

## SCRUTINY BOARD (CITIZENS AND COMMUNITIES)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 9th January, 2017 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**

B Anderson (Chair)	Adel and Wharfedale;
C Campbell	Otley and Yeadon;
R Grahame	Burmantofts and Richmond Hill;
M Harland	Kippax and Methley;
G Hyde	Killingbeck and Seacroft;
J Illingworth	Kirkstall;
K Maqsood	Gipton and Harehills;
M Robinson	Harewood;
R. Stephenson	Harewood;
K Wakefield	Kippax and Methley;
N Walshaw	Headingley;

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*Please note: Certain or all items on this agenda may be recorded*

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**Principal Scrutiny Adviser:**  
**Angela Brogden**  
**Tel: 24 74553**

Produced on Recycled Paper

# 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 Head of Governance Services 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> <p><b>No exempt items have been identified.</b></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>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</b></p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p><b>MINUTES - 7 NOVEMBER 2016</b></p> <p>To confirm as a correct record, the minutes of the meeting held on 7<sup>th</sup> November 2016.</p>	1 - 6
7			<p><b>PERFORMANCE REPORT</b></p> <p>To receive a report from the Assistant Chief Executive (Citizens and Communities) presenting performance information relevant to the Board's remit.</p>	7 - 34
8			<p><b>FINANCIAL HEALTH MONITORING</b></p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting the latest Financial Health Monitoring information for the Board's consideration.</p>	35 - 68
9			<p><b>2017/18 INITIAL BUDGET PROPOSALS</b></p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting the initial budget proposals for 2017/18.</p>	69 - 124

Item No	Ward/Equal Opportunities	Item Not Open		Page No
10			<p><b>WORK SCHEDULE</b></p> <p>To consider the Board's work schedule for the forthcoming municipal year.</p>	125 - 148
11			<p><b>DATE AND TIME OF NEXT MEETING</b></p> <p>Monday, 13 February 2017 at 10.00 am (Pre-meeting for all Board Members at 9.30 am)</p> <p><b>THIRD PARTY RECORDING</b></p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> <li>a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</li> <li>b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</li> </ul>	

## SCRUTINY BOARD (CITIZENS AND COMMUNITIES)

**MONDAY, 7TH NOVEMBER, 2016**

**PRESENT:** Councillor B Anderson in the Chair

Councillors C Campbell, R Grahame,  
M Harland, G Hyde, J Illingworth,  
K Maqsood, R. Stephenson, K Wakefield,  
N Walshaw and Wilkinson

### **44 Late Items**

The following late and supplementary information was submitted to the Board:

Agenda item 7 – Draft report of the Scrutiny Board following its review of the development of a revised Council Tax Support scheme.

The above information was not available at the time of agenda despatch, but was subsequently made available on the Council's website.

### **45 Declaration of Disclosable Pecuniary Interests**

There were no disclosable pecuniary interests declared to the meeting.

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

An apology for absence was submitted by Councillor M Robinson.  
Notification had been received that Councillor G Wilkinson was to substitute for Councillor M Robinson.

### **47 Minutes - 10 October 2016**

**RESOLVED** – That the minutes of the meeting held on 10<sup>th</sup> October 2016 be approved as a correct record.

### **48 Development of a revised Council Tax Support Scheme - draft scrutiny report**

The report of the Head of Governance and Scrutiny Support made reference to the recent review undertaken by the Scrutiny Board on the development of a revised Council Tax Support scheme and that the Board's findings and recommendations were set out in the Board's draft report for formal consideration and approval.

The following were in attendance for this item:

- James Rogers, Assistant Chief Executive (Citizens and Communities)

Draft minutes to be approved at the meeting  
to be held on Monday, 9th January, 2017

- Councillor Debra Coupar, Executive Member for Communities
- Steve Carey, Chief Officer Welfare and Benefits

In consideration of its draft report, the Board agreed to revise the wording of recommendation 3 (i) and the supporting narrative within the report, to make it clearer that the Scrutiny Board supports the option to remove protections entirely from 1<sup>st</sup> April 2017 for the majority of protected groups and only maintain protections for War Pensioners.

**RESOLVED** – That the Scrutiny Board approves its draft report on the development of a revised Council Tax Support scheme subject to the amendments set out above.

#### **49 Update on delivery of the Community Hubs programme**

The report of the Chief Officer Customer Access provided an update on the delivery of the Community Hubs programme at the request of the Scrutiny Board.

The following were in attendance for this item:

- James Rogers, Assistant Chief Executive (Citizens and Communities)
- Councillor Debra Coupar, Executive Member for Communities
- Susan Murray, Head of Customer Contact, Customer Services

The key issues raised were as follows:

- The Board was very pleased to note the positive feedback from two external assessments of the Community Hubs (The Matrix Assessment and the Customer Service Excellence Accreditation).
- Members discussed the range of services being monitored by Community Hubs as key indicators of success.
- Particular reference was made to the numbers of individuals being assisted into work through the Community Hub Job Shops (it was noted that 394 individuals had been assisted into work during October 2016).
- The Board acknowledged the continual efforts of the Council to develop real integration with a wide range of services and partners, with particular reference made to the ongoing success of the Money Buddies initiative.
- A member of the Board made reference to a utility company (Yorkshire Water) who had recently stated on their bills that customers who are not connected to service water drainage could be eligible for a rebate. As the onus was placed on the customer to apply for this rebate, this was highlighted as an example where Customer Service Officers could proactively prompt and assist eligible customers in applying for this saving.
- The Board noted the existing progress in relation to Phase 2 of the programme.
- In particular, the Board acknowledged the updated position in relation to Horsforth Museum following the Board's previous discussions during the Call In meeting in July 2016.

- The Board was pleased to note that all the Hubs had seen an increase in residents using the buildings, with particular figures cited for the 5 new Community Hubs in Kippax, Pudsey, Rothwell, Horsforth and Moor Allerton. However, particular clarification was sought on whether the recent success of the new Kippax Hub (with a 95% increase in people using the building) was having an effect on the numbers of people accessing neighbouring services based in Garforth.
- The Board was pleased to learn that Community Hub and One Stop Centre staff had already undertaken Dementia Friendly training and that this will also be rolled out to Library staff.
- Reference was made to the current progress on developing Phase 3 of the programme, with the intention of producing a Business Case by Spring 2017. It was therefore agreed that the Scrutiny Board would receive a further update report early in the New Year to help inform the development of this Business Case.

#### **RESOLVED –**

- (a) That the report be noted.
- (b) That the Scrutiny Board receives a further update report in relation to the development of the Phase 3 Programme Business Case early in the New Year.

(Councillor J Illingworth arrived to the meeting at 10.20 am during the consideration of this item)

#### **50 Scrutiny Inquiry into reducing repeat customer contacts through tackling failure demand.**

The report of the Head of Governance Services and Scrutiny Support presented draft terms of reference relating to the Board's forthcoming inquiry into reducing repeat customer contacts through tackling failure demand.

The Board also received a presentation on the key areas set out in accordance with session one of the inquiry. These included:

- The general determinants of service failure and the key factors that contribute to receiving repeat customer contact (focusing on policy, people, process and information).
- The extent to which customer services can implement solutions that help identify customers who repeatedly contact the council due to service failure with the aim of mitigating the impact on their health and wellbeing.

