.

Contracts under £100k no longer require the Contract Management Plan template to be completed, you only need to complete the Contract Management Module. Contracts over £100k require both the module and Contract Management Plan.

Contract Manager Feedback

We would be very keen to hear from our Contract Managers, both to help us develop a best practice approach to contract management, share best practice and improve future communication.

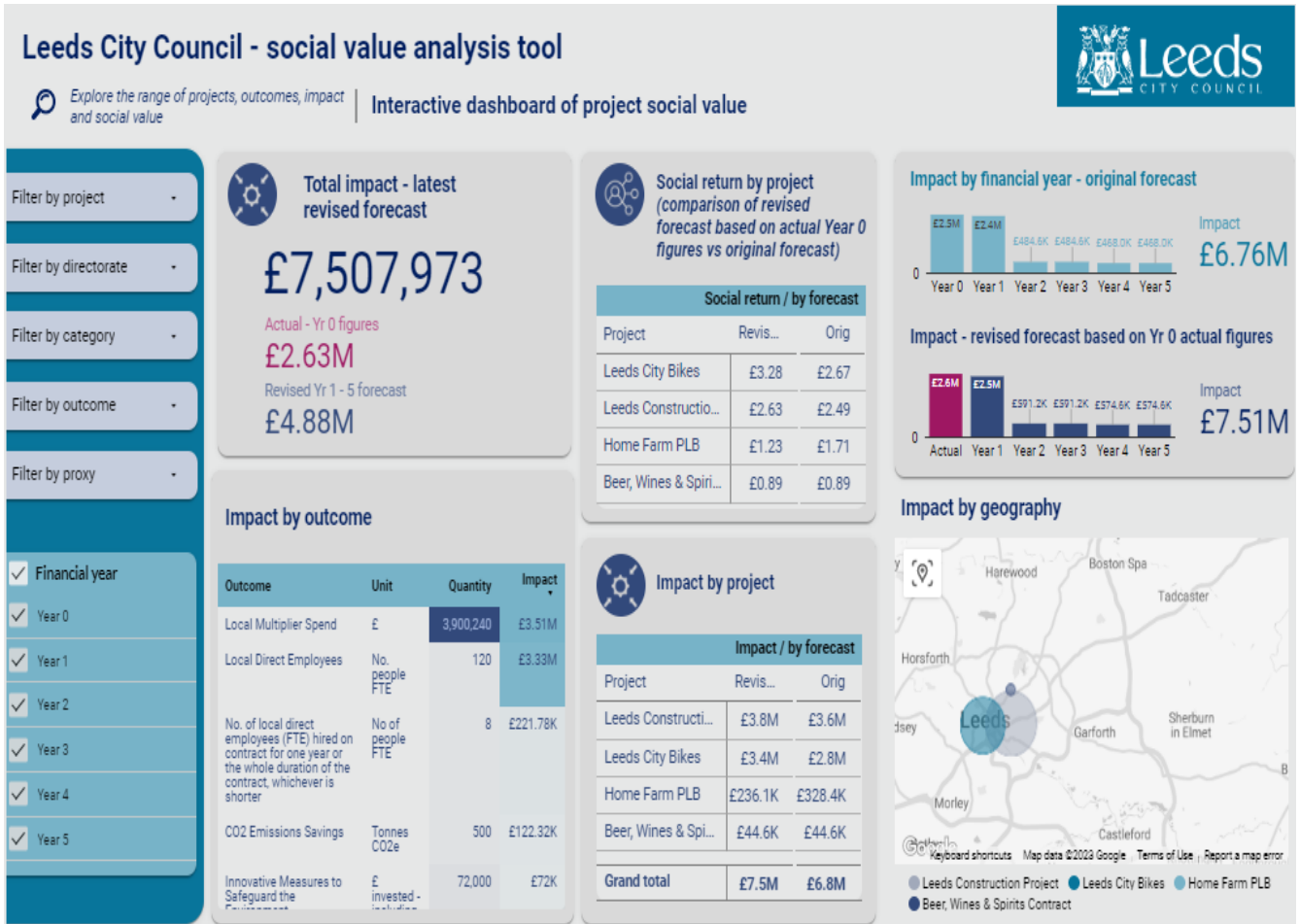
- What content would you like to see in future newsletters?
- What do you think the council could do to improve contract management?
- What resources, training and support would help you better deliver contract management?

