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## SCRUTINY BOARD (CENTRAL AND CORPORATE)

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Meeting to be held in Civic Hall, Leeds on  
Monday, 7th July, 2008 at 10.00 am

*(A pre-meeting will take place for ALL Members of the Board at 9.30 a.m.)*

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### MEMBERSHIP

#### Councillors

M Dobson (Chair)	-	Garforth and Swillington
B Atha	-	Kirkstall
S Bentley	-	Weetwood
B Chastney	-	Weetwood
P Davey	-	City and Hunslet
J Dowson	-	Chapel Allerton
P Ewens	-	Hyde Park and Woodhouse
M Hamilton	-	Headingley
G Latty	-	Guiseley and Rawdon
A Lowe	-	Armley
B Selby	-	Killingbeck and Seacroft
P Wadsworth	-	Roundhay
Whip's nominee	-	Conservative

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# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></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 Chief Democratic Services Officer at least 24 hours before the meeting).</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></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><b>RESOLVED</b> – 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>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></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><b>DECLARATIONS OF INTEREST</b></p> <p>To declare any personal / prejudicial interests for the purpose of Section 81 (3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE</b></p> <p>To receive any apologies for absence.</p>	
6			<p><b>MINUTES - 9TH JUNE 2008</b></p> <p>To receive and approve as a correct record the attached minutes of the previous meeting held on 9<sup>th</sup> June 2008.</p>	1 - 4
7			<p><b>SCRUTINY OF THE BUDGET - PERFORMANCE OUTTURN 2007/08</b></p> <p>To receive and consider the attached report of the Head of Scrutiny and Member Development and the report of the Director of Resources, first submitted to the Executive Board on 11<sup>th</sup> June 2008.</p>	5 - 34
8			<p><b>REPORT OF SCRUTINY BOARD WORKING GROUP - ALMOS - MEETING THE EQUALITY STANDARD AND PREPARING FOR INSPECTION</b></p> <p>To receive and consider the attached report of the Head of Scrutiny and Member Development regarding the meeting of the Working Group held on 24<sup>th</sup> June 2008.</p>	35 - 42

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<p><b>WORK PROGRAMME 2008/09 AND INQUIRY DRAFT TERMS OF REFERENCE</b></p> <p>To receive and consider the attached report of the Head of Scrutiny and Member Development.</p>	43 - 72
10			<p><b>DATES AND TIMES OF FUTURE MEETINGS</b></p> <p><b>Monday 8<sup>th</sup>* September 2008</b>, at 14.00 (Pre-meeting at 13.30)</p> <p>Monday 6<sup>th</sup> October 2008</p> <p>Monday 3<sup>rd</sup> November 2008</p> <p>Monday 1<sup>st</sup> December 2008</p> <p>Monday 5<sup>th</sup> January 2009</p> <p>Monday 2<sup>nd</sup> January 2009</p> <p>Monday 2<sup>nd</sup> March 2009</p> <p>Monday 6<sup>th</sup> April 2009</p> <p>All except * at 10.00 am (pre-meetings at 9.30 am)</p> <p>*Please note change of date and time for this meeting from original schedule.</p>	

# Agenda Item 6

## SCRUTINY BOARD (CENTRAL AND CORPORATE)

MONDAY, 9TH JUNE, 2008

**PRESENT:** Councillor M Dobson in the Chair

Councillors B Atha, S Bentley, B Chastney,  
J Dowson, P Ewens, A Lowe, B Selby and  
P Wadsworth

### 1 Chair's Welcome

The Chair welcomed Members and officers to the first meeting of the new Scrutiny Board (Central and Corporate) in the 2008/09 municipal year.

### 2 Declarations of Interest

No Member declarations of interest were made.

### 3 Apologies for Absence

Apologies for absence from the meeting were submitted on behalf of Councillors P Davey and G Latty.

(NB: Councillor Selby was temporarily absent at the commencement of the meeting and rejoined the meeting at 10.03 am during this item)

### 4 Input into Work Programme 2008/09 - Sources of Work and Establishing the Board's Priorities

The Head of Scrutiny and Member Development submitted a report covering the Board's terms of reference, and outlining possible sources of work which the Board might wish to consider incorporating into its work programme for 2008/09.

Also enclosed with the agenda were copies of the **Audit Commission Corporate Assessment Report**, dated May 2008, and the associated action plan, the draft performance indicators associated with the **Council's Draft Business Plan 2008-2011** (copies of which were distributed at the meeting) and a report from the Head of Policy, Performance and Improvement regarding the 2007/08 Quarter 4 key performance indicators.

In attendance at the meeting and responding to Members' queries and comments were James Rogers, Assistant Chief Executive (Planning, Policy and Improvement), Nicole Jackson, Assistant Chief Executive (Corporate Governance), Alan Gay, Director of Resources, Doug Meeson, Chief Officer

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(Financial Management), Lorraine Hallam, Chief Officer (Human Resources) and Steven Carey, Head of Leeds Benefits Service.

In brief summary, the main areas of discussion were:-

- The comment contained in the Audit Commission Corporate Assessment Report regarding a lack of a strategic approach to services and the needs of **Over-50s** in the population. It was explained that this comment was linked to a recent Government initiative, discussions were taking place regarding how this issue could be addressed and it was likely that this matter would be picked up by the Scrutiny Board (Adult Social Care);
- **Cover pricing** – this term related to a practice prevalent amongst contractors competing for local authority business, whereby they effectively operated as a cartel to keep prices artificially high;
- The **Council Business Plan 2008-2011**, and the themes and priorities contained therein. It was agreed that the review and monitoring of the Business Plan should be a regular agenda item for the Board;
- The need for Members to have information regarding the total amount of resources the Council received from Central Government, and in relation to which services, and for this to then be broken down into Ward-based information, for instance Highways and Streetscene, to enable Members to see where money was being spent. The increased role and importance of Area Committees in terms of monitoring the implementation of the Local Area Agreement and the Leeds Strategic Plan priorities at local level was emphasised;
- **Equality and Diversity** – the Board might wish to monitor and review progress against the new Council Equality and Diversity Strategy recently approved by the Executive Board, for example in terms of the Council's record as an employer of women, BME staff and people with disabilities. It was agreed that as part of this particular strand, the Board should receive an update on the recruitment action plan for people with mental health difficulties, which was the subject of an Inquiry last year by the Scrutiny Board (Resources);
- **Managing Attendance policies and procedures** – similarly, it was agreed that the Board would like to follow through on the work carried out last year by the Scrutiny Board (Resources), and incorporate issues such as work place stress, to see if trends could be identified, and the extent and costs of using agency staff. It was requested that Richard Moss-Blundell's (Head of HR, Environment and Neighbourhoods) analysis report, submitted to the Scrutiny Board (Resources) on 2<sup>nd</sup> April 2008, be re-circulated to this Board's Members;
- **Out-sourcing of services** – it was accepted that it would be inappropriate for this Board to investigate the details of particular contracts or services which had been 'out-sourced', but it could look at broader issues and concepts, such as what arrangements were in place for options/costs appraisals before decisions were taken, the TUPE arrangements regarding staff transfers and the monitoring and review arrangements in respect of these type of contracts to ensure that the Council was achieving the expected value for money service originally envisaged;
- The use of **consultants** by the Council, and the associated costs;

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- The current **Job Evaluation** exercise – situation report and update;
- **Workforce Planning** – and in particular the Council’s role in offering job offer guarantee schemes and apprenticeships for young people;
- **ALMOs** – preparedness for inspections?
- **Budget process** – the Board’s role in seeking to align budget allocations to strategic priorities, linked to the Council Business Plan and Leeds Strategic Plan;
- **Electoral matters** – polling stations and electoral registration;
- **Revenue collection** methods and statistics.

The Chair thanked the officers for their attendance. The Board would now go on to consider its actual work programme for 2008/09.

(NB: Councillor Lowe was temporarily absent at the commencement of the meeting, and rejoined the meeting at 10.15 am, during this item).

## 5 **Work Programme 2008/09**

Subsequent to the last item, the Board gave consideration to its 2008/09 draft work programme.

The Head of Scrutiny and Member Development submitted a report outlining the Inquiry selection criteria set out in the Scrutiny Board Procedure Rules, and attaching a skeleton work programme containing details of the proposed dates of the quarterly financial monitoring reports.

- **ALMOs** – A working group\* to be established to look into the preparedness of the ALMOs for their forthcoming inspections, dates to be canvassed by the Head of Scrutiny and Member Development;
- **Cover Pricing** – working group\* to be established to look into local implications/safeguards, dates to be canvassed by the Head of Scrutiny and Member Development;
- **Workforce Planning** – Head of Scrutiny and Member Development to arrange a working group\* meeting with Lorraine Hallam to explore issues and the need for further possible meetings;
- **Equality and Diversity Strategy** – in the first instance, the Head of Scrutiny and Member Development to arrange a lunchtime briefing session for all Board Members with Lelir Young, Head of Equalities;
- **Mental Health employment action plan** – Board to receive an update report regarding this employment action plan, previously approved by the Scrutiny Board (Resources);
- **Budget monitoring and planning** – Report to July 2008 meeting regarding the 2007/08 outturn figures, in addition to the normal quarterly financial monitoring reports;
- **Council Business Plan 2008-2011** – to be a regular update agenda item;
- **Attendance Management Policies and Procedures** – to be included in the work programme to follow-on from the previous work carried out by the Scrutiny Board (Resources);

- **Revenue Collection** – Steven Carey, Head of Leeds Benefits Service, to be invited back to a future meeting to update the Board on the latest position, and in particular the performance of the ACADEMY system;
- **Elections/Electoral Registration** – report in due course on progress in implementing the recommendations of the Electoral Working Group of Members;
- **Out-sourcing** – schedule into work programme for Inquiry into the broad aspects of this policy;
- **Consultants** – use of and value for money – schedule possible Inquiry into work programme.

It was agreed that the Head of Scrutiny and Member Development, in consultation with the Chair, should draw up a **provisional work programme** for submission to the next Board meeting. In the meantime, working group dates and the lunchtime briefing session would be canvassed and confirmed.

(\*Working Groups to comprise all Members of the Board, with the proviso that not all Members will be able or required to attend all meetings, due to their other commitments).

## 6 Dates and Times of Future Meetings

Monday 7<sup>th</sup> July 2008

**Monday 8<sup>th</sup>\* September 2008**, at 14.00 (Pre-meeting at 13.30)

Monday 6<sup>th</sup> October 2008

Monday 3<sup>rd</sup> November 2008

Monday 1<sup>st</sup> December 2008

Monday 5<sup>th</sup> January 2009

Monday 2<sup>nd</sup> January 2009

Monday 2<sup>nd</sup> March 2009

Monday 6<sup>th</sup> April 2009

All except \* at 10.00 am (pre-meetings at 9.30 am)

\*Please note change of date and time for this meeting from original schedule.





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### Report of the Head of Scrutiny and Member Development

#### Scrutiny Board (Central & Corporate Functions)

Date: 7<sup>th</sup> July 2008

Subject: Scrutiny of the Budget – Performance Outturn 2007/08

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**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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## 1.0 INTRODUCTION

1.1 Members of Scrutiny Board (Central & Corporate Functions) are of the view that it can be most effective if rather than undertake a line by line analysis of departmental budgets, it tests and challenges the council's ability to adopt a budget process that directs resources to its strategic priorities and has the ability to make early identification of future savings, growth and funding shortfalls.

1.2 The Scrutiny Board has decided therefore to monitor financial information on a quarterly basis to allow:

- Presentation of more timely and more detailed information;
- The opportunity for service performance data to influence budget setting decisions
- The opportunity to consider whether sufficient challenge has been given to existing base budgets
- Consider whether specific funding is being directed at strategic priorities as specified in the corporate plan
- Test the continuing viability of the strategic plan through the identification of budgetary pressures that may hinder its delivery
- Challenge how successful the authority is in optimising existing resources and generating external income
- The opportunity for performance and budget data to influence Scrutiny Board work programmes

1.3 The attached report presents the Council's financial performance for the year ending 31<sup>st</sup> March 2008. The report contains an analysis of departmental spending and

pressures. Officers will be in attendance at today's meeting to answer any questions.

## **2.0 RECOMMENDATIONS**

- 2.1 Members are asked to note the Council's financial performance for the year ending 31<sup>st</sup> March 2008 and consider any potential areas for further scrutiny.



## Report of the Director of Resources

### Executive Board

Date: 11<sup>th</sup> June 2008

Subject: FINANCIAL PERFORMANCE – OUTTURN 2007/08

**Electoral wards affected:**

**Specific implications for:**

Ethnic minorities

Women

Disabled people

Narrowing the gap

Eligible for call In

Not eligible for call in  
(details contained in the report)

### Executive Summary

This report presents the Council's financial performance for the year ending 31<sup>st</sup> March 2008, prior to the submission of the annual accounts to Corporate Governance and Audit Committee for approval, and subject to audit.

As previously reported to Executive Board, a number of General Fund services have faced significant financial pressures during 2007/08. However, the overall position is an underspend of £3.9m which results in general fund reserves of £17.4m at the end of 2007/08. Spending variations are fully explained in the individual directorate reports which are attached to this report.

Variations within the Housing Revenue Account (HRA) have resulted in an underspend of £3.8m, which it is proposed to transfer to earmarked reserves. The level of general HRA reserves remains unchanged at £3.7m. Full details of the variations and the contributions to reserves are contained in the HRA report attached.

Spending on capital investment was £35.8m less than programmed - £24.2m of which relates to general fund services. Resources have been used for the HRA and general fund programmes to achieve the cost effective funding mix for the overall programme.

Other areas of year end financial performance reported include schools reserves, Local Area Agreement, the collection of local taxation and sundry income, and the prompt payment of creditors.