The following were in attendance for this item:

- James Rogers, Assistant Chief Executive (Citizens and Communities)
- Councillor Debra Coupar, Executive Member for Communities
- Adam Quesne, Head of Customer Contact
- Wendy Allinson, Citizens@Leeds Development Team Lead

The key areas of discussion were as follows:

- Escalating cases - Board Members identified the need to explore the existing mechanisms in place for Elected Members to escalate particular cases to senior staff, including during out of hours, and agreed to incorporate this into the terms of reference for this inquiry.
- Priority areas for investigation – Members acknowledged the 3 key service areas that generate the greatest volume of calls and also failure demand (Housing, Council Tax and Benefits). It was noted that these would be considered in greater detail during future inquiry sessions.
- Cost analysis of failure demand - Members were pleased to note that work is underway to pull together case study evidence to demonstrate reasons for failure demand in particular service areas along with the associated costs to the Contact Centre. It was requested that this information also be made available as part of this inquiry.
- Examples of joined up working – Members requested examples of previous joined up working initiatives between Customer Services and the 3 specific service areas which had led to improved outcomes for customers.
- Geographical intelligence – Members queried the extent to which data analysis is undertaken by the Contact Centre to establish potential variances in service across the city which could assist in identifying solutions with the relevant service areas. It was agreed that this would be explored further with the specific service areas as part of the future inquiry sessions.
- General data analysis – Members acknowledged that whilst the Contact Centre is data rich, it lacks the analytical ability to turn that data into intelligence to assist in longer term planning.
- Examples of letters to customers – in acknowledging that repeat calls often stem from customers receiving confusing information, Members requested that examples of letters sent to customers are considered as part of the future inquiry sessions.

**RESOLVED -**

- (a) That the draft terms of reference for the Board's Inquiry into reducing repeat customer contact through tackling failure demand be approved, subject to the amendment set out above.
- (b) That the additional information requested by the Board, as set out above, is considered as part of the future inquiry sessions.

**51 work schedule**

The report of the Head of Governance Services and Scrutiny Support invited Members to consider the Board's work schedule for the municipal year.

In doing so, the Board agreed to cancel its next scheduled meeting on Monday 8<sup>th</sup> December 2016 and to hold a working group meeting on this date to undertake the second session of its inquiry into reducing repeat customer contact through tackling failure demand.

Draft minutes to be approved at the meeting  
to be held on Monday, 9th January, 2017



**RESOLVED –**

- (a) That the Scrutiny Board's scheduled meeting on Monday 8<sup>th</sup> December 2016 be cancelled.
- (b) That a working group meeting is held on Monday 8<sup>th</sup> December 2016 to undertake the second session of the Board's Inquiry into reducing repeat customer contact through tackling failure demand.

**52 Date and Time of Next Meeting**

Monday, 9<sup>th</sup> January 2017 at 10 am (Pre-meeting for all Board Members at 9.30 am).

(The meeting concluded at 11.30 am).

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**Report of: Assistant Chief Executive (Citizens and Communities)**

**Report to: Citizens and Communities Scrutiny Board**

**Date: 9<sup>th</sup> January 2017**

**Subject: Quarterly Performance Report (Q2&3)**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

## 1. Summary of main issues

This report provides information on the Citizens and Communities Directorates' contribution to the delivery of the updated (2016/17) Best Council Plan 2015-20 that are under the Board's remit, alongside service performance information from key areas between 1<sup>st</sup> July 2016 – 30<sup>th</sup> November 2016 (quarters 2&3). It allows the Assistant Chief Executive (Citizens and Communities) an opportunity to highlight the Directorates contribution to the delivery of the Council's priorities, outline good performance and progress, as well as identify any emerging areas of concern or risk across the directorate.

## 2. Recommendations

Members are invited to consider the Qtr 2&3 performance report of the Assistant Chief Executive (Citizens and Communities) which outlines the contribution that the service has made to the delivery of the updated Best Council Plan 2016/17 and provides an overview of service level performance, and make comments on any areas for improvement or interest.

### 3. Purpose of this report

The purpose of the report is to provide the Board with an update from the Assistant Chief Executive (Citizens and Communities), highlighting areas of good performance as well as challenges, and emerging areas of concern or risks relating to the Directorates contribution to the delivery of the updated Best Council Plan 2015-20 that are under the Board's remit, alongside information on Performance from key service areas within the Citizens and Communities directorate.

### 4. Background information

- 4.1 The Best Council Plan (BCP) 2015 – 20 was updated in April 2016, to reflect the priorities and related indicators that the Council and its partners will focus on throughout 2016/17.
- 4.2 A refresh of the Best Council Plan will take place for 2017/18 to simplify the indicators and priorities, and make clearer links to the 8 Council Breakthrough projects. The refreshed plan will be presented to the February Executive Board meeting, and a cross party scrutiny working group is being established to support this piece of work.
- 4.3 The Citizens and Communities Directorate will contribute to the delivery of most, if not all of the BCP priorities and indicators through their work. However, they will take a lead on the direct delivery of the following priorities:
- Supporting communities, raising aspirations
  - Helping people adjust to welfare changes
  - Supporting economic growth and access to economic opportunity & providing skills programmes and employment support – *working closely with the Employment and Skills Service through the city's network of Job Shops*
- 4.4 The current Indicator assigned to the Citizens and Communities Directorate in the Best Council Plan 20 for 2020 is:
- % of Leeds households in receipt of a welfare benefit and in work
- Performance against this indicator is not available at the time of writing this report, and will therefore be reported at the end of qtr4 2016/17.
- 4.5 Furthermore, Citizens and Communities will also lead on the development and delivery of the new Breakthrough programme; Stronger Communities Benefitting from a Strong City, which aims to:
- Strengthen community resilience and sustainability,
  - Promote community cohesion,
  - Enhance community conversations and capacity and;
  - Raise community aspirations

- Tackle all forms of extremism

- 4.6 Through the delivery of the Stronger Communities programme and the work of the wider directorate, links are being made to the other breakthrough projects; More jobs, better jobs; Making Leeds the best city to grow old in; Tackling domestic violence and abuse; Early interventions and reducing health inequalities; Housing growth and high standards and World class events and a vibrant city centre.
- 4.7 Service specific performance measures continue to be collected and analysed across the directorate to help assess service performance and identify areas for improvement and / or development.

## **5. Main issues**

### **5.1 Service Performance Overview**

This section of the report provides an overview of service performance, highlighting successes, challenges and priorities for the forthcoming period. Appendices 1, 2, & 3 provide a more detailed breakdown of service level performance information against agreed targets.

### **5.2 Customer Access – Performance Against Targets / Service Highlights**

#### **5.2.1 Face to Face – Helping People in to Work**

There has been a 41% increase in the number of starts referred to the Personal Work Support Programme (PWSP) in quarter 2. This is due to the expanded eligibility criteria for the programme, now including those in receipt of JSA and Council Tax Support since 01 April 2015. There are currently 619 customers on the programme being supported through a 1:1 casework model. The job outcomes from this programme have exceeded the annual target by 21% at the end of November.

There have been 20,106 visits to the Jobshops from April to September 2016/17, which is a 20% decrease on the same period in 2015/16 (25,059). This is likely to be linked to a number of factors including a decrease in the number of people actively seeking work, buoyancy of the local vacancy supply and the increase in PWSP take-up (offering support to those that may have otherwise presented voluntarily to Jobshops had they not been required to attend PWSP). The Jobshops reporting the highest number of visits are Compton (4,734), Great George Street (4,294) and Dewsbury Road (2,990). The Jobshops reporting the lowest number of visits are St Georges (894), Pop Ups (865), The Point (537).