Please email any feedback, suggestions or any questions you have to: louis.price@leeds.gov.uk
Please email Louis if you would like to be removed from the mailing list or have colleagues who wish to be included.

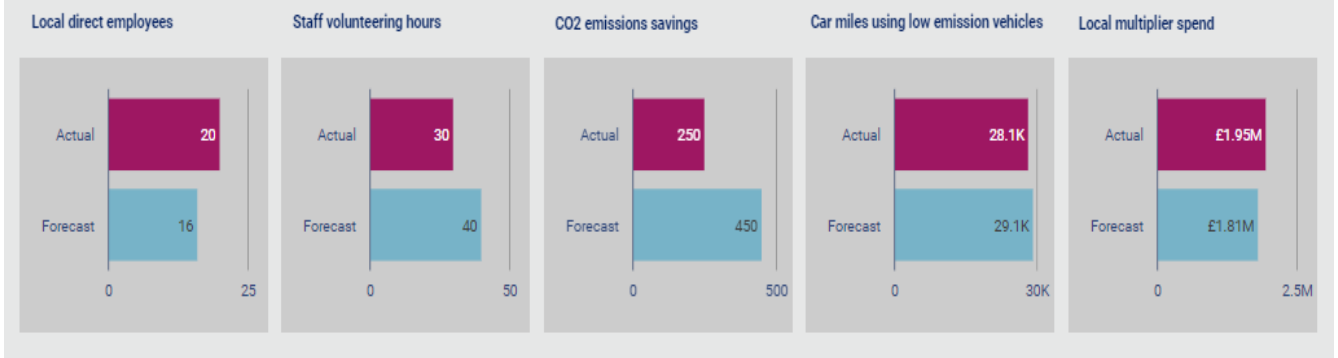


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Appendix 4 - Example Social Value Dashboard Report



Key performance measures - Actual delivery in Year 0 against original forecast



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Leeds City Council Freedom of Information and Environmental Information Regulation Requests

Date: 20th February 2023

Report of: Director of Resources

Report to: Strategy and Resources Scrutiny Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The Council's corporate Key Performance Indicator (KPI) in relation to the percentage of Leeds City Council information requests (Freedom of Information and Environmental Information Regulations – FOI/EIR) answered within timescales.
- The UK's access to information legislation is primarily about a culture change from 'need to know' to 'right to know'. For public authorities it encourages greater openness and transparency in decision making and thus supports the ambitions and priorities of the council to being open, honest and trusted. It allows public debate to be better informed and more productive and is in keeping with the Council's values.
- To facilitate improved compliance, the Council is developing a renewed approach to information management and governance that will seek to use new modern software such as Power Apps and E-discovery, subject to the development of appropriate and tested protocols that will guide their use.
- Elected Members' access to information held by the council via the FOI legislation.

Recommendations

The Scrutiny Board is asked 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 for a copy of this.

Why is the proposal being put forward?

- 1 To provide 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 FOI/EIR information rights requests.
- 2 Having experienced a change of management and strategic direction in the last year, the Council's Information Management and Governance Team (IM&G) is embarking on ambitious plans to not only meet the Council's KPI, but to create a modern initiative-based service, both to the public and to Council Services. This will include digital efficiencies in relation to how we respond to information requests, and how we lead the Council in implementing and embedding sustainable information management for the future.
- 3 The Covid pandemic affected most local authority's ability to respond to FOI/EIR requests in a timely manner, and performance dropped across all of the public sector during this period.
- 4 In response to this and other concerns with the capacity of the information governance working model at the time, an external review was initiated in 2020/21 and reported to Corporate Governance and Audit Committee in 2021. This highlighted several recommendations for change in order to increase delivery capacity, improve working practices and compliance with statutory requirements. In Q2 2021/22 the dedicated Requests Team was disbanded as part of the new operational structure with clearly defined roles and responsibilities of all IM&G staff. The new operational model supported the development of a multidisciplinary workforce, intended to increase the capacity to deal with information requests in a more efficient manner, without the need to increase overall staffing numbers.
- 5 Whilst the intention of the review focused on the correct issues at the time, the implementation of the new working model will be a contributing factor to the speed of improving performance, owing to the complexity of bringing multiple teams together into one with various legacy processes and systems all needing to be reviewed and updated, and the need to embed new ways of working. This alongside the demand for the service and the various frontline services who are required to provide information for responses, who are all under significant workload pressures, creates challenging conditions in which to operate.
- 6 The Information Management and Governance (IM&G) management team is now in the middle of a new rolling programme of change, which began in April 2022, to review all operational processes relating to this area of work and to create standard operating procedures which will drive efficiencies in terms of the time taken to deal with information requests.
- 7 The programme is split into 3 phases, with phase 1 going live on 1st July 2022. Phase 1 changes focused on the triaging, logging and allocation of requests to services, and receipt of information back to IM&G. This saw performance rise in Q2 to 89.62%, just shy of the Council's KPI of 90%. This was an improvement in performance from the previous quarter and the same quarter of the previous year of 10% and IM&G is working hard to embed these changes.
- 8 As part of this phase, live performance dashboards were developed on SharePoint to support all directorates with responding to and monitoring their information requests, with a key purpose being to reduce the number of late responses to requests.
- 9 In September 2022 IM&G submitted a report to Corporate Leadership Team outlining the council's recommended approach to further improving performance in handling statutory information requests. This included a requirement for Directorates to review

