

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 20TH JUNE, 2022

PRESENT: Councillor A Scopes in the Chair

Councillors S Burke, P Carlill, S Firth,
B Flynn, M France-Mir, J Lennox,
K Renshaw and K Ritchie

1 Appeals Against Refusal of Inspection of Documents

There were no appeals.

2 Exempt Information - Possible Exclusion of the Press and Public

There were no exemptions.

3 Late Items

There were no late items.

4 Declaration of Interests

There were no declarations of interest.

5 Apologies for Absence and Notification of Substitutes

The following apologies were noted:

Cllr Caroline Gruen (Cllr Karen Renshaw attended as a substitute)

Cllr Kamilla Maqsood (Cllr Jess Lennox attended as a substitute)

Cllr Dianne Chapman (Covid-related absence)

Cllrs Jonathan Pryor, James Lewis and Mary Harland (Executive Members)
sent apologies in relation to item 10

Aaron Linden (Information Governance Manager) in relation to item 10

6 Minutes - 28 March 2022.

Members noted that the items highlighted in minutes 71, 72 and 74 had been reflected in the draft work programme included elsewhere on the agenda.

RESOLVED –

That the minutes from 28 March 2022 be approved as an accurate record.

7 Terms of Reference

Members considered the Terms of Reference for the five Scrutiny Boards as agreed by Council at the Annual General Meeting on 26 May 2022.

It was noted that functions relating to Civic Enterprise Leeds, which currently sit within the remit of the Environment, Housing and Communities Scrutiny Board, may be transferred into the remit of the Strategy and Resources Scrutiny Board later in the year.

RESOLVED –

That the Terms of Reference be noted.

8 Co-Opted Members

Members noted the provision to appoint co-opted members. It was further noted that co-opted members have not historically been appointed to the Board on a permanent basis.

RESOLVED –

That the provision to co-opt members be noted but not exercised at this stage of the municipal year.

9 2021/22 Financial & Treasury Management Outturn Reports

In introducing the 2021/22 Financial Outturn and Treasury Management Outturn reports it was noted that the Scrutiny Board has a standing commitment to monitor financial health and performance throughout the financial year, to identify emerging issues and to bring forward any appropriate recommendations to the Executive in this regard.

As part of this function, at the start of the new municipal year, the Scrutiny Board receives the annual Financial Outturn and Treasury Management Outturn reports.

The following were in attendance for this item:

Cllr Debra Coupar – Executive Member
Victoria Bradshaw – Chief Officer, Financial Services

Victoria Bradshaw introduced the report, noting that the appended outturn reports would be considered by Executive Board on 22 June 2022. The Chief Officer confirmed that the 2021/22 end of year position was a net underspend of £1.5m. She highlighted that the underspend followed an overspend of £27.8m as a result of pandemic related pressures.

It was noted the Treasury Management report reflects that there are currently no concerns about staying within authorised or operational limits.

The Board discussed the impact of the current economic situation on the budget and noted future risks including rising energy prices, general inflationary rises and increases in interest rates.

An invitation to a remote training session on 4 July 2022 10-11.30am has been circulated to all Board members. Victoria will brief members in more detail on the key assumptions in the LCC budget and the potential impact of external factors such as inflation. It is hoped this will be of assistance to members ahead of the Board's consideration of the Medium-Term Financial Strategy in the Autumn.

The Chair asked that the thanks of the Board be passed onto the finance team for the robust management of a very complex budget during what has been a challenging year.

Board members considered the cost and response to disrepair cases and the increased borrowing costs associated with the capital programme.

Victoria Bradshaw committed to providing further information about the capital schemes being funded through prudential borrowing in 2022/23 and the background to variations in levels of ward-based initiative allocations.

Cllr Coupar advised the Scrutiny Board that work is ongoing to mitigate some of the risks posed by disrepair cases now covid restrictions on working arrangements have been removed. While disrepair falls within the remit of another Scrutiny Board, it was suggested that members of the Strategy and Resources Scrutiny Board be sighted on the disrepair action plan to provide reassurance that steps are being taken to address the pressure on the budget.

