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**Report of the Director of Neighbourhoods and Housing**

**Neighbourhoods and Housing Scrutiny Committee**

**Date: 10 January 2007**

**Subject: Area Management Review**

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**Electoral Wards Affected:**

All

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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**1.0 PURPOSE OF REPORT**

The report details the context and background to the area management review which is currently underway. It then outlines initial findings and proposed next steps.

**2.0 CONTEXT FOR THE REVIEW**

2.1 The review of Area Management in Leeds is taking place at a time of considerable change both within the Local Authority and within key local partners. This includes:

- Children's Services and Adult Services developments,
- The development of the Leeds Local Area Agreement, with a focus on improving key service outcomes,
- Structural Change in a number of key partner organisations – the Police, PCT and ALMOs,

2.2 There are also further anticipated changes for the public sector arising from the implementation of the recent Local Government White Paper and the forthcoming Lyons Review of Local Government.

2.3 The Council's review of Area Management commenced at the start of the year with an external audit of Area Management by KPMG. The proposed review of Area Management was discussed at CMT and at a meeting of the Area Committee Chairs and Area Managers. At the Area Committee Chairs' meeting Cllr Andrew Carter emphasised that:

'...the review will enable the Council to decide how to develop area working over the next three years...I believe that area management has cross party support...the review will allow an opportunity to take stock and look at what further services and budgets might be appropriate to be transferred to Area Committees...'

Cllr Andrew Carter  
Area Chairs Meeting, Feb 2006

2.4 From considering the direction of travel for Area Management and the terms of reference for the KPMG audit, a number of issues for the review were highlighted:

- How is area management helping the council to deliver its corporate plan?
- How is area management improving the co-ordination of services and service outcomes for local neighbourhoods?
- How are local views and needs being taken into account through area working?
- Are there elements of existing area management work which could be delivered more effectively?
- Should area management take on further services and responsibilities?
  - what services
  - what timescale
  - how do we do the assessment
- What are the implications for area management of changes in other partners structures and planned change within the council?
- Where is area management now being implemented effectively in other areas and what key lessons and opportunities are there for Leeds?
- Should we change the level and type of control over services devolved to areas? How would this best be achieved to take account of local and corporate considerations?
- How do we measure the added value of having area management?
- How can we achieve better clarity on the role of area management, area committees and district partnerships?
- What are the implications of the Local Area Agreement for area management?

2.5 An Area Management Review Board was established in August 2006 to look at KPMG's audit findings and take this work forward. It is chaired by Neil Evans, Director of Neighbourhoods and Housing<sup>1</sup>.

### 3.0 BACKGROUND

3.1 This section provides an overview of the recent history of Area Management in Leeds. It covers the Community Involvement Teams and the work done to establish Area Committees and Area Management.

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<sup>1</sup> Area Management Review Board Terms of Reference and Membership are available on request.

### **3.2 Community Involvement Teams (2000/2001 – 2004)**

The Council agreed to establish Community Involvement Teams (CITs) in 2000 as part of its modernisation agenda which also covered the introduction of a Leader/Cabinet model and the establishment of Scrutiny Committees.

16 CITs were established by the middle of 2001 involving one, two or three council wards. All elected members were on the CITs and they also had a range of co-optees.

Strengths of the CITs included:

- They provided a good picture of community priorities
- They enhanced community involvement and there were examples of strong community effort and commitment in some areas
- They helped the working relationships between departments and partners at a local level
- They established a clear process for all elected members to work together at a local level
- They highlighted where services were falling short of local needs and expectations
- They helped the council to move on, in terms of modernisation and provided a good starting point for the further development of area working

Lessons learned from the CIT experience cover:

- Purpose and role – there was a degree of confusion about their role in relation to community development, leadership, regeneration, service co-ordination and their relationship with the rest of the Council and corporate issues.
- They had limited budgets and limited ability to influence council services.
- Long inception period and limited central resources – it took approximately 18 months from agreeing to have CITs up to the point when they were all fully operational. Clear processes and support arrangements were not all in place before they went live. There were insufficient resources for central co-ordination and policy direction.
- 16 was not sustainable – services found it difficult to organise themselves around and respond to 16 different areas. Managing and co-ordinating activity across 16 different areas was sometimes time consuming and cumbersome.

The CITs continued to meet until Spring 2004 when new ward boundaries were introduced and new Area Committee arrangements were brought in.

### **3.3 Towards Area Management and Area Committees (2002- 2004)**

Detailed work and widespread consultation took place between 2002 and 2004 which led to the establishment of the current Area Management arrangements. This included discussions with elected members from all parties, consultation with the CITs, key partners (such as PCTs, Police, and Leeds VOICE), community representatives, council departments and all households in Leeds (through a CIT household survey).