#### **5.2.2 Face to Face - Enquiries**

Face to face enquiries have seen an 18% increase in enquiries compared to this point last year. Hubs have undergone some development with new Hub locations and extended services and opening times which have contributed to this increase.

### **5.2.3 Face to Face - Library Data Development**

In the previous report it was noted that library data specific to Customer Service hubs was unavailable. However, data tables have been corrected and backdated to show hub only data which is now available on the appendix below. Main points are:

- Visits at this point in the year are 6% down on last year, mainly due to Qtr1 performance with Qtr2 and Qtr3 trend at similar levels to last year.
- Borrowing is also 6% down on the same time last year with lower performances than last year in both Qtr1 and Qtr2. Qtr3 trend shows similar levels to last year.
- IT use to date is 11% down on last year and has been down on all Qtrs so far this year.

### **5.2.4 Contact Centre**

The Contact Centre has seen no significant under/over achievement with performance measures generally being around the expected/target levels.

However, year to date, the Contact Centre has seen a 31% reduction in average call wait times compared to last year. This is helped by improved performance management and more strategic recruitment to match peaks in demand.

## **5.3 Successes and Good News Stories**

### **5.3.1 Customer Access - Complaints Development**

New approaches have been implemented towards early resolution of complaints rather than these being logged formally. This has led to a reduction in the volume of complaints being logged, increases customer satisfaction and reduces officer time taken to investigate complaints. Current data suggests that complaints are reducing and compliments have increased (see appendix 2 for stats).

### **5.3.2 Face to Face - Mental Health Employability Project:**

This commenced in May 2016. Leeds MIND has 2 staff deployed across 3 Hub sites (Armley, Dewsbury Road and Reginald Centre) to offer an individual, tailored offer of support to those customers presenting with mild to moderate mental ill health. Interest in the programme has been so great that referrals have exceeded targets to a degree that we have temporarily suspended further referrals on a short term basis to avoid any detrimental impact on service quality.

### **5.3.3 Face to Face - Victoria Leeds:**

A number of Hubs provided support to customers attending the Victoria Roadshows featuring opportunities from John Lewis. Job outcome data will not be available for some time but the support to customers during high volume attendance was well received.

### **5.3.4 Face to Face - Jobshops**

Sending bulk texts to Jobshop customers, rather than relying on other forms of communication has resulted in an additional 80 job outcomes.

Best practice workshops have taken place across the Jobshops to identify and share good practice, and to identify any support or training needs.

#### **5.3.5 Contact Centre - Elite Multi-Channel (EMC, email system)**

The implementation of Elite Multi Channel (EMC) to manage email volumes has led to more accurate reporting and improved efficiency in dealing with emails. This is still in development, please see challenges below (5.4).

#### **5.3.6 Digital - Web/Online Development**

The web team have focused on improving the customer experience when using our website and on-line services. The findings from their research is being used on a continual basis to improve content, functionality and accessibility to encourage customers to use and re-use, and raising the awareness of our digital services amongst staff so they effectively signpost customers.

### **5.4 Challenges / Points of Interest**

#### **5.4.1 Face to Face – PWSP and Jobshop performance**

The number of referrals to the PWSP has increased considerably and is impacting Jobshop capacity. Two key actions being taken in response to this are:

- The Employment & Skills service is reviewing the type and sequence of the PWSP components to better connect customers to partner services and maximise the city's support offer, including that referenced above.
- We are devising a new triage model to better identify PWSP customer barriers and to ascertain more accurately their work readiness and support requirements. This will improve consistency across Jobshops.

#### **5.4.2 Contact Centre - Elite Multi-Channel (EMC, email system)**

The implementation of the Elite Multi Channel (EMC, email system) has highlighted that previous reports included Customer Service email volumes received via Siebel CRM and Discoverer but failed to include all emails received through Outlook. Using new technology, reports now include all email contact and reports have been backdated to April 2016. Given this, year on year comparison is not appropriate. Work is ongoing to develop a new baseline for reporting purposes.

### **5.5 Customer Access – Priorities for Qt4 2016/17 include:**

#### **5.5.1 Service Reviews**

Work is ongoing to deliver against the range of service reviews identified for customer access to deliver the near £1m savings required in 2017/18. Progress on the delivery of the actions is currently on track.

#### **5.5.2 Face to Face – Community Hub development**

Hub Development is underway with a number of sites in progress or due for development. Moor Allerton back office and Deacon House refurbishment is underway, Dewsbury Road is planned in for March 2017 and Bramley

refurbishment is awaiting a tender to a private contractor. Plans are also in progress for additional Hubs in Headingley and Morley. These works will likely increase footfall to Face to Face services over time.

## **5.6 Elections, Licensing and Registration - Performance Against Targets**

**5.6.1 Electoral Services** - There is no target set for the number of electors on the register of electors. However, it is evident that the electorate has dropped and this is due to the recent completion of the annual canvass and subsequent publication of the revised register of electors on 1 December 2016. Students who have moved out of the Leeds area have now been removed in accordance with regulations. The addition of the new influx of students is a lengthy process and we don't usually see the numbers return to the register until nearer to an election (March/April). As there are no scheduled elections in 2017 in the Leeds area this number may not increase much during the life of the revised register. The electorate is still significantly higher than December 2015 when it was just over 529,000.

**5.6.2 Registrars** - Allocation of resources to ensure that death registration appointments are available within the national target (2 working days) is a priority for the service. Our own working target is 1 working day, which although not achieved, helps to ensure that we meet the national target

## **5.7 Successes and Good News Stories**

**5.7.1 Electoral Services** - The Electoral Services Team successfully completed the annual canvass and published the 1 December revised register in accordance with regulations. The team managed to do this with half the usual number of casual staff and worked extremely hard to meet targets and deadlines throughout the canvass timetable.

**5.7.2 Registrars** - We continue to work with partners (Leeds Hospitals Bereavement Service and Customer Services) to encourage registration of deaths within 5 days. Whilst we have still not reached our target we are confident that in most cases this is due to external factors and customer choice. Our performance improvement (87% cumulative) now places us well above the national average (80%).

## **5.8 Challenges / Points of Interest**

**5.8.1 Local Land Charges** - The service has faced significant problems with its IT system (Total Land Charges) since February 2016. The service has managed to maintain a high performance standard despite this, largely because of considerable effort by staff. ICT have given the issue a high priority, and together with the software supplier, work is in progress to bring the issue to resolution.



**5.8.2 Electoral Services** - We are currently preparing for a Neighbourhood Planning Referendum for the Clifford Neighbourhood Planning area which will take place on 26 January 2017.

**5.8.3 Registrars** - The Christmas closedown is likely to have an impact on performance during the early weeks of the New Year as we will have to deal with a backlog of business which will compete for resources alongside death registrations. Maintaining a limited service over the Christmas period will help us to reduce these effects.

The lack of suitable private interview spaces at 2 Great George continues to impede our service delivery as we only have a limited number of rooms in which to carry out our work.

## **5.9 Elections, Licensing and Registration – Priorities for Qt4 2016/17 include:**

**Electoral Services** - The forthcoming qtr will see us write to 50,000 registered postal voters to obtain fresh copies of their personal identifiers which we use to carry out security checks at the time of an election.