their named service contacts with responsibility for coordinating responses to these requests within the statutory timeframes; the aim being to help services coordinate their requests without placing unnecessary burdens on multiple staff across all services. This was largely adopted, and a further report was submitted to CLT in early February 2023 in relation to areas benefiting from this approach, with areas highlighted that could still benefit from this approach. In addition, a revised reminder and escalation process was presented and agreed which will result in Chief Officers being made aware of requests in their area are overdue, once gradual escalation has been undertaken with their direct reports.

- 10 Phase 2 of the review will commence during Q4 2022/23 and will focus on the point of receipt of the response from the service to issuing the response to the requestor from a service quality perspective, aiming to firstly reduce the number of occasions requesters are dissatisfied with their initial responses, as well as dealing with any requests for reviews, complaints or appeals to the Information Commissioner's Office (ICO). Running alongside these changes, IM&G continue to work with service areas to offer more support where this is needed. More robust monitoring and review is also underpinning these changes and a change management process will be put in place to support continuous improvement, accepting suggestions from both IM&G staff and staff in services.
- 11 To get the full benefit from the process reviews, IM&G will be working with IDS colleagues to bring all the outputs together from the process reviews into phase 3 to develop and implement a single end-to-end solution to receive, log, allocate, remind/escalate, task manage, respond and report on information requests.
- 12 This is being done in line with the Council's recently agreed Digital Strategy and will be developed using Microsoft Power Apps. This will enable a more modern approach to processing information requests by automating many stages of the process in order to improve transparency, efficiency and quality.
- 13 Microsoft Power Apps have only recently been adopted by the Council, and whilst we would have wished to have progressed with a new system sooner, this is the most cost effective and sustainable option for the Council.
- 14 To supplement the new end to end information request Power App, the capabilities of the Microsoft 365 eDiscovery functionality (a tool to search all data within the M365 platform using search criteria) have been investigated and are currently being trialed to assess how they may be able to assist the FOI/EIR processes in order to respond to a request more efficiently. A protocol for the use of the technology has been drafted and this includes:
 - mandates on when the tool can be used. The intention being to use it as an assurance tool in response to appeals regarding information requests.
 - an authorisation process for use of the tool.
 - governance arrangements to safeguard access to data which is not relevant to the query.
- 15 A proof of concept to test the tool will be carried out and the intention is to have eDiscovery live by the beginning of Q2 2023/24 as an assurance tool, to gradually embed it into the day-to-day processing of information requests. Progress will be reported to a future Committee meeting.
- 16 In addition, this report is to remind Members that they have specific legal rights of access to council information by virtue of their roles as Members. It is generally anticipated that Members will rely on their 'need to know' rights rather than the public

rights under FOI.