This work was done alongside a Periodic Electoral Review of ward boundaries and the implementation of a new officer structure in the Council which embraced area working and improved the integration of services. Consideration was made of what the Council was allowed to do under the Local Government Act 2000 as well as what other Local Authorities were doing or proposing to do.

In October 2003 the council's Executive Board received a detailed report on area management and approved a series of recommendations aimed at allowing Area Management and Area Committees to be up and running from June 2004.

#### **Objectives**

The stated objectives of area management were:

- To ensure the continuous improvement of council services
- To integrate and improve the co-ordination of services at a local level
- To allow locally based decision making and accountability to ensure that council services better address local issues and locally determined priorities

The proposals looked to significantly expand the role and powers of local members, building on the experience of the CITs.

#### **Area Boundaries**

Following the exploration of various options for area boundaries, a consensus emerged that five operational areas with ten area committees was the best option for Leeds at the time. This received cross party support from Members and was broadly supported by others consulted.

This produced five operational areas with a critical mass capable of sustaining an area management structure and close ties to the operational boundaries of major partners.

It allowed for the sub division of the areas to create an inner and outer Area Committee. These were based as far as possible on wards of a broadly similar character to each other leading to a commonality of interests and challenges within each area.

#### **District Partnerships**

Alongside the development of the council's proposals for Area Management, 5 District Partnerships were established with Leeds Initiative partners. The 5 'wedge'

partnerships model reflected the operational boundaries of major partners in Leeds at the time.

### **Area Management Officer Structure**

A new officer structure was put together to support Area Management which was established to:

- Have a Senior Officer presence in each area to co-ordinate services better and develop positive relationships with senior officers across the Council and in other related organisations such as the Police and the PCTs
- Support service planning, management, monitoring, partnership work and project work
- Support the workloads of the Area Committees and area based partnerships
- Support neighbourhood based community engagement activity
- Lead on and provide support for neighbourhood renewal and regeneration projects

### **The Role of the Area Committees**

The role of the Area Committees was described in terms of:

- Discretion over certain services within an overall framework
- A performance management role which would include Area Committees being able to monitor the standard of service delivery for all services provided within their area
- An influencing role involving having a right to be consulted on all major policies and strategies which may have an impact on the area
- A listening role encompassing being a forum for hearing deputations on local issues and responsibilities for community consultation and involvement
- Working in partnership, including work with District Partnerships, Regeneration/Renewal Boards and ALMO Boards.

### **Incremental Approach**

It was agreed that an incremental approach to the implementation of area management would be taken. It was anticipated that Area Committees would initially be responsible for the following services:

- Streetscene – including street cleansing, waste management, highway services (street lighting and highways maintenance)
- Youth Service – discretion over youth work provision and the roll out of the Youth Council model to areas

- Community Safety – including anti-social behaviour programmes, neighbourhood wardens, and local CCTV schemes.

In terms of budgets, it was anticipated that the former CIT budgets would be rolled up to provide new resources for Area Committee priorities. In addition to this, an initial analysis of total service budgets was undertaken and this showed that for those services where Area Committees would hold managers to account for their budgets (through a discretion and/or performance management role) the expenditure budgets were in the order of £200 million.

### **3.4 Implementation of Area Management (2004)**

#### **Area Teams**

Area Managers were appointed in the Autumn of 2003 and were all in post by early 2004. The officer structure to support area management was substantially in place by the Summer of 2004.

#### **Area Committees**

At the Council AGM in June 2004 changes to the Council's constitution were approved that established the ten Area Committees and how they could operate. This included the composition, boundaries and roles of Area Committees, Terms of Reference and Area Committee Procedure Rules along with arrangements by which Executive Functions may be exercised by the Committees. As part of these arrangements, every year each Area Committee is required to prepare an Area Delivery Plan for endorsement by the Executive Board after the Council's budgets have been set.

The first Area Committee meetings were held in July 2004 and Chairs were elected for each of them at those meetings.

#### **Area Functions**

The first Executive Functions were delegated to the Area Committees after agreement at Executive Board in September 2004. These functions were then reported to the Area Committees in their meeting cycle in October 2004. They were developed on the following basis:

- That the authority to exercise those functions will be held concurrently by the Executive Board, Area Committees and relevant Directors (within their scheme of delegated authority).
- That accountability for Area Committee Functions will rest ultimately with the Executive Board.
- That Area Committees will be required to exercise Area Committee Functions so as to achieve at least specified minimum service standards and performance targets and to contain spending within the available resources.

