

## **SCRUTINY BOARD (STRATEGY AND RESOURCES)**

**MONDAY, 9TH DECEMBER, 2024**

**PRESENT:** Councillor A Khan in the Chair

Councillors D Blackburn, A Carter,  
D Chapman, B Flynn, P Grahame,  
S Hamilton, T Hinchcliffe, W Kidger,  
A Parnham, E Thomson and C Timmins

### **47 Appeals Against Refusal of Inspection of Documents**

There were no appeals.

### **48 Exempt Information - Possible Exclusion of the Press and Public**

There was no exempt information.

### **49 Late Items**

There were no late items.

### **50 Declaration of Interests**

There were no declarations of interest.

### **51 Apologies for Absence and Notification of Substitutes**

There were no apologies.

### **52 Minutes - 14 October 2024**

**Resolved** - That the minutes of the previous meeting held on 14th October 2024 be approved as a correct record.

### **53 Civic Enterprise Leeds - Catering and Cleaning**

The Board received a report from the Interim Assistant Chief Executive Finance, Traded & Resources on Civic Enterprise Leeds (CEL) focussing on catering and cleaning services offered by the Council.

In attendance for this item were:

Draft minutes to be approved at the meeting  
to be held on Monday, 13th January, 2025

- Cllr Debra Coupar, Executive Member for Resources
- Victoria Bradshaw, Interim Assistant Chief Executive
- Mandy Snaith, Deputy Chief Officer Civic Enterprise Leeds/Head of Catering and Fleet
- Richard Jackson, Head of Passengers, Cleaning and Facilities Management

A presentation was made in support of the tabled report which covered the following key points:

- An introduction to what each of the three services does – covering schools cleaning, Catering Leeds and Meals at Home.
- On schools cleaning the service cleans 80 schools in and around Leeds employing 350, locally sourced, frontline staff who access market leading employment terms and conditions.
- The service operates at a profit with a £274K return projected for the 2024/25 financial year. All work is won in a competitive market with price and productivity bench marking and annual reviews to maintain or increase annual returns.
- On Catering Leeds, the Board heard that the service offers nutritional meals at 165 primary schools, 2 high schools and 20 early years settings. The service provides 29,000 meals per day and 5.5 million last year. The service responds to special dietary requirements with approximately 2,500 such meals being produced each day.
- There are 893 staff employed across 194 locations. The service has played a significant role in the Healthy Holidays Programme which has made a real impact in disadvantaged communities.
- The Meals at Home Service is highly valued by customers, many of them vulnerable, who are able to access the hot meal delivery service 365 days per year. This is a city wide service and also includes a welfare check on those receiving meals which adds significant value to the service in supporting people to live independently at home whilst also offering peace of mind for family and carers.
- The budget is projected to have a small deficit of £51K in 2024/25 with plans to have a break even budget in 2025/26. Financial performance has improved significantly in the past 3 years.

In response to comments and questions from board members the following areas were discussed:

- The Executive Board Member for Resources highlighted that it is a point of pride that Civic Enterprise Leeds (CEL) is operating in the city not just because of the excellent services and the work done but the wider benefits and added value that CEL brings. It was noted that the staff receive the real living wage, enjoy good terms and conditions and can access wider career pathways in the Council. The added value comes in many forms in well-being and fire safety checks, nutritional warm meals provided at schools and the benefits staff get compared to competitors in

the same market. The work done by the service during the Covid Pandemic and in support of the healthy holidays programme was also referenced. The Executive Member passed on her thanks to those working in the service.

- On financial opportunities the Board wanted to know if Government plans to provide more Breakfast Clubs could be supported by CEL. Work is already done in this area with schools and providers and there is a possible opportunity to generate more income through this.
- The Board asked for more details on the Catering Leeds service in terms of profit and loss. In response the Board heard that due to management costs and wider overheads the service is provided with a subsidy or at a loss. A key balancing factor is the added value provided to children and young people who through CEL have healthy, nutritional meals which is known to support learning and educational outcomes. Improving financial performance is part of an ongoing review with the aim of minimising any subsidy of the service.
- Cost – Benefit analysis of the catering service has revealed that the benefits are significant in terms of welfare and nutritional value that are provided through the Catering Leeds and Meals at Home services. The Executive Board Member for Resources added that high inflation on food and wages had led to a challenging environment for the two services due to increasing costs.
- In response to a question on wages for cleaners, the Board were informed that a cleaner working for the Council will be paid the Real Living Wage of £12.26 per hour which compares favourably with the National Living Wage which is at £11.40 which is the rate that tends to be paid in the private sector.
- The Board heard that work is underway to quantify the benefits to Adult Social Care Services by operating the Meals a Home service where if it were not provided there would likely be a requirement for care services to regularly visit those vulnerable residents.
- Members asked about any implications for CEL of the Employer National Insurance increase. In response the Board were informed that because CEL is internal to the Council the Employer NI increase will be covered by Government grant. If the services were commissioned, then there could have been issues with those costs being passed on to the Council.
- Responding to questions about overall costs of these services the Board heard that the authority accounts for the costs based on the direct costs and the income receivable. The wider overheads are associated with ISA19 costs which is future pension liability. Those costs are not included in the position as it might present a misleading picture in terms of service costs. The ISA 19 costs are managed through Corporate finance. Overall, the benefits of the services such as to Adult Social Care outweigh the subsidy that is required to deliver the service.
- The Chair asked about joined up working with Procurement Services linked to the development of a new Procurement Strategy. In response the Board were informed that work is ongoing with the Head of Procurement to generate savings, for example by not using branded products. Regular dialogue takes place with procurement to drive efficiencies.