- 17 Members have access to specific guidance issued by Legal Services about their rights of access to council information which takes account of relevant court decisions. Legal Services have also written guidance to assist Members with understanding how the FOI rules can impact on their work, which takes account of the advice available from the ICO, the regulatory body for FOI, and decision notices issued by the ICO. Both sets of guidance are published in the Elected Members IG Resource Document which can be found on the Elected Members toolkit on InSite. As noted, above, the wider document is currently being reviewed and InSite will be updated when this has been completed, and Members will be advised.
- 18 To assist Members, the group support offices and Members can approach the IM&G service directly for advice and assistance.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 19 Reduce the regulatory risks outlined by delivering improved performance in respect of FOI/EIR requests received by the Council.
- 20 Establish greater public trust and confidence in the council.
- 21 Drive efficiencies in resources required to handle these requests within the IM&G service and across the authority.

What consultation and engagement has taken place?

- 22 Consultation on the phased improvement plans to this area of IM&G work was undertaken across a range of stakeholders including all IM&G staff, Information Management Board members, council services and the Director of Resources.
- 23 In line with the report to Corporate Leadership Team, all chief officers were asked to nominate named service contacts and points of escalation to coordinate information rights requests within their areas of responsibility. Further work is ongoing to ensure this list is accurate, up to date, covers all service areas and is robust.

What are the resource implications?

- 24 Effective internal processes and standard operating procedures coupled with embracing digital innovation will reduce the administrative functions and burden on staff time in processing these requests within IM&G and across the authority.

What are the legal implications?

- 25 Non-compliance with FOI/EIR legislation has the potential to result in enforcement action from the Information Commissioner's Office which can include an information notice or enforcement notice. Failure to comply with these notices could lead the council to be held in contempt of court.
- 26 The ICO has recently put in place a new Upstream Regulation Team that has several objectives in line with the ICO's 'ICO25 strategic plan'. Amongst the changes that local authorities will start to see are less detailed decision notices, strict deadlines for ICO

correspondence, and a quicker turnaround of casework, to ease current ICO backlogs with FOI complaints. As part of the ICO's approach under the ICO25 strategic plan, they will also start to proactively prioritise those cases with the highest public interest and seek to deliver appropriate resolutions in these cases as quickly as possible. The Upstream Regulation Team will also be focusing on improving the publication of information and toolkits plus support to local authorities to reduce the number of complaints that reach the ICO, as opposed to downstream regulation in the form of corrective measures or sanctions, although these will still be applied where appropriate.

- 27 As part of this new approach, the IM&G Management Team have had 2 meetings with the ICO Group Manager for FOI casework, with whom the management team is actively engaging.
- 28 There are no restrictions on access to information contained in this report.

What are the key risks and how are they being managed?

- 29 The risk associated with not adhering to UK access legislation leaves the council more susceptible to breaches of legislative and regulatory obligations, affecting the confidence of its citizens when handling and responding to information requests.
- 30 This in turn could cause damage to the council's reputation and the trust which citizens place in the council to be open, honest and trusted.
- 31 Enforcement action from the Information Commissioner's Office.
- 32 There are two corporate risks associated with Information Governance;
 - LCC 26 - Information Management and Governance
 - LCC 31 - Major Cyber Incident
- 33 A number of associated Directorate level risks are also managed which sit under the corporate risks.
- 34 RES 33 is a new directorate risk created in 2021/22 in respect of the risk of the council's ability to meet legal statutory timeframes for responding to information rights requests.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 35 The information governance arrangements aim to ensure that all council information is managed appropriately and lawfully.

Options, timescales and measuring success

a) What other options were considered?

- 36 As part of Phase 3, and as preferred option, the IM&G management team is currently engaging with IDS to consider utilising the new Power Apps platform using an agile approach, which IDS is championing to digitise paper and manual processes across directorates to deliver efficient ways of working. It is intended to explore the opportunity to create a Power App version of the case management system for the recording, processing and monitoring of all information rights requests starting in Q1 2023/24.

b) How will success be measured?

- 37 Monitoring and reporting of performance against published KPI's.

What is the timetable for implementation?

30 By the end of the financial year 2022/23 to:

- Evidence a steady improvement in performance against published KPI's
- To complete Phase 1 of the operational improvement plan and to commence Phase 2.