The first set of schedules approved for delegation related to the following specific functions:

Community Safety	- Public Reassurance (Wardens & PCSOs)
	- CCTV

- Streetscene
  - Waste Management – Bring Banks
  - Public Conveniences
  
- Children & Young People
  - Youth Service

Some initial work was also done on a number of other services for possible delegation to the Area Committees as part of an incremental approach to build up their service responsibilities over time. On closer examination, a number of these services were undergoing, or about to go through, significant changes which meant it was not a suitable time to delegate them to Area Committees. For example, refuse collection and street cleansing were going through a route rationalisation exercise and street lighting was being transformed through a major Private Finance Initiative scheme.

Services relating to Anti-Social Behaviour, Burglary Reduction, the Roads and Street Works Act (RASWA) and Streetscene Enforcement Initiatives also received further consideration, but were considered unsuitable for delegation at the time due in part to the largely reactive nature of the services involved. It was not proposed to delegate budgets in relation to the Local Transport Allocation (relating to strategic network requirements) as it was felt this may mitigate against the ability of the Council to plan this service at a city wide level.

In addition to service responsibilities, the Council also gave Area Committees a responsibility to promote the social, economic and environmental well being of their areas. A well being budget was delegated to the Committees to support this function. It covered a three year capital allocation (£3.5 million) and an annual revenue allocation (£1.9 million). A minimum revenue and capital allocation was made at the Council's AGM in June 2004 which ensured the Committees had spending powers at the outset. Following the consideration of options, the final split of the allocation to each area was agreed at Executive Board in September 2004 and was based on a 75% population, 25% deprivation indicator split.

## 4.0 TAKING STOCK

4.1 In the two years since the Council's current Area Management arrangements were established, progress and achievements include:

<b>Area Management Progress and Achievements 2004 – 2006</b>
All the Area Committees have met regularly since July 2004 and are well attended and supported
Annual Area Delivery Plans have been prepared, endorsed by the Executive Board and implemented locally
Well being resources are being allocated to locally important capital and revenue projects and local services across the 10 areas
Significant external resources are being accessed as a result of the activities of the area management teams – for example an exercise undertaken in Inner East Leeds in 2005 showed that £3.5 million of additional funding was coming into the area to support a range of local regeneration priorities

The five District Partnerships are in place, they agreed District Partnership Action Plans in 2005, have reviewed them in 2006 and are implementing the range of actions in them to support the regeneration of their areas
A range of town and district centre regeneration schemes are being developed across the City
Service co-ordination and specific neighbourhood management and improvement work is taking place in partnership across the City
Regular multi agency initiatives are making an impact on 'crime and grime' in priority neighbourhoods through operations Apollo, Arrow, Banrock and Cava
Comprehensive regeneration schemes are being progressed to transform neighbourhoods e.g. Beeston Hill and Holbeck, Little London, Chapeltown Road, EASEL, West Leeds Gateway
Neighbourhoods and Housing Department are extending the area remit of a number of services – community centres, community safety and environmental health

4.2 Whilst significant progress has been made in the last two years and Area Committees are generally viewed as working well and performing an important function, there are a range of views about the successes and shortcomings of Area Management. A number of key issues relating to this were captured in the KPMG audit.

### 4.3 KPMG Review of Area Based Working

4.4 KPMG undertook a review of area based working earlier in 2006 as part of the Council's external audit plan. The review involved an extensive review of documents, interviews with Officers supporting Area Management, Area Committee Chairs and a cross section of staff from other services/agencies working with Area Committees.

4.5 The review underlined the progress made by Area Management to date, the scope to bring more clarity and performance management to area working as well as opportunities to further extend area working in Leeds.

### 4.6 Key findings of the review were:

- Area Committees have developed Area Delivery Plans which are coherent with the Vision for Leeds and the Council's corporate plan and contain a significant number of local actions
- Community engagement and assessing area profiles takes place to identify the needs of areas, however, the Area Delivery Plans do not clearly document how this feeds into the actions in the plans
- There is evidence to suggest there has been a significant level of increased local knowledge as a result of Area Committees
- Area Committees have not been able to demonstrate how they have significantly tailored local services within Streetscene and Youth Services. Whilst in Community Safety there has been clearly more closer working arrangements established
- Area Committees do not receive performance information which is tailored to their areas



- 82% of the actions in the Area Delivery Plans in 2005/06 were completed showing significant delivery on the ground
- The Council and Area Committees have not developed a performance framework to review whether Area Management is a success or not. Further to this Area Committees do not review performance against the initial strategic objectives of Area Management.