Thanks were noted for the work of Eve Roodhouse, Phil Cole and their staff for in ensuring the effective distribution of Covid-related grants.

The Board noted the pressures on the budget within Children's Services, as well as highlighting the budget pressures created by lost income during the pandemic in directorates such as city development.

Concern was expressed about the extent to which the Scrutiny Board receives information about 'business as usual' savings. Victoria Bradshaw responded by noting that such decisions are taken by officers within the Council's delegation scheme. The savings proposals that are considered by scrutiny are those that would require consultation and/or have a significant impact on service delivery, local communities or staffing structures.

Victoria confirmed that the £1.5m underspend will be transferred to the General Fund.

RESOLVED –

- That the report be noted.
- That the disrepair action plan be circulated to Strategy and Resources Scrutiny Board members for information.
- That the following information be provided by the Chief Officer for Financial Services:
 - a) Details of the capital schemes being funded through prudential borrowing in 2022/23
 - b) Context for variations in levels of ward-based initiative allocations set out in appendix 5c of the supplementary pack.

10 Performance Report

Members considered the report of the Directors of Resources and City Development, which set out key performance data for 2021/22 as it relates to the remit of the Strategy and Resources Scrutiny Board.

The following were present for this discussion:

Cllr Debra Coupar – Executive Member
Tim Rollett – Intelligence and Policy Manager
Andy Dodman – Chief Officer, Human Resources
Kieron Dennett – Head of Procurement and Commercial Services

Members were asked to note that this would be the last report that presents performance relating to the Best Council Plan priorities. Future reports will be based on the Three Pillars contained in the Best City Ambition.

A review of performance reporting is currently taking place in light of the recent adoption of the Best City Ambition. Tim Rollett advised the Board that he is intending to discuss the initial outcomes of the performance review (revised KPIs and proposed changes to the report format) with Scrutiny Board Chairs.

It was noted that performance data highlights concern about the time taken to respond to statutory information requests including subject access, FOI and EIR requests. Tim Rollett reported that significant work is ongoing to address these concerns. A phased approach is being taken to improving systems and processes in conjunction with IDS.

Board members were informed that Aaron Linden (Information Governance Manager) will be meeting with the Chair to discuss how statutory information

requests are processed and the Council's approach to FOI requests has been scheduled to come back to the Board at a later date.

The Board welcomed further reductions in the gender pay gap but asked for a more detailed breakdown of gender balance in different service areas when performance is next reporting (in January 2023). Members supported ongoing work to improve the diversity of the workforce.

Concern was raised about the reduction in employment in the creative industries in 2019 and 2020. Members sought further advice about why Birmingham was the only Core City not to see a drop in the number of employees in creative industries. A query was raised as to whether there is any evidence to suggest that a recovery in these figures is anticipated.

The Scrutiny Board noted that the Council is intending to appoint a Freedom to Speak Up Guardian and sought more information about how this will work in practice. It was also noted that a Head of HR Projects (Diversity) will be appointed to further increase the pace of change in this area.

Andy Dodman identified five priority areas for HR and agreed to provide the Board with the action plan that sits beneath the five 'pillars.'

Members explored the reduction in apprenticeships reflected in the performance data and requested further information about how much of the Apprenticeship Levy would be returned to government as a result in a shortfall in anticipated starts.

Concern was raised about the proportion of sickness absence attributable to mental health conditions during the reporting period. The Board requested further detail about how this is reflected across services with a view to determining whether the Board should consider more detailed work in this area.

Members queried whether a comparison can be made between the workforce profile included at appendix 2 and the profile of other city-wide employers. In response the Chief Officer for Human Resources updated the board on work with anchor institutions which may enable such comparisons in future. It was noted that it remains harder to make direct comparisons with employers in some other sectors.

Members welcomed the increase in the percentage of orders places with SMEs. However, the Board noted a slight reduction in the percentage of orders placed with local suppliers and sought reassurance about what action is being taken to maximise the impact of the 'Leeds pound.'