## **1.0 Purpose of this report**

- 1.1 This report sets out for the Board the Council's financial outturn position for 2007/08, both revenue and capital, and includes the Housing Revenue Account. The report covers revenue expenditure and income compared to the approved budget and also reports on the outturn for Education Leeds, ALMOs and the LAA.
- 1.2 The report also highlights the position regarding other key financial health indicators including Council Tax and NNDR collection statistics, Sundry Income, prompt payments, Corporate Plan Priorities and the Annual Efficiency Statement.
- 1.3 The 2007/08 Statement of Accounts will be presented to the Corporate Governance and Audit Committee for approval on the 30<sup>th</sup> June 2008 and the report of the auditors will be referred back to that Committee in due course.
- 1.4 Following approval by Committee, in accordance with the 2006 Audit and Accounts Regulations, the Accounts will be available for public inspection for 20 days from the 30th June 2008.
- 1.5 Following completion of the audit, as in previous years, it is intended to provide information through the About Leeds newspaper in support of the Council's commitment to engage citizens.
- 1.6 Executive Board, as in previous years, are asked to consider the financial performance of the Council during the year and approve the creation and usage of the Council's reserves.

## **2. Background Information**

- 2.1 Members will recall that the net budget for the general fund was set at £505.2m, which provided for a contribution of £4.35m from reserves. As a result, the level of general fund reserves at 31<sup>st</sup> March 2008 were estimated to be £13.0m when the budget was agreed.
- 2.2. As reported in the 2006/07 outturn report to Board in June 2007, the net contribution to General Fund reserves was £6.3m in excess of the budget giving an actual balance carried forward of £23.6m.
- 2.3. The 2007/08 budget was set assuming the use of £4.35m of reserves, however the half year financial health report identified that a number of council services were continuing to face financial pressures in 2007/08. Additional funding sources have been identified in-year to mitigate against these pressures and after funding areas of immediate concern the balance carried forward to 2008/09 was projected at £17.1m.

### 3. General Fund Outturn

3.1 During the year additional spending pressures were identified and Executive Board approved the allocation of £5.7m to services which were funded from savings in capital financing costs. The outturn position shows that other in year savings of £3.8m have been made, although £3.5m was anticipated when the Latest Estimate was determined in February 2008.

3.2 The table below provides a summary of variations from the Latest Estimate at directorate level:

	<b>Outturn £m</b>
Adult Social Care	(0.3)
Children's Services	0.6
City Development	1.3
Environment and Neighbourhoods	(3.2)
Chief Executives	0.1
Resources	(0.5)
Commercial Services	0.4
Strategic accounts	(2.2)
<b>Total Projected Variation</b>	<b>(3.8)</b>

3.3 Spending variations at service level are further explained in the individual directorate reports attached to this report as Appendix 1.

3.4 Taking account of this £3.8m underspend the level of General Fund Balances as at 31<sup>st</sup> March 2008 will be £17.4m. The following table analyses how this is derived:

<b>2007/08</b>	<b>OE £m</b>	<b>Latest Estimate £m</b>	<b>Actual £m</b>
<b>General Fund Reserve</b>			
Balance at 31.3.07	17.3	23.6	23.6
Budgeted Use of Reserves	-4.3	-4.3	-4.3
Approved Use in Year	0	-5.7	-5.7
Assumed savings to Outturn	0	3.5	3.5
Further savings at Outturn	0	0	0.3
<b>Carried Forward 31.3.08</b>	<b>13.0</b>	<b>17.1</b>	<b>17.4</b>

3.5 After the use of £5.1m of reserves being used to underpin the budget in 2008/09 there will be a projected level of General Fund reserves of £12.3m. As a prudent level of reserves of £12m is deemed to be capable of covering the estimated financial risk of the authority, as assessed by the risk based reserves policy, it is proposed that the additional £0.3m of reserves is used to bolster the 2008/09 contingency fund and consequently the carry forward by individual directorates will not apply for 2007/08.

3.6 A full statement of all Reserves can be found at Appendix 2, including any usage or additional contributions. Members should note that the statement includes a proposal to create two new earmarked reserves in respect of PCT contributions and LBIA pension liabilities. Further details on these two new reserves can be found in the Adult's and Strategic outturn reports in Appendix 1.

3.7 Members should also note that the Council's balance sheet will also recognise a reserve for the estimated net pensions liability under FRS 17. As at the 31st March 2008 this reserve stood at a deficit of £680m, an increase in the deficit of £349m from last year. There are a number of significant factors which have contributed to this increase:

- The future pension liabilities held on the balance sheet are discounted back to current prices. Every year these pension liabilities become one year closer to being paid and the accounts therefore reflect the unravelling of one more year of this discount. Consequently the level of pension liabilities rises each year and for 2007/08 this increase amounted to £107m.
- The value of the council's pension fund assets have fallen by £55m mainly due to the poor performance of the stock markets over the last year. Normally you would expect a rise in the value of assets helping to offset the increase in liabilities described above.
- A £94m increase in the estimated pensions liabilities primarily due to the actuaries taking account of the trends for increasing life expectancy.
- An adjustment of £63m which reflects the actuaries updating assumptions following this years full actuarial review. Full actuarial reviews are only carried out every three years, the assumptions used in intervening years are rolled through from the last full review.

3.8 The overall deficit on the fund represents the difference between the value of the Authority's pension fund assets at 31st March 2008 and the estimated present value of the future pension payments to which it was committed at that date. These pensions liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in their full actuarial review of the Pension Fund, carried out as at 31st March 2007. This concluded that the Pension fund was 90% funded, and set contribution rates for the next three years which are designed to move the fund towards a fully funded position.

#### **4. Housing Revenue Account**

4.1 The outturn position on the Housing Revenue Account (HRA) shows an additional in-year surplus of £3.8m. It is proposed to use this surplus to create additional earmarked reserves and full details are contained in the attached HRA report.

## 5. Capital Programme

5.1 The latest approved February 2008 Capital Programme estimated capital expenditure in 2007/08 to be £376.9m, £235.3m for the general fund and £141.6m for Housing. Resources were estimated to be sufficient to fund this level of expenditure.

5.2 The actual capital expenditure in 2007/08 is £343.4m as detailed below.

### 5.3 General Fund Capital Spend

5.3.1 The following table shows the in year actual expenditure against estimate:

General Fund	Estimate £000	Estimate (Adjusted) £000	Outturn £000	Variation (Adj Est to Outturn)	
				£000	%
City Development	110,473	113,253	102,107	-11,146	-9.8
Children's Services	10,991	11,058	8,461	-2,597	-23.5
Environment & Neighbourhoods	31,127	33,031	28,226	-4,805	-14.5
Adult Services	4,593	4,950	2,723	-2,227	-45.0
Strategic Accounts	15,376	3,249	9,462	6,213	191.3
Education	52,530	52,811	44,541	-8,270	-15.7
Central & Corporate Functions *	10,286	16,596	15,188	-1,408	-8.5
<b>Total Spend</b>	<b>235,376</b>	<b>234,948</b>	<b>210,708</b>	<b>-24,240</b>	<b>-10.3</b>

\* Central and Corporate includes spend of £5.5m relating to Equal Pay costs.

### 5.4 Housing Revenue Account Capital Spend

5.4.1 The following table shows the in year actual expenditure against estimate:

HRA	Estimate (Adjusted) £000	Outturn £000	Variation	
			£000	%
Strategic Landlord	2,822	2,989	167	5.9
ALMOS	141,459	129,714	-11,745	-8.3
<b>Total Spend</b>	<b>144,281</b>	<b>132,703</b>	<b>-11,578</b>	<b>-8.0</b>

£428k originally provided for within the General Fund vehicle programme has been allocated to HRA and is reflected in the Adjusted Estimate columns in the above tables (5.3.1 & 5.4.1).

### 5.5 Capital Resources

5.5.1 Capital resources to fund the programme have varied. Capital receipts achieved totaled £83.1m, including useable capital receipts from right to buy sales of £8.5m and the sale of Leeds Bradford Airport.

5.5.2 As in previous years, resources have been used for the HRA and general fund programmes to arrive at the most cost effective funding mix for the overall capital programme. Right to buy capital receipts that are not required in 2007/08 to fund the HRA capital programme have been used to fund the general fund, thereby reducing borrowing costs. Compensating resources will be returned to the HRA programme in

2008/09. Where this switch of resources has taken place in earlier years, all compensating resources are now incorporated within the HRA capital programme plans through to 2010/11

Details of the expenditure and financing are shown below:

	<b>£m</b>
<b>Net Capital Spend</b>	<b>343.4</b>
<b>Financed by</b>	
Specific Grants and Contributions	101.9
Capital Receipts	83.1
MRA	8.8
Borrowing	145.3
Revenue Contributions	4.3
<b>Total Funding</b>	<b>343.4</b>

## 6. Schools

6.1 The outturn on the Individual Schools Budget for 2007/08 was:-

<b>Outturn</b>	<b>£m</b>
Latest estimate	350.5
Outturn	344.2
Variation	<b>(6.3)</b>
<b>Schools Reserves</b>	
Balance Brought Forward	6.1
Net Contribution to Reserves	6.3
Balance Carried Forward	<b>12.4</b>
Memorandum :	
Extended Schools Reserve	2.5

6.2 As can be seen from the above table, mainstream school reserves stand at £12.4m. These are ringfenced and must be carried forward. Extended school reserves amount to £2.5m.

6.3 However, as previously agreed, temporary transfers have been made from mainstream school reserves to fund school based Voluntary Early Retirements. During 2007/08, £0.9m has been repaid, representing approximately one fifth of the £4.7m used to fund VER for the years 2002/03 to 2006/07. The total amount still awaiting repayment amounts to £3.3m (£2.4m from previous years and £0.9m from 2007/08).

6.4 In recent years, development costs of PFI funded BSF schools have been funded initially by borrowing from mainstream school reserves, amounting to approximately £0.8m per annum in the last three financial years, and repayment will be made over the life of the PFI contracts. It is anticipated that from 2008/09 PFI and BSF reserves will be sufficient to initially fund future development costs with repayment being made over a ten year cycle.

6.5 Taking account of these adjustments the net mainstream schools reserves position is £6.7m as at 31<sup>st</sup> March 2008. Extended schools reserves stand at £2.5m.



## **7. Other Financial Results**

### **7.1 Education Leeds**

7.1.1 Education Leeds have now reported their financial position for 2007/08 (subject to audit and their Board's approval) and this shows a small surplus of £61k. This leaves Education Leeds with accumulated surpluses of £3.1m at the close of 2007/08. Projected levels of operating surpluses were taken into account when determining the contract value for 2008/09 and £1.1m of operating surpluses were agreed as being required to support the 2008/09 Education Leeds budget. The £3.1m level of reserves would therefore be enough to sustain this position for three years.

### **7.2 ALMOs**

7.2.1 The 'new' ALMOs are reporting an overall surplus for the year of £7.9m. The balance on the 'old' ALMO reserves brought forward from 2006/07 was £14.9m and it is proposed that these reserves are transferred to the new ALMOs giving a reserve position as at 31<sup>st</sup> March 2008 of £22.8m.

7.2.2 In addition to the operating position reported above, the ALMOs FRS17 liability brought forward from 2006/07 of £0.9m has increased to £9.6m mainly through a fall in the value of pension fund assets due to the poor performance of the stock market over the last year.

7.2.3 The figures reported above are subject to audit and approval of the ALMO boards.

### **7.3 Grand Theatre**

7.3.1 The Leeds Grand Theatre and Opera House company made an operating surplus of £20.1k before accounting for the FRS17 adjustment, leaving the company with a reserve of £353.7k as at 31<sup>st</sup> March 2008. The impact of the FRS 17 adjustment produces an in year deficit of £269k and overall reserves of £65k.

## **8.0 Performance**

### **8.1 Corporate Plan Priority Outcomes 2007/08**

8.1.1 The 2007/08 latest estimate provided for £17.6m additional resources to be directed towards the Council's corporate priorities and spend in the year amounted to £16.9m. Details of the priorities and performance is provided at Appendix 3, but in overall terms the Council has been successful in directing the planned level of resources to its priorities and in achieving its desired outcomes.

### **8.2 Local Area Agreement (LAA)**

8.2.1 The overall outturn position for the LAA in 2007/08 was £37.0m (including Neighbourhood Renewal Fund [NRF] of £14.9m) compared to a budget of £37.6m (NRF £15.05m). The Schools Development Grant forms £300k of this underspend due to expenditure crossing academic years. LAA Programme Board approved the carry forward of this underspend to the funding stream. Remaining underspends will be used to meet the improvement priority targets within the Leeds Strategic Plan.

### **8.3 Local Taxation**

8.3.1 The performance statistics for the year in respect of the collection of local taxation are as follows:-

	<b>2004/05 Leeds Actual</b>	<b>2005/06 Leeds Actual</b>	<b>2006/07 Leeds Actual</b>	<b>2007/08 Leeds Actual</b>
Council Tax collection	96.1%	96.3%	96.4%	96.4%
Non Domestic Rates	98.5%	98.6%	98.6%	98.7%

8.3.2 The amount collectable for Council Tax has increased by £14.0m (6.3%), from £221.6m in 2006/07 to £235.6m in 2007/08. Likewise the amount collectable for business rates has increased from £279.9m in 2006/07 to £290.1m in 2007/08.

#### **8.4 Sundry Income**

8.4.1 Overall the collection of current year debt and arrears has improved from 87.2% in 2006/07 to 90.1% in 2007/08.

8.4.2 In respect of the current year debt only, the net amount collectable was £124.2 million with a balance outstanding of £12.3m at 31st March 2008. The total cumulative debt outstanding is £13.3m. Unlike Council Tax and Non Domestic rates where the majority of the amount collectable is raised at the start of the year, sundry debt accounts are raised on a monthly basis and the amount of debt raised in any one month can vary significantly. £9.1m of the figure outstanding at the 31<sup>st</sup> March 2008 was raised during the month of March.