By the end of the financial year 2023/24 to:

- Complete Phase 2 and 3 of our improvement programme
- See the Council's corporate information requests KPI return to pre-pandemic compliance levels
- Fully implement eDiscovery into normal day-to-day operations

Appendices

1. Performance Against KPIs
2. Benchmarking figures
3. Access to Information Guidance for Members

Background papers

N/A

APPENDIX 1 – Performance Against KPIs

	2019/20		2020/21		2021/22		2022/23 (Q1 to Q3 only)	
	No of requests	% compliance to statutory timescale (KPI 96%)	No of requests	% compliance to statutory timescale (KPI 96%)	No of requests	% compliance to statutory timescale (KPI 90%)	No of requests (Q1 to Q3 only)	% compliance to statutory timescale (year to date) (KPI 90%)
Leeds City Council: FOI/EIR requests	2301	86.27%	2158	84.03%	2024	77.3%	1461	83.7%
Adults & Health					140	78.2%	84	86.7%
Children & Families					274	57.6%	169	72.8%
City Development					392	78.7%	397	88.8%
Communities & Environment *					525	84%	317	84.8%
Resources & Housing *					692	78.5%	493	82.3%

APPENDIX 2 – Benchmarking figures

Number of FOI/EIR requests received and % within statutory timeframe for 2021/22 and Q1 2022/23

Year	Quarter	Leeds City Council		Manchester City Council		Newcastle City Council*		City of Cardiff Council		Birmingham City Council		Nottingham City Council		City of York Council	
		Requests	%	Requests	%	Requests	%	Requests	%	Requests	%	Requests	%	Requests	%
2021-22	Q1	494	77.4%	474	82%	352	82%	336	91%	593	86%	317	94%	396	76.9%
	Q2	493	79.2%	472	81%	677	81.4%	315	88%	615	77%	306	95%	419	77.5%
	Q3	466	74.3%	494	79%	1003	82.5%	353	91%	487	80%	324	95%	387	79.2%
	Q4	569	75.1%	552	76%	1289	83%	432	96%	486	81%	312	96%	483	81.2%
2021/22 Year-end total		2022	77.1%	1992	79%	3321	83%	1436	92%	2181	81%	1259	95%	1685	81.2%
2022-23	Q1	544	78%	540	83%	358	82%	383	95%	375	80%	344	96%	339	83.90%

*Does not include any social housing related FOIs, these are processed separately by Our Homes Newcastle.

#The cumulative figure for Leeds for Q1 to Q3 is 83.7%

APPENDIX 3 - Access to Information Guidance for Members

Legal Services Access to Information Guidance for Members

1. Background

- 1.1 This guidance tells Members about their rights of access to Council information, and takes account of relevant Court decisions.
- 1.2 This guidance does not repeat all details of the formal rules about access to information, and these can be found in the Access to Information Procedure Rules, in Part 4 of the Council's Constitution.
- 1.3 As Members have specific legal rights of access to Council information by virtue of their roles as Members, it is generally expected that Members will seek to rely on these rights rather than the public rights under the FOI Act.

2. "Need to Know" Rights

2.1 When does a Member have a "need to know right"?

Members have the right to inspect all documents in the possession of the Council, so far as is reasonably necessary to enable them to perform their duties as Members of the Council. This can range from a request for general information about an aspect of the Council's activities to a request for specific information in order to assist a constituent. This can also include information a Member might need to discharge their duties as a member of a Panel, or Committee. Requests for information on this basis should normally be made to the Director or other senior officer for the service which holds the information.

The Courts have said the "need to know" test involves the application of a screening process, and in certain sensitive and confidential areas such as child care, the screening process should be administered with great strictness.

The Courts have also said that the decision whether a Member has a good reason for access to information can be delegated to officers, but if there is a continued difference of opinion the decision will ultimately lie with the Members, and the decision of Members is the final word, subject only to an application for judicial review. The Courts have also said that in deciding whether there is a "need to know", the bias if any, should be in favour of allowing access to information rather than concealing it.

There is also provision in the Local Authorities (Companies) Order 1995 that a "regulated company" (companies which the Council controls or certain "influenced" companies) must provide to an elected Member "such information about the affairs of the company as the member reasonably requires for the discharge of his duties", unless that would constitute breach of an enactment, for example, the data protection rules, or an obligation owed to any person, for example, an obligation of confidentiality. In effect this puts Members in the same position in relation to these companies as they would be if they were exercising their "need to know" rights.