In response, officers advised the Board that efforts to address longstanding challenges with extracting accurate information from procurement systems is thought to be part of the reason for the change in reported performance. The Board was reassured that the Council does look for opportunities to support local businesses through its procurement processes. However, it was noted

that while the proportion of spend with Leeds suppliers has decreased, the actual value of spend with Leeds suppliers has increased. It was also noted that some of the additional spend with non-Leeds supplies relates to large capital projects and increasing costs associated with Looked After Children noted earlier.

In considering the performance data relating the ICT Service Desk, it was noted that the IDS strategy is scheduled for detailed consideration by the Board in July.

Similarly, the Board noted that performance relating to customer contact remains a priority for the Board and is due for more detailed consideration later in the municipal year.

Members welcomed a reduction in complaints, and the ongoing work to improve performance in the contact centre. However, in the context of the review of performance reporting, call waiting times were identified as a potential new KPI.

The Board emphasised the need to identify how to measure the customer experience of contact with the council so that can be more accurately reflected that within performance reporting.

RESOLVED –

- That the report and the appended performance data be noted.
- That more detailed information about gender balance in different service areas be brought to the January 2023 Scrutiny Board meeting.
- That additional information be circulated to the Board to update members on the most current trends in employment in creative industries.
- That the Chief Officer (Human Resources) provides the Board with:
 - a) The action plan that sits beneath the five priority areas identified in Appendix 1 section 6.
 - b) Further information about the proportion of the apprenticeship levy that will have to be returned to government due to a shortfall in starts.
 - c) Detail of sickness absence attributable to mental health conditions broken down by service area.

Cllr Coupar left the meeting at the end of this item.

11 Procurement Update

The Board received a report from the Director of Resources, which provided information on procurement processes, the terms and conditions upon which

contracts are entered into and the Council's approach to contract management and performance management.

In attendance for this discussion:

Kieron Dennett – Head of Procurement and Commercial Services

Attention was drawn to the information in the report, which sets out the procurement processes that must be followed depending on the value and complexity of contracts. Members were asked to note legal requirements in relation to Contract Procedure Rules, which require the use of the Council's standard terms and conditions. The circumstances where non-Council terms and conditions might be used were also outlined.

It was confirmed that Chief officers are responsible for contract management. The benefits of good contract management were noted, including encouraging innovation, avoiding unnecessary costs and helping to identify savings.

The Board was advised that the Constitution is to be updated to reflect responsibility for setting policy in respect of contract management as a function of the Director of Resources.

Contract management was highlighted as a key area of concern for the Board. In response, Kieron Dennett advised the Board that a new Contract Management module will shortly be made available on YORTender3. It will be compulsory to complete this for all new contracts over £10,000 and existing contracts will be transitioned according to priority. This will act as a contract management plan and allow access to information that will be useful for contract management reporting.

Members were further advised that best practice in contact management is being reviewed in the Council, and elsewhere, to assess how this can be replicated across all contracts.

The Board sought clarification as to how the procurement system can help support local SMEs in being able to bid for contracts, in the context of Council ambitions to deliver inclusive growth.

The Board was advised that Executive Board would be considering proposals to establish a social value fund, which aims to use the procurement system as a lever to support community initiatives and projects with social value. The contribution sought would vary according to the size, nature of the organisation and locality – the greatest contribution would be paid by large suppliers based outside Leeds.

Members questioned how officers will review the 'asks' in procured contracts and how the Council will be able to ensure that contract management is taking place once the new module comes into effect. Officers responded by advising members that one of the fields on the module includes requiring internal annual reviews of the contracts, including the Council's requirements.

The Board was assured that any contract over £10,000 will go onto the new system and it will be possible to see whether the e-module has been completed. In the initial stages of roll out it is intended that regular reports will be provided to directorates to provide an overview of the modules completed for new contracts.

PACS will also support services to review existing contracts. This process will start with the top 20 contracts for a service in terms of value, to ensure appropriate contract management is in place and at least an annual review of the contract is taking place.