## **5.9 Welfare & Benefits - Performance Highlights**

**5.10.1 Universal Credit (UC)** - Government say that full roll out will occur nationally by 2022. Leeds has received confirmation that we will go live June 2018 with the “full digital service” meaning all new claims. Migration of existing Housing Benefit claims starts 2019 but there is no date yet for Leeds. To date only 6,732 UC claims have been made (from single, fit for work, jobseekers). As at end October 2016 approximately 3,300 claims are live on UC (with approximately 900 of these with a rental liability)

**5.10.2 Problem gambling** – The Authority has commissioned Leeds Beckett University to undertake research into the prevalence of problem gambling in Leeds. The findings and recommendations are being considered by a project group of Council officers and partners, before a prominent national conference to disseminate the findings is held in spring next year.

**5.10.3 Leeds Credit Union (LCU)** - LCU has been a prominent partner for over a decade in the Council's strategic priority of tackling poverty and promoting financial inclusion. Credit Union membership for the quarter ending September 2016 stands at 31,139, cash withdrawals total £6,780,930 and the value of “Financially Excluded loans” total £1,245,888. The total gross loan book for Leeds Credit Union has increased from £8m in 2012 to £11m this year – an increase of 27%.

**5.10.4 Welfare Advice** - The total number of customers seen from 1st July 2016 to 30th November 2016 was 16,009. This compares to 14,786 seen in the same period in 2015/16, a difference of 1223 (8.27%). It is difficult to say exactly why there has

been an increase in demand but contributing factors are due to the number of clients being moved from Disability Living Allowance to Personal Independence Payments and other Welfare Reforms generally.

**5.10.5 Welfare Appeals** – The total number of appeals received during the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> November 2016 was 384, this compares to 270 seen in the same period in 2015/16, an increase of 114 (42.23%). Again, this is largely due to clients being moved from Disability Living Allowance to Personal Independence Payments and those that have been turned down or put in the wrong group for ESA.

**5.10.6 Housing Benefit & Council Tax Support Caseload** – The reduction in caseload trend continued. In April 2016 the caseload was 79,224 and by December 2016 this had reduced to 76,577 a drop of 3.3%.

**5.10.7 Housing Benefit & Council Tax Support Speed Of Processing** – The speed of processing both New Claims and Changes Of Circumstance claims is much improved against 2015/16 performance from 27.4 days to 17.8 days for new, and from 17.25 to 13.60 for changes.

**5.10.8 Benefit Cap** - With effect from 07/11/2016 a change to the Benefit Cap was implemented, but only for Housing Benefit claims that, at the date of change, were already affected by the “old” Benefit Cap.

The annual level of the cap was reduced from £26,000 to £20,000 in respect of couples. This means the total value of benefits that can be received in the year is capped at these values, including those administered by the DWP and also Housing Benefit

With only Housing Benefit claims affected by the old levels are having their Cap Level reduced, there is no increase in the number of claims affected. It should be noted that HB claims that were not affected under the “old” cap, but who will become affected under the “new” reduced cap will only have their HB reduced from January 2017

236 existing cases were affected by the introduction of the new cap. Of concern was that previously there were around 20 housing benefit recipients on minimum Housing Benefit award of £0.50, this number rose to 148.

## **5.11 Challenges / Points of Interest**

**5.11.1 Welfare Appeals** - There is pressure going forward due to the increased number of appeals being received - the team are struggling to meet demand. Clients requesting an appeal appointment now, are having to wait until February 2017 to be seen. No other agency across the city has any real capacity to deal with very many appeals if any at all, so the team are unable to refer them on. Issues are also being encountered due to the short time frame between the papers being issued and the appeal date. This has resulted in the team being unable to see several clients recently as we simply did not have an available appointment prior to the appeal hearing.

**5.11.2 Welfare Rights Team** – The team is now fully staffed but is still under pressure due to the volume of work. With effect from 31.10.16 Law students from the University of Leeds have been providing a PIP form filling surgery at The Compton Centre. On a weekly basis, 4 students cover the 4 half day surgeries together seeing a total of 8 clients. This has allowed for additional form filling surgeries to be held at St Georges and Armley One Stop Centres.

**5.11.3 Benefit Cap** - Prior to the new cap, there was around a £12k loss in benefit per week. It is now £26k. The significant increase in reductions is across all the tenure types, Council Tenants, Housing Associations & Private Tenants.

The Service has sought to engage with affected clients to ensure they seek assistance through the Discretionary Housing Payments scheme.

**5.11.4 Housing Benefit & Council Tax Support Caseload** - The total housing benefit caseload peaked, from the affects of the recession, in March 2013, when there were 86,982 cases. Before the recession began, in May 2008, 49% of the caseload was of Pension Age and 51% Working Age, but by March 2013 with the increase in caseload the split had changed to 37% Pension Age and 63% Working Age.

In the period since March 2013 then there has been an ongoing decline in the overall caseload. By April 2014 the caseload had reduced to 85,826, a decrease of 1,156. The rate of decrease sped up thereafter, and by April 2015 it stood at 82,721 and in April 2016 it was 79,224. By December 2016 the caseload had reduced to 76,577, this is a decrease of 10,405 since its peak in March 2013. The split between Pension Age and Working Age cases through this period of declining caseload has varied little with the current split being 35% Pension Age and 65% Working Age.

## **5.12 Welfare and Benefits – Successes**

**5.12.1 Benefits Gains** - The total amount of benefit gains during the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> November 2016 is £9,934,207.00 this compares to £9,070,308.00 for the same period in 2015/16, an increase of £863,899.00 (9.52%)

**5.12.2 Welfare Rights Satisfaction Rating – Client Satisfaction:** Despite longer waiting times to answer incoming calls and delays in appeal reviews, the welfare rights unit score 99.25% good or excellent in client satisfaction survey.

**5.12.3 HB Subsidy Grant Claim** – The 2015/16 claim was signed off by the external auditors in respect of the £288m HB paid. This was subsequently authorised with no amendments by the DWP.

**5.12.4 New Homes Bonus** – The target of £4.3m was exceeded in Qtr 2.

**5.12.5 Single Person Discount** – Activity on this exercise concluded in Qtr 2 with additional generated income of £652k against a budget expectation of £200k

## **6.0 Corporate Considerations**

### **6.1 Consultation and Engagement**

6.2 This is a performance report for the Board's information and as such there is no need for wider consultation. If the Board determines that any performance area requires further investigation, then it may be decided that the views of interested parties should be sought or that existing information reflecting the views of customers and others stakeholders should be provided to the Board.

### **6.2 Equality and Diversity / Cohesion and Integration**

6.2.1 This is not a decision-making report and as such there is no need for an EIA screening document to be completed.

6.2.2 The business of the Citizens and Communities Scrutiny Board is to consider the extent to which the corresponding directorate is delivering council priorities and also to review and challenge performance in particular as outlined in the updated 2016/17 Best Council Plan 2015-20.

### **6.3 Council policies and City Priorities**

6.3.1 The performance information received by the Board allows it to assess and challenge performance in relation to the delivery of specific priorities within the updated 2016/17 Best Council Business Plan 2015-20.

6.3.2 The Citizens and Communities Directorate, Communities Service, lead on the delivery of the new Breakthrough programme; Stronger Communities Benefitting from a Strong City. The programme aims to:

- Strengthen community resilience and sustainability,
- Promote community cohesion,
- Enhance community conversations and capacity and;
- Raise community aspirations
- Tackle all forms of extremism

6.3.3 A refresh of the Best Council Plan will take place for 2017/18 to simplify the indicators and priorities, and make clearer links to the 8 Council Breakthrough projects. The refreshed plan will be presented to the February Executive Board meeting, and a cross party scrutiny working group is being established to support this piece of work.