#### **8.5 Prompt Payment**

8.5.1 The outturn for the year was 91.6% of undisputed invoices paid within 30 days compared to the local target of 92%.

8.5.2 The total number of invoices processed in the year which met the prompt payment criteria was 567,000. After accounting for 12,444 invoices in query with suppliers, 505,030 were paid within 30 days, leaving 49,526 paid after 30 days.

8.5.3 The function transferred during the year to the Business Support Centre and although there has been no overall improvement in the result when compared to 2006/07, the expansion in the use of purchasing cards and the development of electronic ordering and invoicing of goods should result in an improvement in 2008/09 as the number of paper invoices passing through the Council is reduced further, and the benefits of the centralisation are realised.

#### **8.6 Annual Efficiency Statement – Backward Look**

8.6.1 For 2007/08 the Authority had an efficiency target of £17.93m, being 2.5% of the Authority's 2004/05 baseline expenditure. This was calculated on actual spend for 2004/05, excluding schools, police revenue expenditure and specific one off grants.

8.6.2 At least 50% of the target, £8.97m had to be of a cashable nature, whereby resources are released, as opposed to non cashable efficiencies which result from delivering enhanced outputs for the same inputs. Against the target of £17.93m, the Authority submitted a Forward Looking Statement to the Department for Communities and Local Government totalling £12.905m of which £12.26m was deemed to be cashable.

8.6.3 While the 2007/08 Forward Looking Statement was below the in year target, the target is cumulative over a three year period from 1<sup>st</sup> April 2005. Over this three year period, the Authority was required to deliver efficiencies totalling 7.5% or £51.2m. By 31<sup>st</sup> March 2007, being the end of the second year of the three year period, the

Authority had delivered efficiencies totalling £53.1m of which £37.04m were of a cashable nature, thereby exceeding the three year total within 2 years. Any further efficiencies delivered during 2007/08 merely extend the amount by which the authority exceeded the three year target.

- 8.6.4 The efficiencies that have been achieved during 2007/08 are to be reported to the DCLG in the form of a Backward Looking Statement that must be submitted by 8<sup>th</sup> July 2008.
- 8.6.5 Subject to final confirmation, the level of efficiencies in 2007/08 are £13.69m will have been delivered during 2007/08 with £13.32m being of a cashable nature. Therefore the total value of efficiency gains delivered by the Authority over the three year period 2005/06 to 2007/08 is £66.79m, with £50.36m or 75.4% being of a cashable nature. This exceeds the target over the three year period of £51.2m by £15.59m or 30.4%.

## **9. Recommendations**

Members of the Executive Board are asked to:

- 9.1 Note the contents of this report
- 9.2 Agree the transfer of £0.3m to contingency fund in 2008/09, as per para. 3.4.
- 9.3 Agree the addition contributions to and the creation of, earmarked reserves of £3.8m in respect of the HRA as outlined in the HRA report attached at Appendix 1;
- 9.4 Agree the creation of two new General Fund earmarked reserves as outlined in para. 3.5.
- 9.5 Note that right to buy capital receipts that are not required in 2007/08 to fund the HRA capital programme have been used to fund the general fund, thereby reducing borrowing costs with compensating resources to be returned to the HRA programme in 2008/09.

2007/08 OUTTURN POSITION

As shown in the following table the final outturn position has generated a contribution to balances of £3.8m.

HRA	Latest Estimate	Outturn	Variation
	£000	£000	£000
<b>Expenditure</b>			
Employees	10,055	9,294	- 761
Premises	1,732	2,150	418
Supplies and Services	15,375	11,990	- 3,385
Transport	232	240	9
ALMO Management fees	108,794	108,614	- 180
Distribution of ALMO reserve	1,000	1,000	0
Internal Charges/ Transfer payments	8,024	8,924	900
Provision for doubtful debts	1,605	1,594	- 11
disrepair	625	414	- 211
capital	22,764	20,649	-2,115
Housing Subsidy	36,917	40,360	3,442
<b>Income</b>			
Rents and other charges	- 162,160	- 164,416	- 2,256
Other Income	- 44,089	- 45,364	- 1,276
<b>Deficit / (Surplus)</b>	<b>874</b>	<b>- 4,552</b>	<b>- 5,426</b>
Transfer To Swarcliffe PFI	801	2,097	1,296
Transfer to ( from) earmarked reserves	- 1,675	-1,350	325
<b>Surplus</b>	<b>0</b>	<b>- 3,805</b>	<b>-3,805</b>

A number of factors have contributed to the year end position. There has been an underspend of £0.9m in the budgets set aside to meet the costs of consultancy and external advisors for the procurement phase of the Little London and Beeston Hill and Holbeck PFI schemes. Also contributing have been an underspend of £0.4m on IT projects due to slippage in programmes, savings of £0.2m in the cost of disrepair through the continued proactive management of claims, and lower valuation and associated costs feeding through from reduced numbers of Right To Buy applications.

Rental income exceeded the budget by £2.2m which reflects both improved void levels and higher levels of stock than anticipated.

Internal charges were higher with additional customer service charges partly offset by lower ICT development charges.

The level of negative subsidy has increased:- £1.9m of the £3.4m increase in negative subsidy relates to the compensation scheme for operating the 5% rent cap and is due to incorrect DCLG figures released in the final subsidy determination for 2007/08. In addition, the level of subsidy received for interest on debt has fallen by £0.8m due to a reduction in the Council's average rate of interest on external borrowing, with a further reduction in subsidy grant of £0.7m arising from lower recoverable premiums and discounts costs.

The HRA's year end position has also benefited by £0.6m from the late announcement by DCLG of additional grant allowances to support the decency programme; this is recognised in the proposed additional contribution to the Decency reserve in paragraph 1.10.

The £2.1m reduction in the cost of capital is due to £0.7m lower premiums and discounts costs, with the remaining reduction attributable to lower Item 8 interest charges arising from the reduction in the Council's average rate of interest on debt and reduced capital expenditure.

Higher levels of work than anticipated resulted in surplus income of £0.6m for the Property Services of the department.

The additional contribution to the Swarcliffe PFI reserve includes £0.252m in respect to the option of right to buy on the scheme as well as £1.04m relating to contract underspends. This additional contribution is a prudent measure to ensure that the future unbudgeted 'pass through costs' (costs which pass back to the Council in relation to tenant works, access refusals, adaptations) can be met from the Swarcliffe PFI reserve. The contract contains a clause that allows funds that are not spent on property improvement due to right to buy to be paid back to the Council. Although no cash will be paid until year 5, proper accounting requires the gain to be recognised as it is identified.

The £1.67m budgeted contribution from earmarked reserves was made up of the £1m agreed reallocation to ALMOs to assist in achieving 3 star status, £0.35m contribution to Little London PFI structural survey costs, £0.2m for environmental works in the Swarcliffe PFI area, and £0.125m to meet the borrowing costs of demolitions in the EASEL area. However, due to slippage on the Swarcliffe environmental works and Easel demolitions, only £1.35m of these opening reserves have been released for the ALMO Inspections and the Little London PFI structural survey to meet their commitments in 2007/08.

It is proposed that for 2007/08, a contribution of £3.8m is made to bring the current level of earmarked reserves to £19.3m as follows:

<b>Earmarked Reserves</b>	<b>Opening Reserves 1/4/2007</b>	<b>Contribution from Reserves</b>	<b>Proposed Contribution to Reserves</b>	<b>Closing Reserves 31/3/2008</b>
	<b>£000</b>	<b>£000</b>		<b>£000</b>
ALMO Inspections	1,000	(1,000)		0
Contribution to Decency Targets	3,850	0	2,004	5,854
Easel Demolition (Borrowing) Costs	500	0		500
PFI Set up Costs	500	(350)		150
Swarcliffe Environmental Works	200	0	100	300
Swarcliffe PFI	8,724	2,097		10,821
Lifetime Homes' Business Preparation	0	0	50	50
PFI Set up costs - Lifetime Homes	0	0	500	500
Re-instating void sheltered properties	0	0	350	350
Underoccupancy pilot	0	0	300	300
Early Leavers' Initiative	0	0	500	500
	<b>14,774</b>	<b>747</b>	<b>3,804</b>	<b>19,325</b>

The effect of the above on HRA working balances is summarised in the table below:

	<b>2007/08 L.E.</b>	<b>Actual</b>	<b>Variation</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Balance Brought Forward	3,712	3,712	
Transfer from / (to) HRA	0	0	0
Balance Carried Forward	<b>3,712</b>	<b>3,712</b>	<b>0</b>

# CITY DEVELOPMENT

## 2007/08 OUTTURN POSITION

### Introduction

This report sets out the 2007/08 outturn position for City Development and provides an explanation of the major variations.

### Overall Position

The actual outturn position for City Development is an overspend of £1.3m against the Latest Estimate in terms of the controllable budget.

The Directorate has faced a number of significant budget pressures during 2007/08. Over recent years the Parks and Countryside Service has experienced difficulty in maintaining its main income base whilst at the same time facing other pressures in areas such as replacement of plant and machinery and falling Cemeteries and Crematoria income. In recognition of this the Latest Estimate includes additional funding of £1m provided in year for Parks and Countryside.

During the year it also became clear that the economic downturn was having an impact on the Leeds economy, including the property and development market. The Directorate has a significant external income base to achieve and the trend for declining income emerged for various sources of external income such as Planning and Building Fee income, rental income and income from leisure activities. The Directorate did seek to contain these pressures by identifying significant savings in other Services and through a slowdown in general recruitment. However, by the fourth quarter it became clear that such savings would not be sufficient to offset the growing shortfall in income in Planning Services and Sport.

### Outturn Explanation

The most significant variations are discussed below:

#### Recreational Services

The Service has overspent the controllable budget by £1.4m.

After the additional £1m funding, Parks and Countryside spent just over the Latest Estimate. One continuing pressure has been the further decline in income from Cemeteries and Crematoria. The shortfall in 2007/08 being over £100k.

The main element of this outturn variation from the Latest Estimate has occurred in Sport and is largely due to an overspend on staffing of £0.6m and reduced Leisure Centre income of £0.5m. The overspend on staffing is in respect of the cost of the higher pay award and the additional cost of facilities staffing such as coaches and lifeguards to ensure adequate staffing levels to comply with Health and Safety requirements. An additional £100k of expenditure has been incurred for Sport Trust set up costs and the procurement costs relating to the New Leaf PFI Sport Centres. The 2008/09 budget does provide for an increase to the staffing budget, funded through additional income, although there are concerns that the decline in external

income will continue into 2008/09. The Service is currently preparing a budget plan for 2008/09 to address the budget issues that emerged in 2007/08 and an early indication of 2008/09 income trends will be a priority for Sport and Finance staff.

### **Planning and Development Services**

Overall the Service showed a bottom line £1.1m greater than the Latest Estimate. The trend for declining income from Planning and Building fees emerged as early as May 2007 and continued throughout the year. Income was £780k below the Original Estimate although a release of £150k from central contingency meant that the variation to the Latest Estimate was £630k. Other expenditure variations included an additional £110k for the costs of complaints and appeals, additional legal costs of £78k and an increase in the bad debt provision of £208k in relation to accounts raised during the year for work carried out on dangerous structures. The decline in income is a concern and the Service is preparing a budget plan for 2008/09 to look at how the Service can respond to this.

### **Design Services**

Architectural Design Services showed a bottom line £224k greater than the budget. This was due to reduced workloads, particularly in the final quarter. Securing a sufficient workload to meet the Service's overheads and staffing base is a major issue for the Service. Until the last quarter it was projected that there would be sufficient work to enable the Service to achieve the budget but in the final quarter there was a shortfall in the level of work required. Additional external work was secured by the Service but this insufficient to fully offset the reduction in internal work. This will continue to be a key issue in 2008/09 and a review of the future arrangements of ADS has made recommendations as to how the service can be structured, with discussions being held between the Deputy Chief Executive and the Director of City Development.

### **Highway Services**

The Highways Service was formed in 2007/08 as an amalgamation of the former Highway Services, Engineering Services and Urban Traffic Management Control.

The Service has underspent by £1.7m. Savings in the staffing budget account for £641k of the underspend, savings on PFI unitary payments amounted to £222k and savings on central recharges and City Services management and administration charges accounted for £129k. The balance of £800k is mostly accounted for by increased income across the Service. Engineering Services and UTMC both achieved additional external income of approximately £200k.

Highways Services successfully delivered the planned Individual Maintenance Scheme Programme for 2007/08.

### **Asset Management Services**

The Service spent in line with the Latest Estimate. Savings on staffing amounted to £127k. There was a shortfall in Markets income of £294k resulting from an increase in the number of voids at Kirkgate Market and reduced income from the Sunday Market. The Markets income shortfall is a concern for the 2008/09 budget. Advertising income was £85k below the Latest Estimate, after a release of £150k

from central contingency. Income from Surveyor and legal fees exceeded the budget by £161k but this was offset by additional costs from legal charges.

### **Economic Services**

The Service spent £0.4m less than the Latest Estimate. The staffing budget was underspent by £77k. Additional external income of £349k was secured by the Service from Yorkshire Forward and developer contributions for Eastgate and Harewood, Rothwell and Trinity Quarter developments.

### **Libraries, Arts and Heritage**

The Service has spent within the Latest Estimate. Savings against the staffing budgets for Heritage and Library Services have offset other expenditure pressures. Across the Service income targets have largely been achieved although there was a shortfall in Heritage Services.

### **Strategy and Policy**

The Service has underspent by just over a £100k. A small overspend on staffing and a shortfall on income from the graphics service has been more than offset by additional external income of £220k.

### **Support Services**

Overall the Service overspent by £0.4m. This Service comprises Support Services from the former Learning and Leisure and Development Departments and includes Services such as Property Management, Marketing, Finance, HR, Performance Management and Directorate Support. The major variances were overspends on Legal charges and savings not fully delivered across all services within the former Learning and Leisure Department.