Responding to a query regarding 'due diligence' at the start of any procurement process, Kieron updated Board members on the outcome of the LGA Peer Review into procurement. He noted the positive feedback about the early stages of the procurement processes and the recommendation that improvement activity focuses on contract management in the medium term.

It was agreed that a report for Corporate Governance and Audit Committee on the progress in delivering actions identified following the LGA peer review will also be shared with the Strategy & Resources Scrutiny Board.

Contract flexibility was discussed with members, who queried the scope to adapt existing contracts when faced with changing local demands. Board was assured that some degree of flexibility should be available to vary all contracts, though subject to the value/scope of the requested change and the practicalities (e.g. could the supplier actually deliver the extra supplies requested).

RESOLVED –

- That the contents of the report, and the further advice provided, is noted.
- That a report being prepared by the Head of Procurement and Commercial Services for the Corporate Governance and Audit Committee, on the outcomes of the LGA peer review, is also shared with the Strategy & Resources Scrutiny Board.

12 Sources of Work

Members noted the report and discussed the sources of work in conjunction with item 12 (Work Programme).

RESOLVED –

That the report be noted,

13 Work Schedule

The Scrutiny Board considered the Work Programme.

Zero-Tolerance Statement

In 2021/22 the Scrutiny Board requested that a statement be drafted summarising its conclusions in relation to an approach of zero-tolerance to racism and that this should then be provided to the Executive Board member for her consideration.

It was noted that representatives of the BAME staff network had been consulted on the proposed wording, as had relevant officers.

Concern was raised about how aspects of the statement reflect the way in which the disciplinary and grievance processes interact. Further clarification was sought about how matters potentially linked to multiple protected characteristics will be appropriately identified, and how the Council will ensure historic issues of concern will be captured in any process.

It was suggested informal routes prior to grievance should be more clearly highlighted in the statement. Specifically, it was suggested reference should be made to the importance of engaging in the ACAS early conciliation approach.

The potential role of the new Freedom to Speak Up Guardian was highlighted. Members suggested further information should be provided at a future meeting about how that role will work in practice.

Concern was raised more generally about the use of the term 'BAME' given Government guidance suggesting the term risks homogenising a diverse group of people. However, it was reiterated that it is for the staff network to determine how they wish the Board to refer to them.

It was noted the statement is not – nor intended to become - a policy document. It is a summary of the discussions of the 2021/22 Scrutiny Board, which the previous board had recommended be provided as a form of advice to the Executive member.

It was agreed that Cllrs Firth and Burke can provide any proposed amendments to the Principal Scrutiny Advisor for further consideration.

The Chair reiterated the need to provide advice in a timely way to decision makers given previous discussions at the Board.

Items for Further Consideration

It was suggested that the Scrutiny Board should schedule a debate about how the Council consults and communicates with the public. This should include how the organisation identifies which format to adopt for different consultations, how consultations are co-ordinated with partners such as WYCA and levels of engagement generated by different consultation formats.

Members welcomed the fact that Leeds2023 would be subject to further consideration by the Board. It was requested that the future item consider the job opportunities that might arise from Leeds 2023 and how the Council can ensure people from Leeds are able to access any opportunities in line with the aspirations of the inclusive growth policy. Members were also keen to understand what is anticipated to be the legacy of Leeds2023 and how the Board might be able to assess whether that has been achieved.

The Board reiterated that members are keen to engage with the West Yorkshire Mayor to understand how the new regional role is operating after the first year of devolution.

It was noted that it is important to have representation throughout the meetings from Executive Members, given the required parity of esteem between Scrutiny and the Executive set out in the constitution.

The Principal Scrutiny Advisor was requested to update the work programme.

RESOLVED –

- That Cllrs Firth and Burke provide any proposed amendments to the zero-tolerance statement to the Principal Scrutiny Advisor with a view to finalising the document ahead of submission of the advice to the Executive Board member.
- That the work programme is updated to reflect the requests documented under all items included within the minutes of this meeting.

14 Date and Time of Next Meeting

The next public meeting of the Scrutiny Board will take place on 25 July 2022 at 10am. A pre-meet for Board members will take place at 9.45am.