## **6.4 Resources and value for money**

6.4.1 The Board has specifically asked that the performance information provided is based on information that is already available, and has determined that it will only require more detailed reports where it wants to examine performance areas in more depth, thereby ensuring that reporting arrangements remain efficient and effective.

## **6.5 Legal Implications, Access to Information and Call In**

6.5.1 The report is provided within the context of the formal role of Scrutiny Boards within the Council's constitution. There is no decision being made and there is therefore no call-in requirement.

## **6.6 Risk Management**

6.6.1 The provision of performance information to the Board is designed to enable the Board to fulfil its role effectively and as such will minimise the risks of non-delivery of Best Council Business Plan Priorities. Care is being taken to make use of existing data rather than create an additional reporting burden.

## **7. Recommendations**

Members are invited to consider the quarter 1 performance report of the Assistant Chief Executive (Citizens and Communities) which outlines the contribution that the service has made to the delivery of the updated Best Council Plan 2016/17 and make comments on any areas for improvement or interest

## **8. Background documents – None**

## **9. Appendices**

Appendix 1 - Customer Access Service Performance Indicators

Appendix 2 - Elections, Licensing & Registration Service Performance Indicators

Appendix 3 - Welfare and Benefits Service Performance Indicators

## Appendix 1: Customer Access

Title	Description	Target	Q1 16/17	Q2 16/17	Oct-16	Nov-16	Current QTR Projection	YTD 15/16	YTD 16/17	Total 15/16	Current YEAR Projection	Comments
Customer Satisfaction Combined F2F and CC	Combined satisfaction rates of customers who responded good or excellent in 5 scale question	95%	97%	96%	96%	96%	96%	<b>99%</b>	97%	99%	97%	On target. Contact Centre surveys are now included in data, as such previous year performance is not comparable.
Reduction in complaints	Complaint volumes	Reduction	900	998	<b>287</b>	0	<b>861</b>	2606	2185	4,323	3,746	On target. No reliable data is available for Qtr3 months at this time although year projections show a decrease of 15% on last year using average monthly figures. October/onward is incomplete.

## Appendix 1: Customer Access- Con't

Title	Description	Target	Q1 16/17	Q2 16/17	Oct-16	Nov-16	Current QTR Projection	YTD 15/16	YTD 16/17	Total 15/16	Current YEAR Projection	Comments
Increase in compliments	Compliment volume	Increase	390	400	90	0	270	851	880	1,362	1,509	On target. No reliable data is available for Qtr3 months at this time, using average projections shows an expected increase of 10% in compliments this year.
Jobshop Starts	Number of new customers registered at a Jobshop		1,679	1619	647	497	1,716	4074	4442	6,130	6,663	
Jobshop Job Outcomes	Number of customers on Jobshop books successful in gaining employment	3220	762	721	333	372	1,058	1658	2188	2,715	3,282	On target. Qtr 2 job outcomes were 5% down on Qtr1 however the first 2 months of Qtr3 3 has seen a large improvement. On track to meet 3220 target at current rates.

## Appendix 1: Customer Access- Con't

Title	Description	Target	Q1 16/17	Q2 16/17	Oct-16	Nov-16	Current QTR Projection	YTD 15/16	YTD 16/17	Total 15/16	Current YEAR Projection	Comments
Jobshop PWSP Job Outcomes	Number of PWSP customers successful in gaining employment	200	61	81	50	49	149	4	241	46	362	PWSP has seen increasing referrals and outcomes since starting with customer services in October 2015. Each Qtr seeing a 30% increase on the previous Qtr
Library Visits (HUB only)	Visits to libraries	NA	510,172	606,209	195,648	180,766	564,621	1,589,812	1,492,795	2,242,956	2,239,192	Cumulative Visits are 6% down on the same time last year
Library Items Issued (HUB only)	Items borrowed from libraries	NA	450,481	492,945	159,037	150,470	464,261	1,329,723	1,252,933	1,873,013	1,879,400	Cumulative Borrowing is 6% down on the same time last year
Library IT usage (HUB only)	Unique IT station uses by customers	NA	111,012	111,305	36,702	34,083	106,178	329,135	293,102	471,393	439,653	Cumulative IT use is 12% down on the same time last year
Email	Emails answered by the contact centre	NA	41,372	51,302	18,642	15,006	50,472	80,525	126,322	117,660	189,483	Figures in 16/17 not comparable to previous year after EMC development



## Appendix 1: Customer Access- Con't

Title	Description	Target	Q1 16/17	Q2 16/17	Oct-16	Nov-16	Current QTR Projection	YTD 15/16	YTD 16/17	Total 15/16	Current YEAR Projection	Comments
Face to face visits (enquiries) to one stops and hubs	Number of visits at F2F locations using enquiry data	NA	176,860	177,650	57,227	57,878	172,658	384,624	469,615	585,341	704,423	F2F has seen 18% more enquiries at this point in the year compared to last year.
Phone calls answered (CSO & IVR)	Phone calls answered by the contact centre	NA	336,297	314,448	97,596	102,146	299,613	823,044	850,487	1,239,314	1,275,731	Call volumes are up 3% on last year at this point
Touch screen and public access PCs	Number of unique uses of Self-Serve IT stations in F2F areas	NA	2,888	2,771	917	1,078	2,993	7,742	7,654	11,613	11,481	
Web visits	Number of unique visits to LCC public website addresses	NA	4,407,819	3,960,677	1,280,244	1,245,206	3,788,175	11,509,110	10,893,946	17,365,466	16,340,919	Web use has reduced by 11% in Qtr2 compared to Qtr1 with Qtr3 projections showing a 5% reduction on Qtr2. Overall year to date is down 6%

## Appendix 1: Customer Access- Con't

Title	Description	Target	Q1 16/17	Q2 16/17	Oct-16	Nov-16	Current QTR Projection	YTD 15/16	YTD 16/17	Total 15/16	Current YEAR Projection	Comments
Call answer rate (incl. IVR)	Percentage of calls offered to the contact centre answered before abandon	90%	92%	88%	88%	91%	90%	86%	90%	86%	90%	On target: Qtr 2 just below target but Q3 likely to meet target at current rate. Year projections are showing likely to meet exact target at 90%
Call wait (average time to answer)	Wait time on lines for customers calling the contact centre on average	5 mins	02:58	04:27	04:31	03:22	03:57	04:54	03:44	04:54	03:44	On Target. Call wait times have reduced by around 31% this year compared to last year
Complaint response time (% complaints responded in 10 days)	Percentage of complaints responded to inside agreed timescales	95%	92%	92%	<b>96%</b>		<b>96%</b>	91%	93%	91%	93%	Data is incomplete at this time however, where available, this has shown to be under the 95% target. More reliable data is likely to be available in Qtr4

## Appendix 2: Elections, Licensing and Registration

Performance Indicator	2016/17 cumulative	Target	Q1	Q2&3 1 Jul – 30 Nov 16)	Q3&4 (1 Dec 16 – 31 Jan 17)	2015/16
<b>Local Land Charges</b> % of local authority searches processed within 3 working days	100%	90%	100%	99.73%		99%
<b>Elections</b> Number of people on the Register of Electors	561,395	N/A	561,395	553,809	*552,864	534,550
<b>Registrars</b> Availability of appointments to register a death within 2 working days of customer contact	100%	95%	100%	100%		100%
<b>Registrars</b> Registration of deaths within 5 days of death	84%	90%	84%	86%		87%