2.2 What sort of information is a Member entitled to?

In making these requests, Members should

- have regard generally to the different roles of Members and officers as set out in the Protocol on Member/Officer Relations in Part 5 of the Council's Constitution
- avoid over-involvement in issues raised by individual constituents
- be particularly careful when having direct contact with relatively junior officers, to avoid the appearance of abusing their position
- justify the request in specific terms, unless circumstances exist where a Member's need to know will be presumed – for example a need to know will be presumed where a Member is on a committee and wants to inspect documents relating to that committee's business, or where the information requested is already in the public domain
- only use the information for the purpose for which it was provided, and
- get the prior agreement of the Directorate concerned to any disclosures to the press or the public.

2.3 Are there any limits on these rights?

As mentioned above, the Courts have said that Members can decide the scope of these “need to know” rights, subject to their decisions on this being “reasonable”. The Courts have said that it is necessary for authorities to see whether a Member's need to know is legitimately outweighed by other factors. The Council has decided that there are a number of factors, arising from case-law or from the Council's own long-standing conventions, which may limit or outweigh a Member's need to know. These factors are set out in the Access to Information Procedure Rules, and they include the following

- the need to know does not extend to a “roving commission” through Council documents
- the need to know would only extend to having access to someone else's personal data or private information in exceptional cases, and even then only the minimum amount of data needed for the purpose should be disclosed
- draft documents compiled in the context of emerging Council policies, and draft reports will not usually be disclosed
- a Member of one party group will not have a need to know in relation to a document prepared for another party group
- documents prepared specifically for one Member will not normally be provided to another Member, unless they agree otherwise (note, this includes e-mails or other correspondence between an officer and a Member)
- documents will not be disclosed where the Director concerned believes the Member may use them to prejudice the Council's or the public interest.
- Directors are entitled to take into account the level of resources they may need to divert from other business, to deal with locating and supplying documents.

2.4 Who makes the decision about this?

It is important that the person making this decision understands the nature of the Member's duties and responsibilities, and also how significant the information is for the service concerned and for the local area. Consequently, the decision whether a Member has a need to know will be made initially by the Director for the service area which holds the information requested. The Director must not have regard to party political advantage, nor must the Director's determination have the effect of preventing the Member concerned from giving evidence in Court, or of penalising the Member for so doing. Given that the limits on the need to know rights are set partly by Court decisions, the Director is required to take legal advice from the City Solicitor. As the Council itself is also entitled to set limits on these rights, a Member who is refused information can appeal against the Director's decision to a committee of the Executive Board.

2.5 How quickly does the information have to be provided?

There is no fixed time limit, and this will depend on the reason why a Member needs the information. For example, if a Member made a request specifically to raise an issue at a meeting, to delay a decision until after that meeting would simply render these rights ineffective. If a Member thought a Director was delaying a decision unreasonably, they could treat this as a refusal, and appeal to a committee of the Executive Board, as mentioned above.

3. Local Government Statutory Rights

3.1 In addition to their “need to know” rights, all Members are entitled to inspect any Council, or Council-controlled document containing material relating to any forthcoming Council or committee business, or Executive business which is to be transacted at a public meeting, unless

- it contains certain categories of “exempt” information
- (if it is material about Executive business), it contains the advice of a political adviser, or it is a draft report or draft background paper.

3.2 What about decisions by Directors, or other officers?

All Members are entitled to inspect any Council or Council-controlled document (report or background papers) containing material which relates to any decision made by an officer in accordance with Executive arrangements, subject to the same exceptions as mentioned in 3.1.

3.3 What about Scrutiny Members?

Again, in addition to their “need to know” rights, a member of a Scrutiny Board is entitled to copies of any Council or Council-controlled document (report or background papers) which contains material relating to Executive business unless

- it is in draft form or
- it contains “exempt” or “confidential” information unless relevant to an action or decision that member is reviewing or scrutinising, or to a review contained in the Board’s work programme or
- it is the advice of a political adviser or assistant.

3.4 What about appeals?

As with the “need to know” rights, it will be the Director of the service area holding the information who will make the initial decision about which items a Member is entitled to access. However, if a Member is refused access they can appeal to a committee of the Executive Board.

4 Rights under the Freedom of Information Act

4.1 For more information about the Freedom of Information Act, please see the document “Freedom of Information, Guidance for Members” issued by Legal Services.