# ENVIRONMENT AND NEIGHBOURHOODS

## 2007/2008 OUTTURN POSITION

### Introduction

This report sets out the 2007/2008 outturn position for the Environment and Neighbourhoods Directorate and provides an explanation of the major variations.

The actual outturn position for Environment and Neighbourhoods is an underspend of £3.25m against the Latest Estimate in terms of the controllable budget.

The most significant variations are discussed below.

### **Community Safety (£23 Cr)**

Due to a number of vacant posts across the service staffing savings of £192k, and additional CCTV income of £47k have helped to offset additional expenditure on premises (£120k) and legal and compensation payments (£69k).

### **Housing Services (£565k Cr)**

Against the background of implementing case resolution in the asylum service, an underspend of £325k was largely due to the level of income receivable being higher than had been budgeted for.

Additional income generated through charges for the use of premises (£149k) plus net savings of £79k on CareRing, generated through an underspend on unsupported borrowing provision and an underspend on a contingency (£116k), combined to offset an overspend on hostels which was due to additional maintenance works and management fee payments (£177k).

### **Roseville (£278k Cr)**

Whilst the budgeted target for the number of doors to be produced was not achieved, 98% of the production target was achieved, the release of £500k of General Reserves helped contribute towards an improved outturn position.

### **Regeneration (£221k Cr)**

This variation was largely due to delays in the implementation of the new structure which generated staffing savings of £308k although some of this was the effect of a reduction in grant (£109k) which would have been used to fund specific posts.

In addition there was an underspend of £499k on the Area Well Being budget, which will be carried forward into 2008/2009.

### **Jobs & Skills (£226k Dr)**

Variations in grant income, largely in respect of European Social Fund, were offset by corresponding reductions in expenditure and the identification of alternative funding sources.

### **Community Centres (£361k Cr)**

The underspend is due to additional rent and lettings income of £244k, largely from the Youth Service, and a £121k saving on recharges from the Facilities Management function who manage the service on behalf of the Directorate.

### **Former Neighbourhoods and Housing Support Services (£137k Cr)**

The outturn variation has been generated through a combination of staffing and running cost savings.

### **Environmental Health (£559k Cr)**

A number of vacant staffing posts across the service resulted in savings of £98k. In addition cost savings (£233k) associated with the delivery of the licencing functions associated with Public Entertainment and Housing in Multiple Occupation (HMOs), along with income associated with the implementation of the Smoke Free legislation, and additional fee income from Adaptations and Group Repairs (£387k) helped to offset the overspend on Aviairy Asbestos payments (£177k).

### **Refuse Collection Service (£129k Dr)**

An overspend on staffing costs (£175k), largely associated with the vehicle checks, have been offset by savings on transport, premises and support costs (£46k).

### **Street Cleansing (£136k Dr)**

Additional expenditure on the cleaning of Arterial Routes into the City (£76k) and disposal costs associated with street waste (£119k) was offset by a number of other running cost savings across the service (£59k)

### **Anti-Graffiti and Public Conveniences (£80k Cr)**

Due to delays in the implementation of a Public Conveniences strategy, there was a saving of £70k on the budget provided for automatic PCs in the City Centre.

### **Waste Operations (£23k Dr)**

Additional expenditure on staffing (£27k) and security at Household Waste sites (£140k) was offset by additional income from trade collection and disposal charges (£96k) and savings on transport (£31k).

### **Waste Strategy (£224k Cr)**

Continued reductions in waste arisings generated savings of £266k in disposal costs and combined with savings on both staffing (£64k), running costs and additional income (£99k), helped to offset the reduction in income of £205k received from electricity generation at the closed landfill site at Gamblethorpe.

### **Enforcement (£149k Cr)**

The outturn variation was due to staffing savings from vacant posts (£49k) and additional income for licensing (£48k) and the recovery of court costs resulting from successful prosecutions. (£46k).

### **Car Parking (£1,160k Cr)**

Additional Car Parking income of £741k is due to increased use of facilities and the impact of slippage in the Authority's asset disposal programme which resulted in the car park at Quarry Hill site being available for the whole of 2007/08. In addition improved recovery of Parking enforcement income resulted in a reduction in the bad debt provision (£243k), and there were staff savings of £132k from vacant posts.

## CHILDREN'S SERVICES

### 2007/08 OUTTURN EXPLANATIONS

#### Overall Summary

The outturn position for Children's Services is an overspend of £0.615m.

#### Outturn Explanation

##### Children & Young People's Social Care

There were significant pressures in the Children & Young People's Social Care budget in 2007/08 with particular pressures on the Fieldwork and External Placements budgets. Overall, the initial adverse variance of £4.66m was reduced by in-year additional funding injections of £2.1m and a reallocation of support function costs between Adult and Children's Social Care Services which resulted in a reduction to Children's Social Care of £0.64m to give a final outturn variance of £1.93m.

There was pressure in the Commissioning and Social Work budget with a £0.41m overspend on social work staffing (net of £1.0m additional funding), a £0.6m pressure due to charges for legal costs and £0.1m on the cost of transport for children & young people.

The inherent pressure on the externally provided residential placements budget (£644k) and the increased use of independent sector fostering agencies (£958k) generated an overspend of £1.6m which was mitigated by additional in-year funding of £1.1m to give an outturn variance of £0.5m. In addition, there was also an overspend of £0.29m across the in-house residential homes on staffing (£0.147m) and running costs (£0.141k).

The cost of support to Care Leavers represented a significant budgetary pressure with an overspend of £0.15m on staffing and £0.64m on the direct costs (rent, payments to care leavers, etc).

#### Early Years

The 2007/08 financial year has been a further period of investment across Early Years. The Service was successful in securing £3.7 million Central Government pathfinder funding to extend the free nursery education entitlement for 3 and 4 year olds from 12 ½ to 15 hours and £0.7 million funding to pilot the impact of vulnerable 2 year old children receiving 7 ½ hours of free nursery education. In addition the Service invested £8.3 million capital in 2007-08 developing an additional 26 Children's Centres. Across all budgets, the Service generated an underspend by £1.0m, mainly as a result of savings on staffing budgets arising from delays in recruitment and also general recruitment and retention issues.

**ADULT SOCIAL CARE**  
**2007/08 OUTTURN EXPLANATION**

**Context and Overall Position**

- The 2007/08 budget included planned savings of £11.1m, in addition to the £42.2m included within the budgets for the previous two years
- The outturn position is an underspend of £0.3m compared with the Latest Estimate
- An additional contribution to the learning disability pooled budget of £0.34m was received from the PCT in 2007/08. This has been transferred to an earmarked reserve as the PCT contribution to the pooled budget will be reduced by an equivalent amount in 2008/09.
- Additional funding of £1.9m was provided in-year, so the overall position compared with the Original Estimate is an overspend of £1.6m
- This overspend of £1.6m against the Original Estimate demonstrates a continuing improvement compared with the previous three financial years as the table below illustrates:

	Overspend
2007/08	£1.6m
2006/07	£4.1m
2005/06	£5.2m
2004/05	£8.9m

**Outturn Explanation**

- Achievement of budgeted savings in 2007/08 was slightly higher at 73% (£8.1m) than in previous years. The main areas where significant savings have been achieved this year are Supporting People (£1.8m), other adults service delivery (£1.6m), home care (£1.5m), other adults service transformation (£1m) and the learning disability pooled budget (£0.9m).
- Although substantial savings were delivered, there has been slippage amounting to £3m that has impacted on the overall outturn position. The main areas are home care (£0.6m), day care (£0.6m), meals (£0.5m) and learning disability services (£1.1m).
- Demographic pressures have continued to impact on Adult Social Care. Although £0.2m of the £1.3m additional funding provided in-year for the learning disability pooled budget was not utilised, the spend on direct payments exceeded the £0.6m additional funding by £0.5m.
- These pressures have been more than offset by savings, some achieved through contingency and other actions being taken and some resulting from events that were not anticipated when the budget was set. Some of these savings are also non-recurring.

- Employees expenditure has exceeded budget provision by £0.7m, but there are several aspects to this position. Some of the significant slippage in delivering planned savings outlined above manifests itself within the pay budget, particularly in respect of home care, day care and the directly provided learning disability service. Increased costs of £0.6m relate to retirements, mainly due to workforce strategies to deliver budgeted savings. Elsewhere within the pay budget, however, contingency savings amounting to £1.2m have been delivered. This has mainly been achieved by budget holders retaining underspends to help balance the overall pay budget. Over £1m of this has come from Commissioning and Support Services, mirroring the trend of previous years although to a lesser degree.
- Pay overspends within the directly provided home care service have been offset by savings of £1m within the independent sector domiciliary care budget. Although progress on delivering a rebalanced home care service across the two sectors has been slower than originally anticipated, the overall home care budget for 2007/08 underspent by £0.5m, some of which may reflect the growth in direct payments.
- Savings of £0.9m were achieved within the community care placement budget, including PCT income. Of this £0.4m relates to the estimated impact in 2007/08 of the revised criteria for fully-funded NHS care being backdated to 1<sup>st</sup> October 2007, which was not anticipated when the 2007/08 budget was set.
- Additional service user income of £0.6m was achieved during the year, mainly by working with the Department for Works and Pensions to secure backdated awards of disability benefits. Although there will be some ongoing impact in future years, the majority represents the non-recurring backdating element.

## RESOURCES

### 2007/08 OUTTURN EXPLANATION

#### Overall Position

- The projected underspend is £58k against the Latest Estimate.
- The variation to the Original Estimate is £259k as £300k was released into the Schools Meals budget during the year.

#### Outturn Explanations:

- Planned budgeted savings of £679k have been achieved by services within Resources, in particular within the area of Housing Benefits Administration.
- Overall savings in pay budgets amounted to c£600k mainly due to restraint exercised in the last 6 months of the year in filling posts in anticipation of the overall financial position and savings requirements for the 2008/09 budget.
- Resources have led on a number of changes affecting support services. Not least has been the further migration of services (Creditor Payments plus HR and Recruitment Admin) into the Business Support Centre. These changes have been achieved within existing budgets. The Recruitment Service has also delivered savings of £289k external recruitment spend compared to 2006/07 spend levels.
- Fundamental changes to the Council's HR service have taken place. Overheads have not been fully recovered during this transition and the total overspend is £223k. However, some of this will have been recovered in directorate budgets. Going forward there is a clear plan in place to ensure the new HR service continues to reduce costs during 2008/09 and meets its 10% savings target by April 2009.
- In overall terms ICT showed an overspend of £188k. The budgeted additional income from Innovations Leeds did not come to fruition, leading to a net shortfall of £313k. However this was offset by staffing savings elsewhere in the service.
- Commercial Services has spent £408k above the Latest Estimate and by £708k against the Original Estimate (£300k release agreed during year by Executive Board). The reason has been the reduction in school meal numbers combined with increases in food and preparation costs. This represents a significant budget issue going forward which has been partially eased by £835k government ('lunch') grant into this account in 2008/09 and similar amounts for the following two years.
- Leeds Learning Network started the year with an opening balance of £302k and made an in year trading surplus of £207k. An additional contribution to capital of £400k to fund the prudential borrowing costs of the recent change in supplier and enhancements to the service means that the closing balance (reserve to be carried forward into 2008/09) is £109k.

## CHIEF EXECUTIVES

### 2007/08 OUTTURN EXPLANATION

#### Overall Position

- The projected overspend of £107k against the Latest Estimate, comprised as follows:

	£000's
Corporate Governance,	(-57)
Policy, Planning and Improvement	309
PPP Unit	(145)
	<u>107</u>

- The variation to the Original Estimate is £463k as £356k from contingency in respect of Elections was released into the budget during the year.

#### Outturn Explanations:

##### Corporate Governance

- The additional requirements of the Electoral Administration Act, in particular the cost of postal voting and canvassing, have caused an overspend of £180k (after release of £356k from the contingency fund). Unfortunately this will also impact on future years as well.
- Other variations, mainly income for Professional Legal Services amounted to a £135k excess of income over expenditure.
- Planned budget savings of £126k were achieved and un-budgeted Peer Support grant in the Corporate Procurement Unit totalled £102k.

##### Policy, Performance and Improvement

- Only £65k of a budgeted £175k savings in Customer Services were achieved, due to in year pressures including further development of the 'Academy', additional legal costs and loss of ALMO income. In addition, variations mainly on overtime and agency across the whole of Customer Services resulted in an overall overspend of £182k.
- A number of unavoidable corporate costs, arising throughout the year amounting to £113k such as additional costs relating to the Association of West Yorkshire Authorities.

##### PPP Unit

- An underspend of £145k within the PPP Unit related to staffing budgets.



## **STRATEGIC ACCOUNTS**

### **2007/08 OUTTURN EXPLANATIONS**

#### **Context**

Strategic Accounts include a variety of budgets including central income, debt costs of the authority, contributions to Joint Committees and Other Bodies and central efficiency budgets.

#### **Overall Position**

The outturn position variation against the Latest Estimate for Strategic Accounts is an underspend of £2.2m, comprising a £7.3m underspend on debt and a £5.1m overspend on other Strategic budgets.