- The Board wanted to know more about the presented productivity figures. The authority measures productivity based on meters per hour on cleaning with 150-200 metre squared considered competitive. A danger with benchmarking can be that a race to the bottom takes place and also unachievable productivity targets are set. The authority does benchmark against national standards on cleaning services.
- Members asked for more detail on the strategy for Catering Leeds to eliminate the subsidy over the next five years. The Board heard that dialogue is taking place with school leaders about the pricing of a school meal and the potential to introduce a management fee for the service, initial feedback suggests that this type of arrangement may be possible.
- It was also noted that schools would like a three year plan for expected costs to assist with their budgeting. This would be easier to deliver to schools with more certainty on funding from Government through multi-year settlements, which are expected in future years.
- The Board suggested more marketing of the Meals at Home service by going out to Sheltered Housing complexes to try to generate more business and ensure that the service has the economies of scale to break even and cover direct costs. The Service does market itself working areas such as the Hospital discharge team to see if there are more potential customers.
- The meeting discussed the amount paid by Government for a school meal, which has been frozen for a number of years. It was noted that there is a significant amount of lobbying ongoing on the rate paid for free school meals and universal infant school meals. The rate paid is £2.53 with the true cost of a school meal at around £3.16. A 5p increase has been announced from June 2025 but lobbying is ongoing in this area to try to increase the rate paid further.
- Members asked for the cost of the teatime pack and also on the frequency of the meals, so how many meals do customers tend to access per week or per day. It was agreed that this information will be provided to members outside of the meeting.
- Attendance figures were highlighted as an area of possible concern. The number of days lost to absence is a key issue in terms of sustainability of the service financially, higher attendance would improve productivity, price would stabilise and the potential for business would increase. It was noted that absence rates are better than the council average in some months, but it was still felt that this could be important in terms of extra business and higher productivity. In response the Board heard that attendance is a priority with welfare and support packages available to staff to encourage higher attendance, albeit it was noted that attendance is the best amongst frontline services in the Council.
- As part of the review of the services attendance is a focus along with productivity. Work is ongoing with HR to see if attendance can be improved and to support colleagues back into work. In recent years attendance has improved but there is more work to do as part of the review. A key focus of HR interventions has been to focus on particular services to improve attendance along with a focus on long-term sickness and the reasons for ill health. More work is planned on building managerial confidence to deal with attendance management issues.

- In concluding remarks, the Executive Member for Resources thanked the Board for supportive comments and scrutiny of this issue. It was noted that the comments for scrutiny would be considered as part of the ongoing reviews of these services. The Executive Member also highlighted the added value that these services provide in key areas such as meals at home and the highly valued welfare element of that service.
- The Chair of the Board asked that thanks from the Board be passed on to the teams delivering the service, for all the hard work they do.

**Resolved** - The Strategy & Resources (S&R) Scrutiny Board noted the content of the report and updates on the performance of CEL Meals at Home, Catering Leeds and Schools Cleaning.

## 54 Leeds City Council People Strategy

The Board received a report from the Interim Assistant Chief Executive – People, Digital & Change setting out details on the Council's new People Strategy as an item for pre-decision scrutiny activity.

In attendance or this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Andy Dodman, Interim Assistant Chief Executive
- Rachel Floyd, HR Service Manager

The Board received a presentation to support the report which covered the following key areas:

- This is a pre-decision item, and this report provides some initial thinking and evaluation on the People Strategy, the current strategy that will expire in 2025 has been positive which means that a major overhaul is not required with the focus of the next version (running from 2025-2030) more on a refresh with the board asked for their thoughts and steer on it.
- The positives of the 2020-25 People Strategy in terms of the refreshed council values and EDI policy initiatives, manager training through the Being Your Best Programme, improved approach to recruitment both in terms of the recruitment site and recruitment process, planned new support systems in HR and payroll through Core Business Transformation and support for apprenticeships through the Council and qualifying in the Top 100 Apprenticeships employers.
- How the Council measures progress on employee matters through staff surveys, workforce data and feedback from appraisals, one to ones and training.
- The work done to listen to key stakeholders such as Trade Unions, staff networks, the Freedom to Speak Up Guardian and the recent LGA Peer Challenge.
- Key areas from the existing People Strategy that will be kept including the best place to work vision and employment cycle

- Strengthen existing areas in the strategy such as the commitment to culture and values, EDI and Well Being, digital skills and transformation and career development and progression
- New areas in the strategy will focus on a new title which will be the People and Culture Strategy 2025-2030, a focus on workforce planning and organisation design, work on how people work such as hybrid working and a stronger focus on productivity.