5. Can Members ask for information in a particular format?

5.1 Does a Member have a right to a document, or just the information in it?

Under the FOI rules, a Member would only be entitled to get access to information, rather than a particular document, although the rules say if an applicant asks for information in a particular form, the Council should provide it in that form so far as reasonably practicable, having regard to all the circumstances including cost. Under the “need to know” rules and the local government

statutory rights, a Member is entitled to get access to the “document” which is in the control or possession of the Council, so a Member should be provided with the document itself rather than an edited version or summary (subject to excluding “confidential” or “exempt” information, where applicable).

5.2 Can a Member ask for copies?

Where a Member is entitled to access, they are also entitled to make a copy themselves or ask the person with custody of the document to supply them with a copy.

5.3 Where can a Member inspect documents?

Under the FOI rules, an applicant is entitled to a “reasonable opportunity” to inspect, if giving effect to this preference is “reasonably practicable”. Under the “need to know” rules and the local government statutory rights, the position is slightly less clear but it should be assumed a Member is entitled to access at all reasonable hours at the Council’s offices. This means a Member does not have the right to insist on original documents being sent to a constituency office or home address, and Members should agree appropriate arrangements with the service concerned.

6. What if a Member wants to disclose information they obtain under these rights?

If a Member makes a “need to know” request, the Director may ask the Member to keep the information confidential, if they consider the Member does not reasonably need to share the information with constituents, or others. However, wherever a Member wants to make a disclosure, the Director needs to consider the Member’s right to freedom of expression and the particular importance of that right for elected representatives, and whether members of the public may be entitled to get access to the information in any event under either their local government statutory rights, or their FOI rights. Again, if there is a disagreement over whether a Member reasonably needs to disclose a document or not, the Member could appeal against the Director’s decision to a committee of the Executive Board.

7. Further Guidance

For further information and guidance on these matters, please contact Mark Turnbull, Head of Service, Legal Services; e-mail mark.turnbull@leeds.gov.uk; tel. 0113 3789151.

Work Programme

Date: 20 February 2023

Report of: Head of Democratic Services

Report to: Scrutiny Board (Strategy & Resources)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

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

All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. In doing so, the work schedule should not be considered a fixed and rigid schedule, it should be recognised as a document that can be adapted and changed to reflect any new and emerging issues throughout the year.

Members will be invited to review and discuss the work schedule at each public Scrutiny Board meeting that takes place during the 2022/23 municipal year.

Recommendations

- a) Members are requested to consider and discuss the Scrutiny Board's work schedule for the 2022/23 municipal year.

What is this report about?

- 1 A draft work schedule for the Strategy & Resources Scrutiny Board is presented at Appendix 1 for consideration and discussion. Reflected in the work schedule are known items of scrutiny activity, including performance and budget monitoring, identified Budget and Policy Framework items and recommendation tracking.
- 2 The latest Executive Board minutes from the meeting held on 14 December 2022 were provided to the January meeting of the Board. There has not been an Executive Board meeting since that date and the minutes for the 8 February meeting are not certain to be available for publication of this agenda, as such no Executive Board minutes are included in this paper and will be provide in March instead.
- 3 For information, the Scrutiny Board Procedure Rules state that, where appropriate, all terms of reference for work undertaken by Scrutiny Boards will include a review of 'how and to what

effect consideration has been given to the impact of a service or policy on all equality areas, as set out in the Council's Equality and Diversity Scheme'.

Changes to the Work Programme since the last meeting

- 4 As the work of the Board evolves changes to the Work Programme become necessary to prioritise and fit agenda items in at appropriate times.
- 5 Since the last meeting there have been some adjustments to the planned programme. The Corporate Peer Challenge report has been brought forward to the February meeting to ensure that scrutiny has early input into the response to the findings in the report.
- 6 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. In addition, an item on Voter ID has also been added to provide an update position on preparations for the requirement for ID at polling station in May 2023.

What impact will this proposal have?

- 7 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year.
- 8 The draft work schedule is reflective of the requests to date from members of the Strategy & Resources Scrutiny Board.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 9 The terms of reference of the Scrutiny Boards promote a strategic and outward looking Scrutiny function that focuses on the best council objectives.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 10 To enable Scrutiny to focus on strategic areas of priority, it is recognised that each Scrutiny Board needs to establish and maintain an effective dialogue with relevant Directors and Executive Board Members.
- 11 The Vision for Scrutiny also states that Scrutiny Boards should seek the advice of the Scrutiny officer, the relevant Director and Executive Member about available resources prior to agreeing items of work.