#### **Outturn Explanation**

The major variances are as follows:

- The Government has announced the year three (2007) allocation of Local Authority Business Growth Incentive (LABGI) scheme. They have withheld £100m as a contingency against future judicial reviews and have scaled back allocations to individual authorities at 28.4% of what they would have been without scaling. The effect of this adjustment for Leeds is a reduction of £6.3m from the budgeted figure. The grand total received through the scheme over the three years is £18.7m.
- During the year savings in the level of interest and MRP payable, plus additional interest on revenue balances amounted to £11.5m. As agreed by Board at month 3, £4.2m of these savings were transferred to reserves, giving a year end variation on debt of £7.3m.
- The cost of the in year provision in respect of the pay and grading review was £7.2m, although within services there was budgetary provision for £2.7m. This additional cost is to be met from general reserves.
- As a result of the successful challenges to the legislation introduced in 1997 to cap VAT claims to three years, the authority has successfully claimed for VAT due dating back to 1974. This has resulted in additional income of £0.9m.
- The budget held centrally for contingencies allocated £6.4m to fund departmental pressures, which was £0.6m in excess of the Latest Estimate.
- The additional section 278 and capital reserve monies released to revenue was £1.1m greater than had been estimated for.
- During the year Leeds Bradford International Airport repaid loans to the authority. Premiums due on these loans amounted to £1.1m additional income.
- The sum of other minor variances amounted to £0.6m
- Additional £0.8m lump sum receipt from the sale of the Leeds Bradford Airport to meet future pension obligations of the airport employees. This income has been transferred to an earmarked reserve and as such has no impact on the Council's bottom line.

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Costcentre Code	Vote code	Reserve	Balance b/f 1st April 2007	Balance c/f 31st March 2008	Reason for the Reserve
<b>General fund reserves</b>					
97978	001/002	General fund	(23,551)	(17,441)	
		<b>Total general fund reserves</b>	<b>(23,551)</b>	<b>(17,441)</b>	
<b>Earmarked reserves</b>					
<b>Schools reserves</b>					
		Gross Mainstream School Balances	(6,090)	(6,954)	Cfwd of school surpluses in accordance with section 48 of the Schools Standards and Framework Act 1998.
		Less:			
		VER Net borrowing	3,297	3,270	
		Building Schools for the Future	1,703	2,498	
59979	939&394		(1,090)	(6,954)	
59978	940	Central schools block - DSG	(695)	(3,013)	Cfwd of ring fenced DSG for centrally managed pupil orientated services.
57978	612	Extended schools balances	(1,111)	(2,507)	Cfwd of surpluses on extended school activities to make greater use of school facilities
30978	695	Schools consequential loss insurance	(250)	(500)	School reserve to fund any related costs as a result of fires which are not covered by insurance.
30978	696	Schools fire prevention works consortia	(565)	(394)	School reserves for fire prevention works
<b>Ring fenced reserves</b>					
84978	102	Leeds learning network	(302)	(109)	Unspent school contributions used to develop learning platforms and maintain the quality and resilience of the network.
90978	788	Taxi & private hire licensing surplus	(732)	(679)	Ring fenced reserve for taxi and private hire licensing service.
81978	010	Youth Offending Service	(409)	(409)	The Youth Offending Team is funded by contributions from the partners and a grant from the Youth Justice Board. In the initial years of the partnership surpluses of partner contributions were built up to provide for potential liabilities in relation to fixed term employment contracts and accommodation dilapidation costs. As such the reserve is made up of contributions from all partner bodies.
45978	735	Lord Mayor	(36)	(36)	Unspent mayoral allocation cfwd at year end due to the difference between the financial & mayoral years.
97978	602	Energy efficiency reserve - LCC	(106)	(229)	The energy efficiency reserves were created in 2006/07 to fund expenditure on energy efficiency initiatives. Salix made a grant to the authority on the condition that the authority made an equal contribution.
97978	604	Energy efficiency reserve - Salix	(143)	(175)	
97978	605	Neighbourhoods renewals fund	(114)	(172)	
50978	300	Adult Social Care PCT Contribution	0	(343)	Unspent NRF funding to be allocated to schemes in 2008/09.
97978	607	LBIA Compensatory Added Years	0	(799)	Additional PCT contn to the learning disability pooled budget in 2007/08. To be used to cover the reduced PCT contribution in 2008/09.
<b>Private finance initiative reserves</b>					
59978	998	7 Schools PFI	(3,097)	(3,069)	Following the sale of Leeds Bradford Airport, employees were no longer permitted to remain within West Yorkshire Pension Scheme. This reserve holds a lump sum receipt from which LCC will meet the pension obligations to these staff.
		Less:			
59978	995	Combined Secondary PFI	1,236	66	
59978	996	Primary Schools PFI	666	1,175	
		Schools PFI - sub Total	(1,195)	(1,828)	PFI sinking funds
59978	997	Cardinal Heenan PFI	(11)	(55)	
27978	750	Street lighting PFI	(3,541)	(7,046)	
<b>Accounting reserves</b>					
53978	001	Landfill allowance trading scheme	(1,359)	0	Technical reserve recognising the market value of any unused LATs
<b>Other available reserves</b>					
54978	400/401	Capital reserve	(1,022)	(1,195)	Departmental contns towards prudential borrowing costs of capital schemes received over the life of the asset are put to this reserve and released back to revenue to cover the debt costs over the life of the loan.
60978	000	Catering agency	(194)	(42)	Use to fund loans to schools to improve catering facilities.
84978	101	Network infrastructure project reserve	(64)	0	For NIP developemnts, now closed.
97978	606	Wellbeing	(650)	(499)	Underspend on the wellbeing area committees.
		<b>Total General Fund earmarked reserves</b>	<b>(13,589)</b>	<b>(26,984)</b>	
<b>HRA General reserves</b>					
		General	(3,712)	(3,712)	
		<b>Total general reserves</b>	<b>(3,712)</b>	<b>(3,712)</b>	
<b>HRA Earmarked reserves</b>					
		ALMO Inspections	(1,000)	0	Set up costs for current schemes
		Contribution to Decency targets	(3,850)	(5,854)	
		Easel Demolition (Borrowing) costs	(500)	(500)	
		PFI set up costs	(500)	(150)	
		Swarcliffe environmental works	(200)	(300)	
		Swarcliffe PFI sinking fund	(8,724)	(10,821)	
		Lifetime Homes Business preparation	0	(50)	To prepare a business case for sheltered "Lifetime" Homes PFI scheme
		Lifetime Homes PFI set up costs	0	(500)	For the set up costs of the above PFI scheme
		Re-instating void sheltered properties	0	(350)	For bringing ex. warden flats to a reasonable standard so they can be let to tenants
		Underoccupancy pilot	0	(300)	For giving financial incentives for single tenants to vacate large, multi roomed properties
		Early Leavers' initiative	0	(500)	To restructure the property management team when the decency work stops (VER etc.)
			<b>(14,774)</b>	<b>(19,325)</b>	

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## Corporate Plan Priorities - 2007/08

	Latest Estimate 07/08 £,000s	Outturn 07/08 £,000s	Nature of improvement	Measurable Outcomes	Outcomes achieved at year end
<b>Transforming Services</b>					
Planning reviews	425	425	Increase capacity and introduce service improvements	To deliver significant and sustainable improvement across the range of the planning service.	Additional staffing recruited and new structures in place. Scanning applications due to commence April 08.
LEGI	4,770	4,706	To encourage enterprise through tackling worklessness issues in deprived areas	Increase in number of new firms, increase in number of local jobs created and a decrease in worklessness.	Programme now commenced and operating, minor slippage in the programme.
Information management	158	158	Improve arrangements for managing knowledge and information to assist service improvement	Develop a strategic business intelligence platform for the Council and associated business case. In respect of document and record management: production of Information Governance Workbook encompassing the necessary improvements to managing the Council's information assets.	Both initiatives in progress
Contact Leads	12	-	Extended opening hours at North Seacroft One Stop Centre	Provision of one stop facilities in Seacroft.	Postponed pending wider review to ensure best provision of services to Seacroft
Delivering Successful Change Manager	43	45	Embed the Council's approach to project management	'Delivering Successful Change' (DSC) is applied across all its programmes and projects.	The methodology was approved by the Executive Board in April 2007 as the Council's mandatory project management methodology, roll out in progress.
Service Transformation Programmes	670	670	To provide increased capacity to deliver service transformation programmes including the ongoing implementation of the ESCR system	To deliver service improvements and efficiencies across adult social care	All staff in post by 1st April 07
Contract Review	118	-	To provide increased capacity to deliver more cost effective care packages	Reduced costs of care packages	Recruitment delays as new structure implemented
<b>Safe, Clean, Green Neighbourhoods</b>					
Allotments and Public Rights of Way	50	50	Enhancements to existing services	Availability of additional allotment sites. Enhanced maintenance of pathways through employment of an additional member of staff.	Complete
Britain in Bloom	75	75	Floral enhancements and enhanced maintenance provision on the Britain in Bloom route	Improvement in Britain in Bloom routes for judging taking place in August.	Complete
Highways	300	300	To address backlog maintenance of Highways (£300k represents prudential borrowing contribution in 07/8 as part of £13.72m cap prog)	Improvement in the condition of the Highway.	339 schemes completed in 07/8.
Waste Strategy (additional amount added in 07/08)	350	351	To support the implementation of the authority's sustainable waste solution	Long term reduction in amount of waste being sent to Landfill	Outline Business Case approved by DEFRA in March 2008
Kerbside Garden Collection pilot (additional amount added in 07/08)	121	104	Continuation of kerbside garden waste collection pilot improving composting rates	Increases in the amount of green waste disposed of, with corresponding reductions in landfill, will improve the Authority's composting rates and contribute towards meeting Government targets.	5 pilots now fully rolled out. Tonnage collected from pilot in 07/8 is 36% higher than target
Public Waste Education & Awareness (add'l added in 07/08)	150	144	Measures to promote waste recycling and minimisation across the city	Increase in recycling performance	Recycling performance is 25.93%. (Comparable figure in 06/7 was 22.30%) New function incorporated
Cleaning of Guided Bus Lanes	29	29	Enhancement of the street cleansing service to incorporate this new function	Improved appearance of Council owned land as reflected in less criticism/more compliments.	PCSOs appointed during the year, therefore 170 funded by LCC
Horticultural maintenance	86	110	Additional grass cuts in those areas not covered by the existing contract + spend on Britain in Bloom.	This will fund an additional 99 PCSOs to bring the total on the streets of Leeds to 331	
Community Safety	480	480	Funding to provide additional PCSOs		
	1,641	1,642			

## Corporate Plan Priorities - 2007/08

	Latest Estimate 07/08 £,000s	Outturn 07/08 £,000s	Nature of improvement	Measurable Outcomes	Outcomes achieved at year end
<b>Healthy, Safe &amp; Successful Children</b> Childrens Act	649	649	Additional support towards the delivery of the Children's agenda.	Improved outcomes for children in accordance with Every Child Matters by identifying significant areas of savings for realignment arising from more effective and co-ordinated service delivery	Additional staff in post from 1st April
Children's Residential Care	500	500	Additional staffing to improve the care and support for looked after children	Improved quality of care evidenced through inspections	New staffing structure approved and partially implemented. Some vacancies covered with agency staff in the interim.
Children's Fieldwork Staffing	1,000	1,000	Increased numbers of front-line social workers to reduce caseloads	More social work time per child to provide a safer service and improved outcomes for children	Additional staffing from 1st April, initially through agency workers.
Youth Justice Workers	211	170	More effective and consistent interventions with young people and their families and to help ensure that more young people successfully complete their referral orders without re-offending	Five additional youth workers to double the size of the Referral Order Team. 650 cases were dealt with in 06/07.	5 New staff appointed but slippage in total for the team due to leavers and on going recruitment some staff seconded from other teams to support.
Children and Families service	87	-	Enhanced support to children and families and training to foster carers	Improved outcomes for children	Slippage
No Child Left Behind	1,000	1,000	£1m has been retained from the DSG to support this agenda in supporting schools by offering alternatives to exclusion	Reductions in permanent & fixed term exclusions	Resources devolved to the Area Management Boards; to be used in conjunction with other strands of funding for Behaviour Support
Transformational Projects and Targeted School Improvement	600	474	Directed at schools failing to achieve targets	Improvement in performance of targetted schools re DCSF floor targets & contextual value added tables	£345k has been targeted at schools causing concern and £129k at specific transformational projects.
<b>People are able to live healthy, fulfilling lives</b>					
Library Book Fund	50	50	Purchase of additional books for libraries	Improvements to selection/range of books available and responding to community needs.	Books purchased.
Care ring service	450	450	To provide a free service to care ring clients meeting the relevant criteria	The service can still be delivered within the available resource.	Service provided free of charge to relevant clients
Learning Disabilities	3,029	2,850	To address demographic pressures and complex needs requirements	Needs of service users with learning disabilities are met appropriately	Demographic/complex pressures addressed
Learning Disabilities	610	610	Additional staffing to provide better care and support	Improved quality of care evidenced through CSCSI inspections	Additional staff in post from April
Fees to Carers	1,622	1,510	Raise skill levels of foster carers for very vulnerable children to deliver higher quality care	Improved outcomes for Looked After Children	Underspend due to delays in the recruitment & training of foster carers. New payment arrangements implemented in Jan 08 (backdated to October 08)
<b>Total</b>	<b>17,645</b>	<b>16,909</b>			



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### Report of the Head of Scrutiny and Member Development

#### Scrutiny Board (Central & Corporate Functions)

Date: 7<sup>th</sup> July 2009

Subject: Report of Scrutiny Board Working Group – ALMOs Meeting the Equality Standard and Preparing for Inspection

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**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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## 1.0 INTRODUCTION

1.1 At its June 2008 meeting Members established a Working Group to look at whether diversity and equality issues were being adequately addressed by ALMOs. The drivers for this were the pending inspections and the key lines of enquiry (KLOEs) used by the Audit Commission Housing Inspectorate when carrying out inspections. The purpose of this report is to report back to the full Committee the deliberations of the Working Group.

### Membership

- 1.2 The Working Group consisted of Councillors Dobson, Atha and Chastney. Councillor Anderson attended at the invitation of the Working Group as Chair of Scrutiny Board (Environment and Neighbourhoods). It met on 24<sup>th</sup> June 2008.
- 1.3 The Working Group was assisted by John Statham – Strategic Landlord Manager, Lelir Yeung – Head of equality and Alex Hannant – Senior Project Officer, Chief Executive's. The conclusions of the Working Group are attached as Appendix 1

## 2.0 RECOMMENDATIONS

- 2.1 Members are asked to agree the attached statement and circulate as appropriate.