4.7 Key learning points from the audit were:

- The Area Committees need to formally evaluate the community engagement activities that have taken place to identify whether it is sufficient
- The Area Committees need to consider the mix of services they receive from Streetscene and Youth Services and consider if this is adequate to meet local needs
- Area Committees and Council Services must continue to work together to identify and produce key performance indicators which can be reported on an area basis
- The Council and Area Committees need to develop a performance framework to measure the success of Area Management. This framework should also consider the strategic objectives of Area Committees.

4.8 The Area Management Review Board agreed a management response to the audit in October 2006 and a number of strands of its work are linked to the key findings from the audit. Officers in the Area Management teams are currently compiling an action plan to take this work forward and link it to elements of the Area Management review<sup>2</sup>.

4.9 Particular issues to be addressed are:

- Clarity on the role of Area Management teams and Committees in relation to neighbourhood based community engagement activity and mechanisms for evaluating local engagement activity
- Improving the clarity and meaning of delegated functions
- The development of Area Management performance indicators as well as meaningful local performance indicators for key services
- Improving Area Delivery Plans so that targets and intended outcomes are better quantified

4.10 In addition, a number of Officers from other services have commented that existing structures and ways of working can put pressures on services when trying to respond to the needs of 10 different Area Committees. It is believed that there isn't sufficient infrastructure or multi agency working in some services to effectively deliver better outcomes at a local level. The recent developments in Children's Services were highlighted as good practice here – through a lower 'centre of gravity' with more emphasis on locality working there was evidence starting to emerge that services were working better together on the ground and that this was delivering better outcomes for children and families.

4.11 At the Area Management Review Board there was a view that Area Management has an important role to play in managing and co-ordinating service and political

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<sup>2</sup> A copy of the full KPMG audit and management response is available on request.

relationships at a local level and assisting in achieving a good balance locally between political dimensions and operational circumstances. Through area management there are opportunities for the Council to develop better means to handle local responsiveness in services, bring about regeneration at a neighborhood level and ensure better outcomes.

- 4.12 The move to Area Management, and the introduction of Neighbourhood Management in some areas, is leading to a greater emphasis on having more resources for front line services and an improvement in the authority's ability to lever in additional resources for targeted improvements. There is a concern, however, that a number of these targeted resources are from short/medium term external funding sources (e.g. NRF, SSCF) which may not be available to Leeds in the future.
- 4.13 At the Review Board there was a consensus on the benefits of moving towards more locality working and the various drivers for this as indicated in the context section above. Issues about the capacity and skills to take the agenda forward both within area teams and services were raised. A key challenge will be how we organise services better at a locality level and engage better with the public. This is linked to capacity, resources, service efficiency and consistency considerations.

## **5.0 NEXT STEPS**

- 5.1 The Review Board will oversee work on the following strands and will link them to the Council's Corporate Change Programme where appropriate:
- The development and subsequent implementation of an action plan to address KPMG's audit findings;
  - The development of a framework for locality working in Leeds which takes account of different service arrangements and the anticipated direction of travel for the Council. This would ensure clarity and consistency across different services and different parts of the City and outline the role of the Area Committees and where they can add value;
  - Work on proposed service management levels for area management and the development of selection criteria for services. This would help to identify whether services should be centrally or locally managed (or commissioned) and the benefits/disbenefits of a particular approach. For example, it is anticipated that facilities such as the central library and Roundhay Park would remain centrally managed as they are resources of city wide significance, whereas services such as neighbourhood wardens would remain locally managed and be further integrated into locality working in particular neighbourhoods.
  - Alongside this, City Services are undertaking some work to develop a possible locality working model for neighbourhood environmental services. This will consider the scope for locality working for services such as street cleansing services as well as options for a number of environmental enforcement services;
  - The consideration of locality working issues in Children's and Adults Services and options for Area Committees to influence the commissioning of these services in their areas;

- Consideration of the area infrastructure and functions which will be required to effectively deliver the area management agenda as it develops. For example, this may include developing the Area Delivery Plans and linking them more closely to the Leeds Local Area Agreement, reviewing the composition and roles of area management teams and their relationships with Area Committees and District Partnerships;
- Reviewing partnership working through the District Partnerships and the role and engagement of local elected members in area based partnership work. This will take account of the changes in operational boundaries of other public sector partners such as the PCT, Police and ALMOs and work being done on the development and review of other Leeds Initiative structures.

## **6.0 RECOMMENDATIONS**

Members of the Scrutiny Committee are asked to:

- a. note the work which has taken place to date, and
- b. give views on any aspects of the Review which will then be fed back to the Review Board.