What are the resource implications?

- 12 Experience has shown that the Scrutiny process is more effective and adds greater value if the Board seeks to minimise the number of substantial inquiries running at one time.

13 The Vision for Scrutiny, agreed by full Council also recognises that like all other Council functions, resources to support the Scrutiny function are under considerable pressure and that requests from Scrutiny Boards cannot always be met.

14 Consequently, when establishing their work programmes Scrutiny Boards should:

- Seek the advice of the Scrutiny officer, the relevant Director and Executive Member about available resources;
- Avoid duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue;
- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.

What are the key risks and how are they being managed?

15 This report has no specific risk management implications.

What are the legal implications?

16 This report has no specific legal implications.

Options, timescales and measuring success

What other options were considered?

17 The work programme is reflective of the requests of the Scrutiny Board members to date and will be reviewed by the Scrutiny Board at each meeting of the municipal year.

How will success be measured?

18 The work of all Scrutiny Boards will be reviewed and summarised in an Annual Report, which is presented for consideration by Council at the start of the next municipal year.

What is the timetable and who will be responsible for implementation?

19 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. In doing so, the work schedule should not be considered a fixed and rigid schedule, it should be recognised as a document that can be adapted and changed to reflect any new and emerging issues throughout the year.

Appendices

- Appendix 1: Draft work programme 2022/23

Background papers

- None

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Appendix 1 Scrutiny Board (Strategy & Resources) Work Schedule for 2022/23 Municipal Year

June	July	August
<u>Meeting Agenda for 20 June 2022</u>	<u>Meeting Agenda for 25 July 2022</u>	No Scrutiny Board meeting scheduled.
Scrutiny Board Terms of Reference / Sources of Work (DB) / Co-opted members reports Performance Update (PM) Financial Outturn (PM) Procurement update: contracts, T&Cs and monitoring of those T&Cs.	Digital Strategy Update Agile Working and Estate Realisation Recruitment and Retention Area based income assessment (council tax and business rates)	
Working Group Meetings		
	4/7/22 – remote session: budget assumptions & impact of external factors such as inflation	
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response



Appendix 1 Scrutiny Board (Strategy & Resources) Work Schedule for 2022/23 Municipal Year

September	October	November
Meeting Agenda for 26 September 2022	No meetings	Meeting Agenda for 7 November 2022
Electoral Services Update (PM) Annual Corporate Risk Management Report (PM) Customer Contact (PDS)		Leeds 2023 including update on Community Committee / ward member engagement (PM) Financial Health Monitoring & Impact of Inflation and Medium term financial strategy (PM) The UK Shared Prosperity Fund (PM)
Working Group Meetings		
Site Visits		

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Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response



Appendix 1 Scrutiny Board (Strategy & Resources) Work Schedule for 2022/23 Municipal Year

December	January	February
<u>Meeting Agenda 12 December 2022</u>	<u>Meeting Agenda for 16 January 2023</u>	<u>Meeting Agenda for 20 February 2023</u>
Devolution Update (PM) Staff Inclusion: to include staff network representation (PM) Core Business Transformation (PSR)	Consultation & Communication (PSR) Best City Ambition Update/ Performance Report (PSR/PM) Financial Health Monitoring (PM) 2023/24 Initial Budget Proposals (PDS)	LGA Peer Review (PDS) Civic Enterprise Leeds – Update Report (PM) Procurement update (PM) FOI: progress on performance, potential for automation (PSR)
Working Group Meetings		
Budget Working Group – 15 December 2022, 10.30AM		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
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Appendix 1 Scrutiny Board (Strategy & Resources) Work Schedule for 2022/23 Municipal Year

PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response
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March	April	Notes
<u>Meeting Agenda for 27 March 2023</u>	No Scrutiny Board meeting scheduled.	Items to be scheduled
Staff Absence – update report (PM) Elections Update – Voter ID (PM) End of Year Summary Statement to include Statement of Recommendations / Actions: Procurement		
Working Group Meetings		
Site Visits		

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Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response



Appendix 1
Scrutiny Board (Strategy & Resources)
Work Schedule for 2022/23 Municipal Year

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