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**Statement of  
Scrutiny Board (Central &  
Corporate Functions)**

**ALMO Inspections -  
Meeting the Equality  
Standard and Preparing  
for Inspection**

# Introduction



## Introduction

1. At its meeting on 9<sup>th</sup> June 2008 Scrutiny Board (Central & Corporate Functions) established a Working Group to look at whether diversity and equality issues were being adequately addressed by ALMOs. The drivers for this were the pending Audit Commission Inspections in which diversity is higher on the agenda and the Council's ambition to achieve Level 4 and beyond of the Equality Standard.
2. Our decision to undertake this piece of work was based on the desire to reassure ourselves that when inspected by the Audit Commission the ALMOs would not fall down on this key cross-cutting theme.
3. Our discussions centred on the ALMOs ability to meet to a sufficiently high standard the Audit Commissions key lines of enquiry (KLOE). KLOEs represent sets of questions and statements around either service or judgement specific issues which provide consistent criteria for assessing and measuring the effectiveness and efficiency of housing services. These KLOE are designed to provide inspectors, inspected bodies and others with a framework through which to view and assess services.
4. It is worth stating that our Inquiry only focused on diversity issues. This is just one part of the inspection process. Achieving 'full marks' in this area does not guarantee an overall successful inspection, if other parts of the service are deficient.
5. On the statements made by the officers present the following report represents the general consensus of the members.
6. The Scrutiny Board will have further opportunity to consider this issue post ALMO inspections, anticipated to be late December 2008.
7. The Working Group would like to thank those officers who assisted us with this piece of work.

## Comments and Recommendations



1. We are pleased to say from the outset that any fears we may have initially had about the ALMOs readiness to meet the KLOE in this area have been greatly reduced.
2. We consider that the ALMOs are in a significantly stronger position than they were in 2003 & 2005 in terms of meeting the Audit Commission diversity KLOE.
3. During our Inquiry a number of key strengths in both the ALMOs and the City Councils approach to equality and diversity were evidenced. We were pleased to find that ALMOs are working corporately with the City Council to meet the Equality Standard Level 4. This has been praised by the Audit Commission.
4. Similarly we were pleased to see that each ALMOs has an Equality Manager to act as champion in this field. We believe that this is a good use of resources and should be maintained. We also noted that a Working Group involving all ALMOs exists to disseminate good practice and to work around impact assessments.
5. These examples, in our view, show a clear commitment from ALMO Chief Officers and ALMO Boards to maintain the necessary momentum to achieve the highest standards possible.
6. We believe that this momentum is crucial to future success. We are confident that in terms of documenting what ALMOs do improvements since 2005 can be evidenced, for example clear and comprehensive Equality Impact Assessments are now in place. We are also confident that structures and processes can be shown.
7. The acid test however is how ALMOs evidence to the Audit Commission that these processes have been translated into improved service delivery outcomes which result in positive experiences for tenants.
8. Whilst we remain positive about progress made there is work to be done. We acknowledge that the ALMOs have made significant progress in collating their evidence for the Equality Standard Level 4. However at the time of the interim assessment in March 2008, it was recommended that ALMOs needed to evidence the implementation and embedding of processes for example impact assessments and how the outcomes of the assessments were being used to influence services, monitoring of action plans/ service improvements plans, use of customer profiling

## Comments and Recommendations



across all equality areas to inform target setting and monitoring participation of different groups. We were pleased to note that since the interim assessment, work has started to ensure that these processes are built into the culture of the organisation.

9. We acknowledge translating processes and structures into influencing service delivery improvements is difficult especially when running in parallel within each of the Audit Commissions cross-cutting themes is the issue of value for money. However again we are confident that it can be achieved if best practice is highlighted and recorded and particularly if the ALMOs continue to work on embedding a culture that supports equality and diversity.

### Recommendation 1

**That ALMO Chief Officers continue to work towards analysing service delivery feedback in order to ensure that the organisation reflects the community it serves.**

10. We acknowledge that each ALMO is different in terms of geography, population and service needs and each can

show strengths in championing equality and diversity. This should be positively emphasised and not be seen as a weakness during the inspection process. We believe this position can be supported if when making service delivery decisions evidence of appropriate risk assessments and value for money considerations have taken place.

### Recommendation 2

**That ALMO Chief Officers ensure appropriate evidence is collected to demonstrate the effective translation of policies and procedures into improved service deliver.**

11. During our discussion we were also interested in the sometimes conflicting issues of equality verses suitability. That is the judgments required to be taken in ascertaining a persons suitability to become a tenant in a community and the perceived equality issues that same person may present. Whilst we do not profess to come up with an answer to this conundrum, it is our view that ALMOs need to be sensitive to the needs of existing communities. Again the adoption of robust processes, the

## Comments and Recommendations



recording of actions taken and the sensitive use and collection of personal data will provide the necessary evidence if required.

12. As stated in our introduction, this piece of work focuses on diversity issues. This is just one part of the inspection process. Achieving 'full marks' in this area does not guarantee an overall successful inspection, if other parts of the service are deficient. The Scrutiny Board (Environment & Neighbourhoods) may wish to consider pursuing other lines of inquiry.

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### Report of the Head of Scrutiny and Member Development

#### Scrutiny Board (Central & Corporate Functions)

Date: 7<sup>th</sup> July 2008

Subject: Scrutiny Board (Central & Corporate Functions) – Work Programme and Draft Terms of Reference

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**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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### 1.0 INTRODUCTION

1.1 At the Board's June meeting a number of issues were identified to go on the work programme and the Board authorised the Chair to draw up a draft work programme. This is shown as Appendix 1. Two areas of interest to the Board were 'Attendance Management' and 'Outsourcing of Services'.

1.2 The Chair in drawing up the work programme has drafted terms of reference for these areas. These are attached as Appendix 2 and 3. In line with Scrutiny Board Procedure Rules comments on the terms of reference have been sought from the relevant officers and the responsible Executive Board Member. These will be available at the Board meeting.

1.2 Also attached as Appendix 4 and 5 respectively are the Executive Board minutes from 11<sup>th</sup> June 2008 and the Council's Forward Plan relating to this Board's portfolio.

### 3.0 RECOMMENDATIONS

3.1 Members are asked to;

- (i) Consider the draft terms of reference as shown at Appendix 2 and 3
- (ii) Note the Executive Board minutes and Forward Plan
- (iii) Agree the Board's work programme.

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Appendix 1  
**SCRUTINY BOARD (CENTRAL & CORPORATE FUNCTIONS) - LAST JUNE 2008**

ITEM	DESCRIPTION	NOTES	TYPE OF ITEM
<b>Suggested Areas for Scrutiny Currently Unscheduled</b>			
	Corporate Call Centre Performance		
	Use of Consultants		
	Electoral matters		

ITEM	DESCRIPTION	NOTES	TYPE OF ITEM
<b>Meeting date: 7<sup>th</sup> July 2008 - The deadline for reports for this meeting is 12 Noon 23<sup>rd</sup> June 2008</b>			
Scrutiny of the Budget	To receive outturn report		RP
ALMO – Inspections and Equality	To receive feedback from the Scrutiny Working Group		PM
Attendance Management	To agree terms of reference for an Inquiry		RP
Outsourcing Services	To agree terms of reference for an Inquiry		RP
<b>Meeting date: 8<sup>th</sup> September 2008 - The deadline for reports for this meeting is 12 Noon 14th August 2008</b>			
Attendance Management	To undertake session 1 of this Inquiry		RP
Workforce Planning	To receive feedback from the Working Group and to consider whether further Scrutiny is required	Depending upon the outcome of these discussions the work programme may need to be amended to facilitate further scrutiny	RP
Cover Pricing	To receive feedback from the Working Group and consider whether further Scrutiny is required	Depending upon the outcome of these discussions the work programme may need to be amended to facilitate further scrutiny	RP
Member Development	To consider Terms of Reference for an Inquiry	This Inquiry to be undertaken by a <b>Working Group</b>	PM
Equality and Diversity Scheme	To consider the role of Scrutiny in the monitoring of the Equality and Diversity	Depending upon the outcome of these discussions the work programme may need to	PM

**Appendix 1**  
**SCRUTINY BOARD (CENTRAL & CORPORATE FUNCTIONS) - LAST JUNE 2008**

ITEM	DESCRIPTION	NOTES	TYPE OF ITEM
	Scheme (Following the lunchtime seminar and a request from the Executive Board)	be amended to facilitate further scrutiny	
<b>Meeting date: 6<sup>th</sup> October 2008</b>	<b>The deadline for reports for this meeting is 12 Noon 22<sup>nd</sup> September 2008</b>		
<b>Scrutiny of the Budget</b>	To receive and consider quarter 1 financial report.		RP
<b>Scrutiny of the Council Business Plan</b>			PM
<b>Performance Management Information</b>	To receive quarter 1 performance management information		PM
<b>Outsourcing Services</b>	To undertake session 1 of the Inquiry		RP
<b>Meeting date: 3<sup>rd</sup> November 2008</b>	<b>The deadline for reports for this meeting is 12 Noon 20<sup>th</sup> October 2008</b>		
<b>Attendance Management</b>	To undertake session 2 of this Inquiry		RP
<b>Income Collection</b>	To receive an initial report on performance		PM
<b>Meeting date: 1<sup>st</sup> December 2008</b>	<b>The deadline for reports for this meeting is 12 Noon 17<sup>th</sup> Nov 2008</b>		
<b>Scrutiny of the Budget</b>	To receive and consider quarter 2 financial report.		RP
<b>Scrutiny of the Council Business Plan</b>			PM
<b>Outsourcing</b>	To undertake session 2 of the Inquiry		RP

**Appendix 1**  
**SCRUTINY BOARD (CENTRAL & CORPORATE FUNCTIONS) - LAST JUNE 2008**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>NOTES</b>	<b>TYPE OF ITEM</b>
<b>Services</b>			
<b>Member Development</b>	To receive the Working Group's Report.		PM
<b>Meeting date: 5th January 2009</b>	<b>- The deadline for reports for this meeting is 12 Noon 15<sup>th</sup> Dec 2008</b>		
<b>Attendance Management</b>	To undertake session 3 of this Inquiry		RP
<b>Meeting date: 5<sup>th</sup> February 2009</b>	<b>- The deadline for reports for this meeting is 12 Noon 19<sup>th</sup> Jan 2009</b>		
<b>Meeting date: 2<sup>nd</sup> March 2009</b>	<b>- The deadline for reports for this meeting is 12 Noon 16<sup>th</sup> Feb 2009</b>		
<b>Scrutiny of the Budget</b>	To receive and consider quarter 3 financial report.		RP
<b>Scrutiny of the Council Business Plan</b>			PM
<b>Attendance Management</b>	To agree final report		RP
<b>Meeting date: 6<sup>th</sup> April 2009</b>	<b>- The deadline for reports for this meeting is 12 Noon 23<sup>rd</sup> March 2009</b>		
<b>Annual Report</b>	To agree this Boards contribution to the Annual report to Council		
<b>Outsourcing Services</b>	To agree final report		RP

Key:  
 CCFA / RFS – Councillor call for action / request for scrutiny  
 RP – Review of existing policy  
 DP – Development of new policy  
 MSR – Monitoring scrutiny recommendations  
 PM – Performance management  
 B – Briefings (Including potential areas for scrutiny)

**Appendix 1**  
**SCRUTINY BOARD (CENTRAL & CORPORATE FUNCTIONS) - LAST JUNE 2008**

SC – Statutory consultation  
CI – Call in

## **SCRUTINY BOARD (CENTRAL AND CORPORATE FUNCTIONS)**

### **INQUIRY INTO SICKNESS ABSENCE MANAGEMENT**

#### **TERMS OF REFERENCE**

##### **1.0 Introduction**

- 1.1 At its meeting on 10<sup>th</sup> June 2008, Scrutiny Board (Central and Corporate Functions) resolved to undertake an Inquiry into sickness absence management within the Authority.
- 1.2 The Board is aware of the detailed and comprehensive work previously undertaken by the Overview and Scrutiny Committee and Scrutiny Board (Resources) and the subsequent recommendations made by Members. Whilst technical data will be of use, the Board wishes to minimise repetition of previous discussions and certainly does not wish to simply cover the same ground as previous inquiries. Therefore, the aim of this inquiry is to take a more radical approach to seeking solutions to the challenges of sickness absence management within the Authority. This will include actively identifying recognised good practise and seeking out innovative and creative approaches.
- 1.3 The Board acknowledges that there has been significant work done to establish a framework for managers at all levels to deal with absence. This inquiry is not seeking to investigate the framework, but rather how the tools are being applied. With this in mind, the Board intends to engage with a wide cross section of officers within the Authority, private sector practitioners and recognised national leaders, as well as undertaking visits to other organisations where there has been success in managing absence.

##### **2.0 Scope of the inquiry**

- 2.1 The purpose of the Inquiry is to make an assessment of and, where appropriate, make recommendations on the following areas:

###### Scene Setting

- Receive update on previous recommendations
- Identify what has been successful
- Identify the remaining challenges
- Receive the latest data on absence
- Establish in what ways sickness absence impacts on the financial well being of the Authority and its service delivery

###### Best Practise

- Identify current recognised best practice in the public and private sectors

- Identify the latest innovative practice – tools that have not yet been considered and any new schemes emerging

#### Narrowing the Gap

- Investigate the role of the Authority in supporting employees with disability and supporting the reduction of worklessness and how this impacts of absence management

#### Managers as Agents

- Investigate the role of managers in applying the tools for managing absence
- Reviewing the effectiveness of the 'Enabling Managers' scheme

### **3.0 Comments of the relevant Director and Executive Member**

3.1 In line with Scrutiny Board Procedure Rule 12.4 the views of the relevant Director and Executive Member have been sought and have been incorporated where appropriate into these Terms of Reference. Full details are available on request to the Scrutiny Support Unit.