\*Note: published electorate on 1 December 2016

## Appendix 3: Welfare and Benefits

### UNDER OCCUPANCY DETAILS

#### Details Of Claims Affected By Under Occupancy

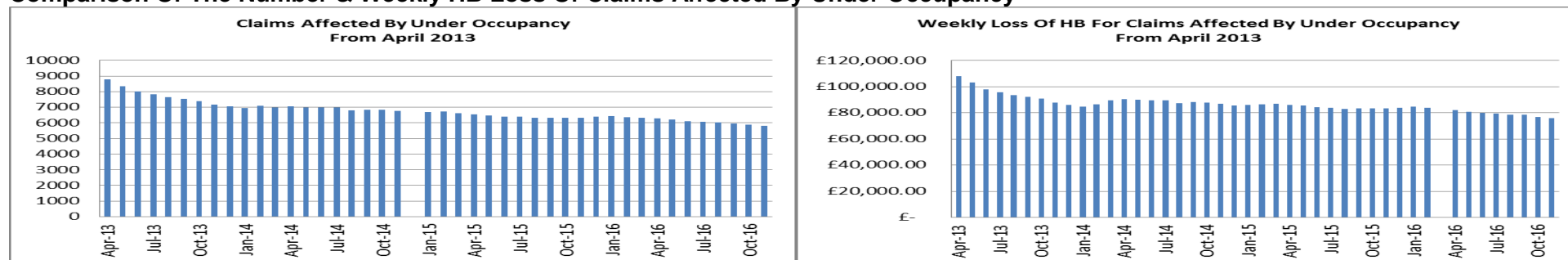
**NB: Details of the split between ALMO and BITMO and also those of arrears were not available for November 2016**

NUMBER OF CLAIMS AFFECTED BY UNDER OCCUPATION												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
BITMO	131	123	129	135	137	140	127	Not Available				
HSG LEEDS	4897	4818	4743	4712	4678	4614	4563	Not Available				
<b>TOTAL HSG LEEDS &amp; BITMO</b>	<b>5028</b>	<b>4941</b>	<b>4872</b>	<b>4847</b>	<b>4815</b>	<b>4754</b>	<b>4690</b>	<b>4617</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
HA/RSL	1276	1274	1239	1238	1219	1219	1180	1188				
<b>CITY TOTAL</b>	<b>6304</b>	<b>6215</b>	<b>6111</b>	<b>6085</b>	<b>6034</b>	<b>5973</b>	<b>5870</b>	<b>5805</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

WEEKLY LOSS IN HB FOR CLAIMS AFFECTED BY UNDER OCCUPATION - BY HSG LEEDS BITMO & RSL												
	April	May	June	July	August	September	October	November	December	January	February	March
BITMO	£ 1,594.62	£ 1,508.66	£ 1,586.67	£ 1,671.84	£ 1,720.96	£ 1,751.18	£ 1,601.60	Not Available				
HSG LEEDS	£ 60,359.68	£ 58,994.52	£ 58,508.42	£ 58,306.44	£ 57,371.78	£ 57,426.83	£ 56,432.96	Not Available				
<b>TOTAL</b>	<b>£ 61,954.30</b>	<b>£ 60,503.18</b>	<b>£ 60,095.09</b>	<b>£ 59,978.28</b>	<b>£ 59,092.74</b>	<b>£ 59,178.01</b>	<b>£ 58,034.56</b>	<b>£ 57,159.57</b>	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>
HA/RSL	£ 20,110.11	£ 20,132.26	£ 19,628.29	£ 19,646.85	£ 19,373.85	£ 19,346.32	£ 18,768.44	£ 18,918.00				
<b>CITY TOTAL</b>	<b>£ 82,064.41</b>	<b>£ 80,635.44</b>	<b>£ 79,723.38</b>	<b>£ 79,625.13</b>	<b>£ 78,466.59</b>	<b>£ 78,524.33</b>	<b>£ 76,803.00</b>	<b>£ 76,077.57</b>	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>

#### Comparison Of The Number & Weekly HB Loss Of Claims Affected By Under Occupancy



#### Details Of Children Affected By Under Occupancy:

NUMBER OF CLAIMS WITH CHILDREN AFFECTED BY UNDER OCCUPATION												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
HSG LEEDS & BITMO	1011	976	955	944	947	930	921	917				
HA/RSL	419	426	399	399	386	382	373	382				
<b>CITY TOTAL</b>	<b>1430</b>	<b>1402</b>	<b>1354</b>	<b>1343</b>	<b>1333</b>	<b>1312</b>	<b>1294</b>	<b>1299</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
TOTAL NUMBER OF CHILDREN AFFECTED BY UNDER OCCUPATION												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
HSG LEEDS & BITMO	1579	1510	1468	1451	1464	1430	1413	1397				
HA/RSL	734	740	699	700	681	669	660	677				
<b>CITY TOTAL</b>	<b>2313</b>	<b>2250</b>	<b>2167</b>	<b>2151</b>	<b>2145</b>	<b>2099</b>	<b>2073</b>	<b>2074</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Details Of Arrears In Respect Of Housing Leeds / BITMO Claims Affected By Under Occupancy

VALUE OF UNDER OCCUPIED CLAIMS WITH RENT ARREARS - BY ALMO												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
BITMO	£ 19,364.62	£ 14,224.02	£ 16,028.96	£ 17,331.83	£ 16,552.96	£ 18,691.23	£ 18,272.32	Not Available				
HSG LEEDS	£ 739,446.21	£ 701,457.37	£ 677,177.13	£ 649,607.76	£ 622,004.51	£ 583,897.45	£ 600,794.10	Not Available				
<b>TOTAL</b>	<b>£ 758,810.83</b>	<b>£ 715,681.39</b>	<b>£ 693,206.09</b>	<b>£ 666,939.59</b>	<b>£ 638,557.47</b>	<b>£ 602,588.68</b>	<b>£ 619,066.42</b>	<b>Not Available</b>	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>
NUMBER OF UNDER OCCUPIED CLAIMS WITH RENT ARREARS BY ALMO												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
BITMO	64	57	55	70	77	75	66	Not Available				
HSG LEEDS	2544	2439	2330	2347	2328	2217	2251	Not Available				
<b>TOTAL</b>	<b>2608</b>	<b>2496</b>	<b>2385</b>	<b>2417</b>	<b>2405</b>	<b>2292</b>	<b>2317</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Details Of The Number Of Claims And Weekly Benefit Lost Due To Under Occupancy By Ward

