

SCRUTINY BOARD (CENTRAL AND CORPORATE)

MONDAY, 6TH OCTOBER, 2008

PRESENT: Councillor M Dobson in the Chair

Councillors B Atha, J Bale, S Bentley,
B Chastney, P Davey, J Dowson, P Ewens,
M Hamilton, V Kendall, A Lowe, B Selby
and P Wadsworth

30 Late Items

In accordance with his powers under Section 100B(4)(b) of the Local Government Act 1972, the Chair admitted to the agenda a late report from the Head of Scrutiny and Member Development in connection with Agenda Item 9, relating to a proposed revised funding agreement between Leeds City Council and Marketing Leeds. This report emanated directly from the Board's Call - In meeting held on 17th September 2008, and for this reason had not been available at the time of agenda despatch.

31 Declarations of Interest

Councillor Lowe declared a personal interest in Agenda Item 8 (Min No 34 refers) – Scrutiny Inquiry into procurement, outsourcing and commissioning of services – in her capacity as Chief Executive of Touchstone, Leeds, a charity involved in providing mental health support services, which did work for Leeds City Council.

(NB See also later Minute No 33)

32 Minutes - 8th and 17th September 2008 and Matters Arising

The Board received and considered the minutes of their ordinary meeting held on 8th September 2008 and the Call - In meeting held on 17th September 2008.

A Member commented that the stylised format currently adopted for recording Call - In meetings was less than helpful, and that the minutes of the 17th September meeting would have benefited from containing rather more detail regarding the discussions at that meeting.

RESOLVED – That the minutes of the meetings held on 8th and 17th September 2008 be confirmed as a correct record.

33 Accountability Arrangements for 2008/09 and Quarter 1 Performance and Financial Health Report

Draft minutes to be approved at the meeting
to be held on Monday, 3rd November, 2008

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report on the Quarter 1 performance indicators for Central and Corporate Functions and containing proposals for a new reporting format in future, combining the Council Business Plan performance indicators report with the quarterly financial performance monitoring report. The Board also considered the Director of Resources' Quarter 1 Financial Health Monitoring Report, first submitted to the Executive Board on 2nd September 2008.

Steve Clough, Head of Policy, Performance and Improvement, and Doug Meeson, Chief Officer (Financial Management) attended the meeting and responded to Members' queries and comments. In brief summary, the main points of discussion were:-

- Reference was made to Appendix 1, the 'Corporate Balanced Scorecard 2008/09', and some areas shown as 'red circles', indicating that targets were unlikely to be met. It was explained that these fell outside the remit of the Scrutiny Board (Central and Corporate), within the Cultural and Health and Wellbeing indicators. Nonetheless, Steve Clough undertook to e-mail details to Members. He also undertook to let Members have further details of the definitions of various performance indicators – BP-08, BP-09 and BP-11 – and to review the wording to see if their meaning could be made more immediately apparent;
- Steve Clough also undertook to provide the Board with details of the Council's official partner organisations, such as the Police, health authority etc, and to also let Members have a service by service breakdown relating to customer service queries, and how quickly issues were resolved, often on a first point of contact basis via the Contact Centre;
- The effect of the current economic downturn on the Council's investments, and the ability of the Council's Business Plan to adapt to changing circumstances to enable targets and priorities to be met. Doug Meeson undertook to amend the reporting format to include in future an update regarding the effects on the Council's capital programme. Productivity targets were built into the system, from chief officer down to team leader level, and the performance of individual members of staff could also often be measured. Management accounting principles were also practiced;
- Further to Minute No 11, 7th July 2008, the question of the levels of reserves held by schools and ALMOs, and their utilisation by the Council, together with the legal and constitutional relationships between the Council and the ALMOs and Education Leeds, was once again raised. It was agreed that the Working Group on this issue previously mooted should proceed, the Head of Scrutiny and Member Development to make appropriate arrangements;
- The Head of Scrutiny and Member Development undertook to co-ordinate and circulate a response to queries relating to outside placement costs,

direct payments and polling costs (Paragraphs 3.1.5, 3.1.6 and 3.1.8 of Appendix 4 refer).