### **4.0 Timetable for the inquiry**

4.1 The Inquiry will take place over three sessions, plus site visits with a view to issuing a final report on 2<sup>nd</sup> March 2009.

4.2 The length of the Inquiry is subject to change.

### **5.0 Submission of evidence**

#### **5.1 Session one – (7<sup>th</sup> July 2008)**

To agree terms of reference

#### **5.2 Session two - (8<sup>th</sup> September 2008)**

##### Scene Setting

- Receive update on previous recommendations
- Identify what has been successful
- Identify the remaining challenges
- Receive the latest data on absence
- Establish in what ways sickness absence impacts on the financial well being of the Authority and its service delivery

#### **5.3 Session three - (3<sup>rd</sup> November 2008)**

##### Best Practise

- Identify current recognised best practice in the public and private sectors
- Identify the latest innovative practice – tools that have not yet been considered and any new schemes emerging

#### Narrowing the Gap

- Investigate the role of the Authority in supporting employees with disability and supporting the reduction of worklessness and how this impacts of absence management

#### 5.4 Session four - (5<sup>th</sup> January 2009)

##### Managers as Agents

- Investigate the role of managers in applying the tools for managing absence
- Reviewing the effectiveness of the 'Enabling Managers' scheme

#### 5.5 Session five – (2<sup>nd</sup> March 2009)

- To agree final report

#### **6.0 Witnesses**

6.1 The following witnesses have been identified as possible contributors to the Inquiry:

- Chris Ingham HR Manager
- Richard Moss-Blundell Head of HR, Environment and Neighbourhoods
- Andrew Mason Chief Environment Officer
- Steve Sumner National Health and Safety Policy Adviser, Local Government Employers
- Professor Dame Carol Black
- Confederation of British Industry Representative
- Cross section of Service Managers and employees (to be confirmed)
- Trade Union representative

#### **7.0 Post inquiry report monitoring arrangements**

7.1 Following the completion of the Scrutiny inquiry and the publication of the final inquiry report and recommendations, the implementation of the agreed recommendations will be monitored.

7.2 The final inquiry report will include information on the detailed arrangements for how the implementation of recommendations will be monitored.

## **8.0 Measures of success**

8.1 It is important to consider how the Scrutiny Board will deem if their inquiry has been successful in making a difference to local people. Some measures of success may be obvious at the initial stages of an inquiry and can be included in these terms of reference. Other measures of success may become apparent as the inquiry progresses and discussions take place.



**SCRUTINY BOARD (CENTRAL AND CORPORATE FUNCTIONS)**

**INQUIRY INTO OUTSOURCING SERVICES**

**TERMS OF REFERENCE**

**1.0 Introduction**

1.1 At its meeting on 9<sup>th</sup> June, Scrutiny Board (Central and Corporate Functions) resolved to undertake an Inquiry into the outsourcing of services. Members recognise that individual contracting arrangements will not form part of this inquiry, but wish to take a broader view of how options are appraised and what procedures are in place to ensure smooth transition of services.

1.2 The Board is particularly interested in how the Authority measures the value for money received from external service providers and how the quality of services is ensured once provided externally.

**2.0 Scope of the inquiry**

2.1 The purpose of the Inquiry is to make an assessment of and, where appropriate, make recommendations on the following areas:

- Contractual options and the legal framework within which services can be outsourced.
- The pre-decision making process and how options are appraised
- The process of transferring staff and the options available to the contractor and the Council
- The review arrangements once a service has been outsourced and the Council's procedure for monitoring performance
- The measures available to the Council where issues in performance delivery are identified

**3.0 Comments of the relevant Director and Executive Member**

3.1 In line with Scrutiny Board Procedure Rule 12.4 the views of the relevant Director and Executive Member have been sought and have been incorporated where appropriate into these Terms of Reference. Full details are available on request to the Scrutiny Support Unit.

**4.0 Timetable for the inquiry**

4.1 The Inquiry will take place over three sessions with a view to issuing a final report on 6<sup>th</sup> April 2009.

4.2 The length of the Inquiry is subject to change.

## **5.0 Submission of evidence**

### **5.1 Session one – (7<sup>th</sup> July 2008)**

To agree terms of reference

### **5.2 Session two - (6<sup>th</sup> October 2008)**

- Contractual options and the legal framework within which services can be outsourced.
- The pre-decision making process and how options are appraised
- The process of transferring staff and the options available to the contractor and the Council

### **5.3 Session three - (1<sup>st</sup> December 2008)**

- The review arrangements once a service has been outsourced and the Council's procedure for monitoring performance
- The measures available to the Council where issues in performance delivery are identified

### **5.4 Session four - (6<sup>th</sup> April 2009)**

- To agree final report

## **6.0 Witnesses**

6.1 The following witnesses have been identified as possible contributors to the Inquiry:

(To be considered by the Board)

## **7.0 Post inquiry report monitoring arrangements**

7.1 Following the completion of the Scrutiny inquiry and the publication of the final inquiry report and recommendations, the implementation of the agreed recommendations will be monitored.

7.2 The final inquiry report will include information on the detailed arrangements for how the implementation of recommendations will be monitored.

## **8.0 Measures of success**

8.1 It is important to consider how the Scrutiny Board will deem if their inquiry has been successful in making a difference to local people. Some measures of success may be obvious at the initial stages of an inquiry and can be included in these terms of reference. Other measures of success may become apparent as the inquiry progresses and discussions take place.

8.2 Some initial measures of success are:

To be considered by the Board

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## EXECUTIVE BOARD

WEDNESDAY, 11TH JUNE, 2008

**PRESENT:** Councillor R Brett in the Chair

Councillors A Carter, J L Carter,  
R Finnigan, S Golton, R Harker, P Harrand,  
J Procter, S Smith, K Wakefield and  
J Blake

Councillor J Blake – Non-voting advisory member

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

**RESOLVED** – That the public be excluded from the meeting during consideration of the following parts of the agenda designated exempt 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 public were present there would be disclosure to them of exempt information so designated as follows:

- a) Appendix 1 to the report referred to in minute 15 under the terms of Access to Information Procedure Rule 10.4 (3) and on the grounds that the public interest in maintaining the exemption outweighs the public interest in disclosing the information on the basis that disclosure of the information could prejudice the Council's position in commercial negotiations if the PFI credits are allocated and the project proceeds.
- b) Appendix C to the report referred to in minute 5 under the terms of Access to Information Procedure Rule 10.4 (3) and on the grounds that this is information relating to the financial or business affairs of the parties identified in the report and of the Council. In the circumstances it is felt that any negotiations which have already taken place should not be in the public domain prior to any future competitive process as this may prejudice commercial interests. The Council acknowledges that, whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.
- c) Appendix 3 to the report referred to in minute 23 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that it is considered that since the proposed means of disposal will be through inviting offers for the property by public auction, then it is not in the public interest to disclose this information at this point in time as this could undermine this method of inviting bids and affect the integrity of disposing of property by this process. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information

Draft minutes to be approved at the meeting  
to be held on Wednesday, 16th July, 2008

about the nature and level of offers which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

- d) Appendices E, F and G to the report referred to in minute 24 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that it is considered that its non disclosure outweighs the public benefit of disclosure as disclosure could seriously prejudice the outcome of future commercial dealings relating to this matter and could result in the Council suffering financial loss.
- e) A second report referred to in minute 7 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that it contains financial and other confidential information relating to the Caddick and unsolicited offers. This information relates to the financial or business affairs of those particular companies, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained either through the negotiations with Caddick, which were conducted on a confidential basis, or in relation to the unsolicited offer, from the letter of offer which was made to the Council on a confidential basis, then it is not in the public interest to disclose this information at this point in time as to do so could lead to further competing bids from these companies or from the market generally, and in turn this would undermine the process for disposing of this site which the Council selects and affect the integrity of the disposal process. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and currently there is a greater public interest in ensuring that the site is disposed of in a fair and equitable manner with no party gaining a commercial advantage over another by having details of the likely level of other offers. Consequently, it is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

## **2 Declaration of Interests**

Councillors A Carter, J L Carter, Finnigan, Golton, Harker, Harrand, Smith and Blake declared personal interests in the item relating to the Primary Capital Programme (minute 14) as Primary School Governors.

Councillor Wakefield declared personal interests in the item relating to Leeds Local Enterprise Growth Initiative (minute 26) as a member of the Catalyst project and in the items relating to the Joint Area Review (minute 11) and the review of the Children and Young People's Plan (minute 12) as a member of the Learning and Skills Council.

Councillor Harrand declared a personal interest in the item relating to Small Industrial Units (minute 24) as an unpaid director of an organisation occupying such a unit.

**3 Minutes**

**RESOLVED** – That the minutes of the meeting held on 14<sup>th</sup> May 2008 be approved.

**ENVIRONMENTAL SERVICES**

**4 Deputation to Council - West Yorkshire Animals in Need seeking to ban the giving of goldfish as prizes**

The Director of Environment and Neighbourhoods submitted a report responding to the deputation from West Yorkshire Animals in Need to Full Council on 9<sup>th</sup> April 2008. The report detailed the Council's current position with regard to this issue and offered proposals to strengthen that position.

**RESOLVED** – That approval be given to the insertion of a suitable clause in the land licenses provided to operators of events and fairs, to specifically prohibit the giving of goldfishes as prizes.

**DEVELOPMENT AND REGENERATION**

**5 Deputation to Council - Local Residents Requesting the Council to Purchase Sports Facilities at Leeds Girls High School for use by Primary Schools and the Local community**

The Director of City Development submitted a report providing a full response to the deputation from local residents to Full Council on 16<sup>th</sup> January 2008, following the holding response submitted to Executive Board on 12<sup>th</sup> March 2008.

Following consideration of appendix C to the report designated as exempt under Access to Information Procedure Rule 10.4(3) which was considered in private at the conclusion of the meeting it was

**RESOLVED-** That the conclusions of the report be noted and

- (a) That the principle of any public greenspace requirement associated with a residential scheme, to comply with UDP Policy, being mainly provided at Ford House Garden be supported
- (b) That, over and above what is required by UDP Policy, and subject to it being affordable to the Council support be given to negotiations for the acquisition of the land south of Victoria Road, for use as informal greenspace, through a negotiated agreement, and that officers be authorised to continue to investigate this with the school.
- (c) That it be further noted that any proposal that the Elinor Lupton Centre become a licensed premises would not be supported by this Board and that the proposed use of the sports hall and swimming pool by a private operator with a 'community access agreement' would be supported by this Board.

(Councillor Finnigan declared a personal interest in this matter as a member of Plans Panel (East))

**6 Deputation to Council- Retailers and Residents of Morley regarding the number of Charity Shops in Morley Shopping Centre**

The Director of City Development submitted a report responding to the deputation from Retailers and Residents of Morley to Full Council on 9<sup>th</sup> April 2008.

**RESOLVED-**

- (a) That the Morley Mayor and traders be advised that, Leeds City Council, whilst sympathetic, is not disposed, at this stage, to support a national campaign to change national planning legislation, but will continue to support town and district centres through a range of positive interventions.
- (b) That discussions be held with other local authorities via the Local Government Association with a view to identifying any commonality of view and that a further report be brought to this Board on the outcome of those discussions.

**7 Quarry Hill, Leeds 9**

Referring to minute 34 of the meeting held on 11<sup>th</sup> June 2003, the Director of City Development submitted a report advising of the current situation relating to the disposal of the Council owned site at Quarry Hill.

Following consideration of the second report designated as exempt under Access to Information Procedure Rule 10.4(3) which was considered in private at the conclusion of the meeting it was

**RESOLVED-**

- (a) That the Director of City Development be authorised to complete the disposal of land at Quarry Hill to Caddick Developments Limited on the terms reported, subject to the adjustments set out in the report.
- (b) That all decisions relating to the disposal of this site at Quarry Hill be delegated to the Director of City Development.

**NEIGHBOURHOODS AND HOUSING**

**8 Activity in the Private Rented Sector regarding Energy Efficiency**

The Director of Environment and Neighbourhoods submitted a report on the current position and activity in relation to energy efficiency measures within the private rented sector.

**RESOLVED –**

- (a) That the proposed actions to promote energy efficiency measures in the private rented sector as contained in paragraph 5.0 of the report, and which build on those undertaken to date, be approved.
- (b) That the discretionary elements of housing benefit provisions be examined to determine whether they could be used in a manner which

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would provide an incentive to landlords to improve energy efficiency in their properties.

**9 Update on the Supporting People Programme**

The Director of Environment and Neighbourhoods submitted a report providing an update on developments relating to the Supporting People programme since the Audit Commission inspection in January 2007.

**RESOLVED** – That the report be noted and that the Director of Environment and Neighbourhoods report to this Board on proposals for any changes to current governance and funding arrangements relating to the Supporting People programme once the Communities and Local Government Department confirm what changes they intend to make to the delivery of the programme.

**10 Under Occupation in Council Housing**

The Director of Environment and Neighbourhoods submitted a report providing details of the extent of under-occupation in Leeds, and proposing that new incentive schemes be developed to encourage under-occupying Council tenants to move to smaller properties to promote best use of housing stock. The report also clarified how the Leeds Arm's Length Management Organisations should use Ground 16 powers under the Housing Act 1985 to move under-occupying tenants who have succeeded to a Council tenancy following the death of the tenant.

**RESOLVED** –

- (a) That approval be given to expenditure of up to £300,000 in 2008/09 on encouraging under-occupiers in the largest stock to move to more appropriately sized accommodation.
- (b) That the available legal powers to manage under-occupation be used in accordance with section 3.3.5-6 of the submitted report.
- (c) That a further report be brought to the Board in February 2009 providing a detailed action plan with targets on how incentives for under-occupation can be adopted for 2009/10.