		Nov-16							
	HSG LEEDS & BITMO NUMBER	HSG LEEDS & BITMO £	HA / RSL NUMBER	HA / RSL £		HSG LEEDS & BITMO NUMBER	HSG LEEDS & BITMO £	HA / RSL NUMBER	HA / RSL £
Adel and Wharfedale	26	£ 376.31	14	£ 169.34	Horsforth	81	£ 1,075.48	9	£ 147.81
Alwoodley	103	£ 1,237.99	28	£ 483.18	Hyde Park and Woodhouse	188	£ 2,292.59	96	£ 1,652.43
Ardsley and Robin Hood	62	£ 843.51	29	£ 428.55	Killingbeck and Seacroft	439	£ 5,547.68	58	£ 867.07
Armley	267	£ 3,119.65	74	£ 1,229.99	Kippax and Methley	64	£ 914.95	13	£ 213.40
Beeston and Holbeck	215	£ 2,463.72	28	£ 428.83	Kirkstall	234	£ 2,955.52	18	£ 265.73
Bramley and Stanningley	246	£ 3,108.78	27	£ 422.26	Middleton Park	320	£ 3,937.95	71	£ 1,115.48
Burmantofts and Richmond Hill	405	£ 4,680.37	92	£ 1,387.57	Moortown	38	£ 473.85	57	£ 916.67
Calverley and Farsley	44	£ 575.09	5	£ 102.03	Morley North	65	£ 791.22	14	£ 242.79
Chapel Allerton	190	£ 2,348.07	104	£ 1,721.25	Morley South	103	£ 1,147.31	14	£ 202.43
City and Hunslet	135	£ 1,677.03	83	£ 1,357.38	Otley and Yeadon	85	£ 998.08	13	£ 199.58
Cross Gates and Whinmoor	119	£ 1,566.05	29	£ 454.74	Pudsey	110	£ 1,449.63	23	£ 375.10
Farnley and Wortley	221	£ 2,654.13	11	£ 173.64	Rothwell	126	£ 1,628.60	37	£ 552.87
Garforth and Swillington	56	£ 717.00	2	£ 46.17	Roundhay	55	£ 689.74	37	£ 630.65
Gipton and Harehills	251	£ 3,188.71	121	£ 1,856.90	Temple Newsam	162	£ 2,115.12	31	£ 457.61
Guiseley and Rawdon	38	£ 478.93	5	£ 67.05	Weetwood	104	£ 1,239.02	12	£ 208.47
Harewood	18	£ 255.18	2	£ 28.91	Wetherby	40	£ 525.23	10	£ 179.83
Headingley	7	£ 87.08	21	£ 332.29					

## BENEFIT CAP

### Details Of The Number Of Cases and The Financial Affect Of The Benefit Cap

**Note: The month marked as “November\*” reports details of claims affected immediately after the reduced Benefit Cap was introduced for existing claims**

Number Of Claims Affected By The Benefit Cap													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Claims Affected By Benefit Cap At Date Of Extract	259	263	249	261	275	254	249	236	225				

Number Of Benefit Cap Claims With Minimum HB Award (£0.50 / Week)													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Claims With Minimum HB Award At Time Of Extract	22	25	23	25	26	11	21	148	151				

Number Of Claims Affected By Benefit Cap : By Tenure Type													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Cten	72	79	78	77	87	83	83	81	76				
Lha	158	156	154	155	159	155	145	133	127				
Rsl	29	28	17	29	29	16	21	22	21				
Private Tenant (Rent Officer Referral)	0	0	0	0	0	0	0	0	1				
Hostel	0	0	0	0	0	0	0	0	0				

Total Weekly Reduction In HB Of Claims Affected By Benefit Cap : By Tenure Type													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Cten	£ 2,579.25	£ 2,980.68	£ 3,002.00	£ 2,804.81	£ 3,259.16	£ 3,119.04	£ 3,229.87	£ 6,139.31	£ 6,059.42				
Lha	£ 8,633.97	£ 8,409.75	£ 8,568.38	£ 8,103.82	£ 7,909.17	£ 7,700.26	£ 7,606.18	£ 18,208.82	£ 18,032.90				
Rsl	£ 1,331.09	£ 1,459.50	£ 712.86	£ 1,466.28	£ 1,397.52	£ 691.34	£ 881.26	£ 2,102.87	£ 2,152.75				
Private Tenant (Rent Officer Referral)	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 69.88				
Hostel	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -				

Number Of Benefit Cap Claims With Children													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Benefit Cap Claims With Children At Date Of Extract	259	262	248	260	275	254	249	236	225				

Number Of Children On Benefit Cap Cases													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Children On Benefit Cap Claims	1213	1229	1164	1220	1295	1187	1176	1119	1061				

Weekly HB Reduction : Number Of Claims By Month													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
£0.01 to £25.00	122	124	117	130	131	122	114	9	1				
£25.01 to £50.00	35	36	33	31	41	38	35	3	3				
£50.01 to £75.00	35	35	37	35	41	39	43	16	13				
£75.01 to £100.00	28	29	26	30	29	25	24	72	72				
£100.01 to £125.00	14	14	11	11	10	10	17	50	47				
£125.01 to £150.00	14	13	12	12	14	9	7	48	49				
£150.01 to £175.00	4	5	5	5	2	3	3	21	21				
£175.01 to £200.00	7	7	8	7	7	8	6	17	19				

## Weekly HB Reduction : Total Value

2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
£0.01 to £25.00	£ 1,212.19	£ 1,257.45	£ 1,218.61	£ 1,330.65	£ 1,278.52	£ 1,173.69	£ 1,147.85	£ 81.18	£ 2.10				
£25.01 to £50.00	£ 1,312.23	£ 1,365.74	£ 1,272.05	£ 1,162.31	£ 1,519.96	£ 1,396.34	£ 1,303.86	£ 120.11	£ 108.49				
£50.01 to £75.00	£ 2,192.93	£ 2,194.51	£ 2,328.72	£ 2,248.61	£ 2,612.43	£ 2,441.52	£ 2,683.12	£ 1,045.69	£ 854.53				
£75.01 to £100.00	£ 2,366.37	£ 2,491.05	£ 2,213.52	£ 2,575.99	£ 2,438.40	£ 2,086.67	£ 2,018.12	£ 6,105.41	£ 6,086.29				
£100.01 to £125.00	£ 1,604.48	£ 1,605.33	£ 1,264.04	£ 1,237.90	£ 1,131.98	£ 1,145.50	£ 1,920.22	£ 5,877.68	£ 5,519.85				
£125.01 to £150.00	£ 1,908.53	£ 1,782.00	£ 1,640.27	£ 1,650.68	£ 1,918.44	£ 1,237.42	£ 990.53	£ 6,575.00	£ 6,711.22				
£150.01 to £175.00	£ 632.67	£ 821.76	£ 821.76	£ 840.28	£ 337.63	£ 501.76	£ 513.28	£ 3,346.97	£ 3,346.97				
£175.01 to £200.00	£ 1,314.91	£ 1,332.09	£ 1,524.27	£ 1,328.49	£ 1,328.49	£ 1,527.74	£ 1,140.33	£ 3,298.96	£ 3,685.50				

## Ben Cap Claims With DHP

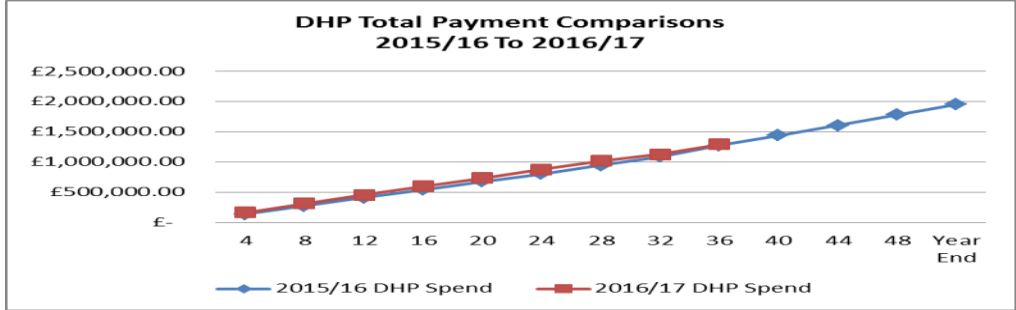
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Claims Affected By The Benefit Cap That Are In Receipt Of Discretionary Housing Payments	46	45	45	48	47	45	40	40	104				