RESOLVED –

- (a) That subject to the above comments, the report be received and noted, and Steve Clough and Doug Meeson be thanked for their attendance and the manner in which they have responded to Members queries and comments.
- (b) That approval be given to the proposed new reporting arrangements, on the understanding that these can be subject to review if necessary at a later date.

(NB: 1 Councillor Wadsworth left the meeting at 10.44 am during consideration of this item;

2 Councillor Lowe declared a personal interest in this item in her capacity as a Director of Leeds West North West Homes ALMO).

34 Scrutiny Inquiry - Procurement, Outsourcing and Commissioning Services - Session 1

Further to Minute No 13, 7th July 2008, the Board considered a report submitted by the Chief Procurement Officer which set out the main principles and legal framework which underpinned the Council's procurement service, and outlined work currently being undertaken on developing a 'One-Council' initiative for procuring and commissioning goods and services.

Wayne Baxter, Chief Procurement Officer, attended the meeting and responded to Members' queries and comments. In brief summary the main points of discussion were:-

- The importance of getting the specification as accurate as possible before the Council outsourced work;
- Notwithstanding the above point, original specifications could not deal with every eventuality, particularly unforeseen complications, and there was a need to move towards a framework and an accommodation with contractors, within a guaranteed price structure, of flexibility and incentives for suppliers to help out the authority at reasonable rates. The 'One-Council' approach tried to build this into the process;
- The crucial part played by contract monitoring, and the need for increased basic skills and competency in this area across the Council;
- The importance of options appraisals at the initial stages;
- The current lack of fairness between the degree of rigour applied to the assessment of outside service providers and the lack of equivalent levels of assessment and scrutiny for in-house services;
- The measures in place to try to safeguard the Council's interests in the current uncertain trading climate, such as parent company guarantees;
- Whether or not the Board needed to look at certain recent contracts in detail, to satisfy itself regarding current arrangements.

RESOLVED –

Draft minutes to be approved at the meeting to be held on Monday, 3rd November, 2008

- (a) That the report be received and noted, and Wayne Baxter be thanked for attending the meeting and the manner in which he responded to Members' queries and comments;
- (b) That arrangements be made for Session 3 of the Board's Inquiry on 1st December 2008

(NB: Councillor Davey left the meeting at 12.13 pm and Councillor Dowson at 12.25 pm during consideration of this item, and Councillor Bale left the meeting at 12.30 pm at the conclusion of this item)

35 Funding Agreement between Leeds City Council and Marketing Leeds

Further to Minute No 29, 17th September 2008, the Board considered a proposed revised funding agreement between the City Council and Marketing Leeds, arising from the Call - In meeting held on 17th September.

James Rogers, Assistant Chief Executive (Planning, Policy and Improvement), and Councillor J Lewis, instrumental in the Calling - In of the original decision, attended the meeting and responded to Members' queries and comments.

Members requested that a further copy of the revised agreement, showing clearly in colour the amendments to the original, be re-circulated to all Board Members. Members also indicated that in future, they would wish to be consulted on any such agreement in advance of its implementation. They also requested a report back in due course on the outcome of the Milan marketing exercise.

RESOLVED – That the revised funding agreement be endorsed.

(NB: Councillors Ewens and Lowe left the meeting at 12.41 pm at the conclusion of this item)

36 Work Programme 2008/09

The Head of Scrutiny and Member Development submitted a report regarding the Board's work programme, updated to reflect decisions taken at previous meetings, an extract of the Council's Forward Plan of Key Decisions for the period 1st October 2008 to 31st January 2009 and a copy of the minutes of the Executive Board meeting held on 2nd September 2008.

RESOLVED – That subject to any changes necessary as a result of today's meeting, the work programme be approved.

37 Dates and Times of Future Meetings

Monday 3rd November 2008
Monday 1st December 2008
Monday 5th January 2009
Monday 2nd February 2009

Draft minutes to be approved at the meeting
to be held on Monday, 3rd November, 2008

Monday 2nd March 2009
Monday 6th April 2009

All at 10.00 am (Pre-meetings at 9.30 am)

The meeting concluded at 12.43 pm