**CHILDREN'S SERVICES**

**11 Leeds Joint Area Review**

The Director of Children's Services submitted a report advising of the outcome of the inspection and of the formal requirements on actions arising from the inspection.

**RESOLVED** – That the outcome of the Joint Area Review and resultant actions to be undertaken be noted and that the Action Plan in that respect be brought to the July meeting of the Board.

**12 The 2008 Review of the of the Children and Young People's Plan**

The Director of Children's Services submitted a report presenting the 2008 review of the Children and Young People Plan and seeking endorsement of the revised Plan.

**RESOLVED** - That the 2008 Children and Young People's Plan Review be approved and endorsed.

**13 Carlton Primary School - School Hall Extension**

The Chief Executive of Education Leeds submitted a report on a proposed new build extension to Carlton Primary School to provide a new hall and kitchen, and associated remodelling works.

**RESOLVED –**

- (a) That the design proposals be approved and that authority be given to proceed with an extension to Carlton Primary School to provide a new hall and kitchen, and associated remodelling works;
- (b) That expenditure of £1,008,000 from capital scheme 14130 be authorised.

**14 Primary Capital Programme Strategy for Change**

The Chief Executive of Education Leeds submitted a report on the proposed strategic approach towards renewing primary schools, including prioritisation of need, within the first four years, and on the proposed Strategy for Change prior to final submission to the Department for Children, Schools and Families.

**RESOLVED-**

- (a) That the Strategy for Change formal submission to the DCSF, to ensure capital funding is received by Leeds, be approved
- (b) That specific proposals for school projects for the first two years of the programme will be considered by this Board in due course and in accordance with usual procedures.

**LEISURE**

**15 Endorsement of Expression of Interest for PFI Credits for Holt Park New Leaf Well Being Centre Project**

The Director of City Development submitted a report on an Expression of Interest for the Holt Park New Leaf Wellbeing Project submitted to the Department of Health.

Following consideration of the appendix to this report designated as exempt under Access to Information Procedure Rule 10.4(3) which was considered in private at the conclusion of the meeting it was

**RESOLVED-**

- (a) That the content of this report be noted and that the submission of the Expression of Interest for the Holt Park New Leaf Wellbeing Project be endorsed.
- (b) That approval be given to the combining of the Well Being Leisure Project with the New Leaf Well Being Centre Project, under the Education PFI Project Board should Credits be allocated for the project.

## **ADULT HEALTH AND SOCIAL CARE**

### **16 Deputation to Council - Access Committee for Leeds Regarding Disability Inclusion Through Meaningful Involvement**

The Director of Adult Social Services submitted a report responding to the deputation from the Access Committee for Leeds to Full Council on 9<sup>th</sup> April 2008.

#### **RESOLVED**

- (a) That the report be noted
- (b) That elected members and officers be supported and encouraged to work with the Independent Disability Council on a broad range of issues concerning disabled people.
- (c) That the widest possible participation in the debate on the future of social care, which is being undertaken by the government over coming months be supported and encouraged.
- (d) That the City Council's commitment to consultation and engagement with disabled people, in particular in addressing the major challenges to independent living arising from demographic change and the increasing costs of personal care, be confirmed.

### **17 Income for Community Care Services - Proposals for Consultation**

The Director of Adult Social Services submitted a report setting out the current position of the review of income for non-residential adult social care services and on proposals for consultation on options.

#### **RESOLVED-**

- (a) That the contextual information outlined in the report and how it impacts on the contributions review be noted.
- (b) That the context for the consultation process be supported as the need to generate more income from service user contributions to improve our ability to invest in social care services and to support fairness, equity and consistency
- (c) That the contributions options set out in section 8.4 of the report be approved as the basis of stakeholder consultation.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

### **18 Safeguarding Vulnerable Adults in Leeds**

The Director of Adult Social Services submitted a report on the work underway in the city to strengthen arrangements designed to ensure that vulnerable adults in Leeds are adequately safeguarded.

#### **RESOLVED-**

- (a) That the report be noted in relation to the revisions to the Safeguarding Adults structures in the City and that the content of the annual report 2007/08, attached to the report be also noted
- (b) That the overall arrangements for Safeguarding Adults in the City be referred to the Scrutiny Board (Adult Social Care) so that consideration

can be given to the terms of an enquiry designed to test the strength and efficacy of Safeguarding work conducted across the partnership.

## **CENTRAL AND CORPORATE**

### **19 Council Business Plan 2008-2011**

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report providing information on the development, approach and broad content of the Council Business Plan 2008-11, and seeking endorsement of the plan prior to its formal approval by Full Council.

#### **RESOLVED**

- (a) That the Council Business Plan 2008-11 as attached at Appendix 1 to the report be endorsed
- (b) That the Assistant Chief Executive (Planning, Policy and Improvement) be authorised to update and complete the Council Business Plan with any outstanding information prior to its submission for approval to Full Council on 2<sup>nd</sup> July 2008.
- (c) That Council be recommended to approve the Council Business Plan 2008-11 at their meeting on 2<sup>nd</sup> July 2008.

### **20 Corporate Assessment 2008**

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report detailing the outcome of the Corporate Assessment Inspection and highlighting the main findings and key issues for action.

#### **RESOLVED -**

- (a) That the Corporate assessment report and the action plan as attached at appendices 1 and 2 to the report be noted.
- (b) That the proposals outlined in the report for monitoring delivery of the action plan be noted.

### **21 Ward Based Initiatives 2008/2009**

The Director of Resources submitted a report on a proposed Ward Based Initiative scheme to allow Elected Members to sponsor capital projects within their respective Wards

**RESOLVED** – That the report be noted and that expenditure of £990,000 be authorised, subject to approvals in line with procedures set out in the Guidance Notes attached to the report, and subject to an amendment to those notes to make clear the sums of money which can be awarded to such schemes.

### **22 Financial Performance - Outturn 2007/08**

The Director of Resources submitted a report on the Council's financial performance for the year ending 31st March 2008, prior to submission of the annual accounts to the Corporate Governance and Audit Committee for approval, and subject to Audit.

**RESOLVED -**

- (a) That the report be noted
- (b) That £300,000 be transferred to the contingency fund in 2008/09 in accordance with paragraph 3.4 of the submitted report
- (c) That the additional contributions to and the creation of, earmarked reserves of £3,800,000 in respect of the HRA be agreed as outlined in the HRA report attached at Appendix 1 to the report
- (d) That the creation of two new General Fund earmarked reserves as outlined in paragraph 3.5 of the report be agreed
- (e) The Board noted that right to buy capital receipts that are not required in 2007/08 to fund the HRA capital programme have been used to fund the general fund, thereby reducing borrowing costs with compensating resources to be returned to the HRA programme in 2008/09.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

**DEVELOPMENT AND REGENERATION**

**23 Deputation to Council -Muslim Society of Leeds regarding the future of Bentley Primary School**

The Director of City Development submitted a report responding to the deputation from the Muslim Society of Leeds to Full Council on 9<sup>th</sup> April 2008.

Following consideration of appendix 3 to the report designated as exempt under Access to Information Procedure Rule 10.4(3) which was considered in private at the conclusion of the meeting it was

**RESOLVED-** That the request from the Muslim Society of Leeds to acquire the former Bentley Primary School for community purposes be noted, but that the proposed sale on the open market in support of the Council's capital programme proceed as soon as possible in this financial year.

**24 The Future Ownership and Management of the Council's Small Industrial Unit Portfolio, St Ann's Mills/ Abbey Mills, Kirkstall and the Investment and Agricultural Property Portfolios**

The Director of City Development submitted a report providing an update on the outcome of the partnering / marketing exercises for the SIU portfolio and for St Ann's Mills / Abbey Mills, Kirkstall and setting out the outcomes in the context of the current Capital Programme pressures.

Following consideration of appendices E, F and G to the report designated as exempt under Access to Information Procedure Rule 10.4 (3) which were considered in private at the conclusion of the meeting it was

**RESOLVED-**

Draft minutes to be approved at the meeting to be held on Wednesday, 16th July, 2008

- (a) That the Board notes:
  - (i) the failure to identify a suitable partner to manage the Council's SIU portfolio
  - (ii) the failure to identify a suitable partner and to receive a credible offer for St Ann's Mills, Kirkstall
- (b) That disposals in support of the Capital Programme be agreed as follows:
  - (i) selected miscellaneous investment properties as detailed in Appendix E Tables 3a and 3b of the report
  - (ii) the farm buildings and gardens, but not the associated farm land, of the agricultural properties detailed in Appendix E Table 2a.
  - (iii) the selected small industrial unit properties detailed in Appendix E Table 1a (including St Ann's Mills, Kirkstall), subject to discussion with ward members on details relating to the proposed Ledston Luck disposal

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

## **25 City Centre Vision Conference**

The Director of City Development submitted a report advising of the outcomes arising from the City Centre Vision Conference held in January and recommending how best to take forward the issues and ideas that emerged.

### **RESOLVED-**

- (a) That the successful outcome of the City Centre Vision Conference and the ongoing work regarding the arena, funding and the removal of street clutter be noted
- (b) That officers investigate the feasibility of implementing the 'Big Ideas' from the Conference and the work as proposed in section 5.0 of the report
- (c) That the Council work with and consult the Leeds Initiative and other partnership groups to help develop more detailed proposals
- (d) That an annual update on overall progress be brought back to this Board in January 2009 and that reports on individual projects be brought back at the appropriate time.

## **26 Sharing the Success: Leeds Local Enterprise Growth Initiative (LEGI)**

The Director of City Development submitted a report on progress made on the implementation of Sharing the Success, the Leeds LEGI programme.

### **RESOLVED-**

- (a) That the programme as commissioned to date by the programme Board be endorsed

- (b) That decisions on expenditure in line with the approved Officer Delegation Scheme be taken by the Director of Development in consultation with the LEGI Board
- (c) That further annual reports on progress in implementing the LEGI programme be brought to the Board.

**27 Kirkgate Market Development Strategy Update**

Further to minute 274 of the meeting held on 18<sup>th</sup> May 2005, the Director of City Development submitted a report detailing the outcome of the public consultation regarding Kirkgate Market and inviting consideration of the alternatives available for moving the preferred redevelopment option forward.

**RESOLVED-**

- (a) That the results of the public and tenant and trader consultation be noted and that development proposals continue to be advanced on the basis of those set out in the consultation document and on the basis of the accord shown in the public, tenant and trader opinions as set out in section 3 of the report;
- (b) That the informal discussions with the Leeds Partnership be noted;
- (c) That the commencement of an initial three month period of exclusivity with the Leeds Partnership in order to identify a suitable development option for Kirkgate Market be approved;
- (d) That officers bring back a further report to this Board detailing the outcome of the discussions with the Leeds Partnership.

DATE OF PUBLICATION	13 <sup>TH</sup> June 2008
LAST DATE FOR CALL IN (5.00 PM)	20 <sup>TH</sup> June 2008

(Scrutiny Support will notify Directors of any items Called In by 12 noon on Monday 23<sup>rd</sup> June 2008)

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Appendix 5

LEEDS CITY COUNCIL

FORWARD PLAN OF KEY DECISIONS - Extract relating to Scrutiny Board (Central & Corporate Functions)

For the period 1 July 2008 to 31 October 2008

<b>Key Decisions</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>Documents to be Considered by Decision Maker</b>	<b>Lead Officer (To whom representations should be made)</b>
<p>Big Lottery Funding for Construction of Fixed Play Areas - Capital Scheme 14769</p> <p>Approval of the fully funded injection of £820k from the Big Lottery Fund into the 2008/09 Capital Programme for the design and construction of eight play areas throughout the City. The play areas are Cragside Recreation Area, Deepdale Park, Harehills Park, Hesketh Lane Park, Meanwood Park, Middleton Park, Rookwood Park and Tyresal Park.</p>	Director of Resources	1/7/08	Ward Members / Local Schools and Local Community	Design and Cost Report	Director of Resources
<p>Lower Wortley Road Improvements Authority to Spend from DOR</p>	Director of Resources	1/7/08	None	Design and Cost Report and Delegated Decision Notice	Director of Resources

<b>Key Decisions</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>Documents to be Considered by Decision Maker</b>	<b>Lead Officer (To whom representations should be made)</b>
Financial Management Restructure Approval of the Restructure of the Authority wide Financial Management function.	Director of Resources	1/8/08	Extensive consultation with Unions and other stakeholders including staff planned from late June 2008.	Chief Officer Delegated Decision report	Director of Resources
Staff Structure for Corporate Property Management Approval of a staffing structure for the new Corporate Property Management Services within the Resources Directorate.	Director of Resources	1/8/08	Consultation with staff and Unions to take place over June and July	Delegated Decision Report	Director of Resources

## **NOTES**

Key decisions are those executive decisions:

- which result in the authority incurring expenditure or making savings over £250,000 per annum, or
- are likely to have a significant effect on communities living or working in an area comprising two or more wards

<b><u>Executive Board Portfolios</u></b>	<b><u>Executive Member</u></b>
Central and Corporate	Councillor Richard Brett
Development and Regeneration	Councillor Andrew Carter
Environmental Services	Councillor Steve Smith
Neighbourhoods and Housing	Councillor John Leslie Carter
Leisure	Councillor John Procter
Children's Services	Councillor Stewart Golton
Learning	Councillor Richard Harker
Adult Health and Social Care	Councillor Peter Harrand
Leader of the Labour Group	Councillor Keith Wakefield
Leader of the Morley Borough Independent Group	Councillor Robert Finnigan
Advisory Member	Councillor Judith Blake

In cases where Key Decisions to be taken by the Executive Board are not included in the Plan, 5 days notice of the intention to take such decisions will be given by way of the agenda for the Executive Board meeting.

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