Following comments and questions from board members the following areas were covered:

- On recruitment processes the board asked for more detail on how residents can access employment opportunities at the Council particularly relating to candidates who applied for a role at the Council but who are not successful. In response the Board heard that a new recruitment system has been in operation since August 2024 which includes the ability for candidates to use CVs. The new recruitment system does have much better functionality which will improve the experience for candidates.
- The board noted that the recent EDI scrutiny statement would be considered as part of the development of the People and Culture Strategy. The statement and wider work will be used to refresh the five EDI pillars that have been considered by the Board in past years and the authority will have an ongoing commitment to EDI in the new strategy.
- The Board asked about efforts to increase response rates to the staff survey to seek the views of the 48% that did not respond. In response it was noted that a 52% response rate is better than comparators and more work will be done to increase responses when the staff survey next takes place, 52% does represent a majority of staff. The views of staff are also sourced from other routes such as Trade Unions, the use of Pulse Surveys and feedback from staff networks.
- The Board asked about more feedback from frontline staff and the digital divide that can exist between those who use a PC daily as compared to the frontline. The Board heard that following the Core Business Transformation (CBT) Programme roll out in 2025 there will be much more opportunity for staff to access communication and information with a programme of support being rolled out to ensure that colleagues are able to access and use the new functionality. It was noted that significant efforts are ongoing in the meantime before CBT rollout, to ensure that frontline staff are able to provide feedback and also receive important communications and training, this involves outreach to those services and attending and supporting face to face sessions.
- Members asked about appraisal completion rates and whether an update position was available. In response members heard that appraisal completion rates remain high at 94.3% which compares well with other local authorities and has been a key aspect of the People Strategy and organisational culture in recent years.
- On KPIs the board heard that as part of the work on the People Strategy a review of the people based KPIs will be undertaken, and one area that could be looked at is sickness absence where consideration will be given

to having a target percentage reduction as opposed to a targeted number of days.

- On staff retention the Board asked about KPIs and possibly including staff turnover rates broken down into different services. In addition, members asked to have more information on leavers and the reasons for leaving as well as having more information on succession planning.
- On staff turnover the Board heard that a KPI on new starters that leave early and on retention would be considered. It was noted that some services may benefit from higher turnover rates. Succession planning and workforce planning is an area that will be emphasised more in the new strategy and potentially a KPI on that could be developed.
- Board members wanted more information on exit interviews. In response the Board were informed that all leavers are provided with an exit survey, but it was accepted that more leavers should be encouraged to complete the survey or find out the reasons why the survey is not always completed.
- Members suggested that the staff survey should take place after the roll out of CBT to ensure that frontline staff are able to complete the survey and are able to complete it. It was emphasised that staff survey completion rates have improved in recent years and return rates are higher than other local authorities. It was noted that where HR had put in additional support response rates tended to improve emphasising that responses to the last survey were not just from 'happier staff'. In addition, the latest survey also had a free text space to enable staff to provide feedback generally to the Council.
- The Executive Member made concluding remarks by thanking the board for their initial thoughts and looking forward to bringing the strategy back for further consideration in 2025.

**Resolved – The Board:**

- a) Noted the contents of the report, including the intention to publish the refreshed People & Culture Strategy 2025-30 in 2025.
- b) Considered the draft content changes that are proposed for the strategy, as outlined in section 1.22 to 1.36.
- c) Agreed to receiving further progress updates and reports, making links to the current and future scrutiny work programme as appropriate.

## **55 Work Programme**

The Board considered the Scrutiny Board's work programme for the 2024/25 municipal year.

The Principal Scrutiny Adviser introduced the report setting out the Work Programme at Appendix 1 and the October and November Executive Board minutes at Appendices 2 and 3.

In addition, the board noted that an additional item on Health and Safety has been added to the Work Programme since the Board last considered the Work Programme at the October meeting.

**Resolved** - Members noted the Board's Work Programme for the 2024/25 municipal year.

Before concluding the meeting, the Chair hoped that all who were celebrating would have a Merry Christmas and happy and productive New Year.

**Meeting closed at 12.15PM**

## **56 Date and Time of Next Meeting**

The next public meeting of the Board will take place on 13 January 2025, there will be a pre-meeting for all board members at 10.00am and a start time of 10.30AM.