Number Of Claims Affected By Benefit Cap : By Ward													
2016/17	April	May	June	July	August	September	October	November *	November	December	January	February	March
Adel and Wharfedale	1	1	1	1	1	1	2	2	2				
Alwoodley	4	4	5	5	5	4	2	2	1				
Ardsley and Robin Hood	2	2	2	2	2	3	3	3	3				
Armley	26	26	26	27	29	29	27	23	20				
Beeston and Holbeck	16	13	12	12	16	17	16	14	14				
Bramley and Stanningley	15	17	17	15	17	16	17	18	18				
Burmantofts and Richmond Hill	28	27	27	30	33	32	29	28	27				
Calverley and Farsley	2	2	2	2	3	2	2	2	2				
Chapel Allerton	9	9	11	12	13	11	13	13	12				
City and Hunslet	22	21	19	22	21	15	19	21	20				
Cross Gates and Whinmoor	10	9	9	10	11	12	11	10	9				
Farnley and Wortley	11	12	11	10	9	8	7	6	8				
Garforth and Swillington	2	1	1	1	1	1	2	2	2				
Gipton and Harehills	30	33	32	32	30	28	25	26	26				
Guiseley and Rawdon	2	1	0	0	0	0	0	0	0				
Harewood	0	0	0	0	0	0	0	0	0				
Headingley	3	2	1	1	3	3	4	3	2				
Horsforth	0	0	0	0	0	0	0	0	0				
Hyde Park and Woodhouse	10	9	5	6	6	4	5	6	6				
Killingbeck and Seacroft	14	16	16	17	16	15	12	10	8				
Kippax and Methley	0	0	0	0	0	0	0	0	0				
Kirkstall	7	8	8	7	7	7	6	7	7				
Middleton Park	17	18	17	18	16	14	14	12	10				
Moortown	3	4	1	2	2	1	2	2	2				
Morley North	1	1	1	2	2	2	3	3	3				
Morley South	3	4	4	5	4	3	2	1	2				
Otley and Yeadon	1	1	1	1	2	2	2	2	2				
Pudsey	2	1	1	1	3	3	4	4	4				
Rothwell	1	1	1	1	2	2	2	1	1				
Roundhay	4	4	4	4	6	6	6	5	3				
Temple Newsam	11	12	10	11	11	10	8	8	9				
Weetwood	2	3	3	3	3	2	3	2	2				
Wetherby	0	1	1	1	1	1	1	0	0				

# Discretionary Housing Payments as at 30/11/2016

Nov-16							
Priority Group	Total requests	Awards	% of awards	No award	% where no award	Ave Weekly award	Total cost of awards made
Sig adapted	71	49	69%	22	31%	£ 13.43	£ 27,158.00
Child access	235	202	86%	33	14%	£ 13.49	£ 115,437.00
Approach PC age	19	17	89%	2	11%	£ 14.86	£ 9,899.00
Housing & birth	55	52	95%	3	5%	£ 22.46	£ 17,199.00
Exceptional circs	1713	1063	62%	650	38%	£ 16.70	£ 408,983.00
Foster Carers	5	5	100%	0	0%	£ 9.02	£ 3,268.00
Number of UO cases	2098	1388	66%	710	34%		£ 581,944.00
LHA cases affected by welfare changes	66	43	65%	23	35%	£ 36.72	£ 28,666.00
Bond Payments	199	14	7%	185	93%		£ 6,329.00
Benefit Cap cases	138	111	80%	27	20%	£ 50.70	£ 169,657.00
Cases not in above categories	1015	394	39%	621	61%	£ 31.77	£ 211,950.00
Total of DHP claims	3,516	1,950	55%	1,566	45%		£ 998,546.00
2015/16 Renewals		1407					£ 1,018,095.00
Total committed spend to date							£ 2,016,641.00
Payments To Date (Week 34)							£ 1,239,984.79
DHP Government contribution							£ 1,888,013.00
DHP requests where customer is in receipt of UC *							
UO Priority Group	Total requests	Awards	% of awards	No award	% where no award	Ave Weekly award	Total cost of awards made
Sig adapted	0	0	0%	0	0%	£0.00	£ -
Child access	12	11	92%	1	8%	£11.49	£ 4,379.00
Approach PC age	0	0	0%	0	0%	£0.00	£ -
Housing & birth	0	0	0%	0	0%	£0.00	£ -
Exceptional circs	49	31	63%	18	37%	£12.88	£ 9,453.00
Foster Carers	0	0	0%	0	0%	£0.00	£ -
Number of UO cases	61	42	69%	19	31%		£ 13,832.00
LHA cases affected by welfare changes	7	2	29%	5	71%	£4.24	£ 1,033.00
Bond Payments	3	0	0%	3	100%	£0.00	
Benefit Cap cases	0	0	0%	0	0%	£0.00	
Exceptional circs	50	18	36%	32	64%	£27.12	£ 9,327.00
Total of DHP claims	121	62	51%	59	49%		£ 24,192.00



### Local Welfare Scheme statistics as at 30/11/2016

Nov-16

Call Stats					
Date	Offered	Abandoned	To CSO's	Eligible Applications	Awards
Apr-16	1589	328	1261	243	192
May-16	1550	326	1224	298	229
Jun-16	1565	301	1264	367	284
Jul-16	1478	310	1168	340	271
Aug-16	1716	383	1333	386	294
Sep-16	1895	392	1503	418	336
Oct-16	1783	456	1327	341	272
Nov-16	1635	320	1315	324	242
Dec-16	0	0	0	0	0
Jan-17	0	0	0	0	0
Feb-17	0	0	0	0	0
Mar-17	0	0	0	0	0
Total	13,211	2,816	10,395	2,717	2,120

Volumes per total no. of claims		
Award	Value	Number
Store Cards	£15,950.00	461
ASDA baskets	£2,002.09	34
Fuel (cash)	£23,025.00	889
White goods	£226,815.95	641
Brown goods	£38,923.50	202
Re-use goods	£59,932.50	316
Flooring	£134,370.20	365
Travel	£34.00	8
Removal	£6,800.00	16
Fareshare Referrals	n/a	667
Total	£507,853.24	3,599

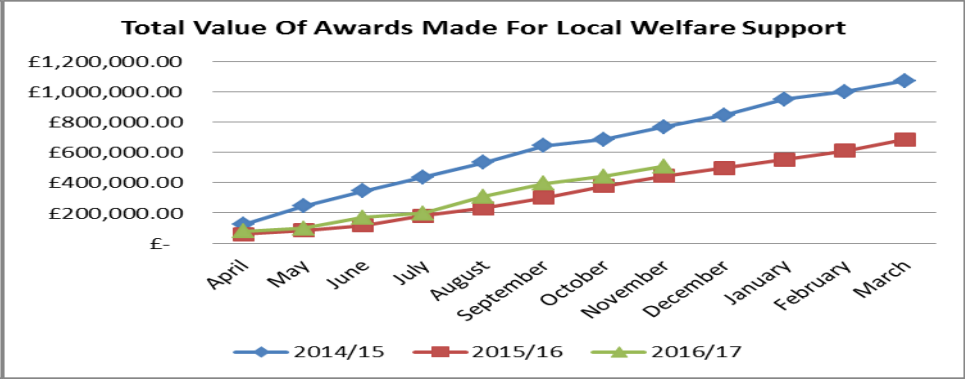
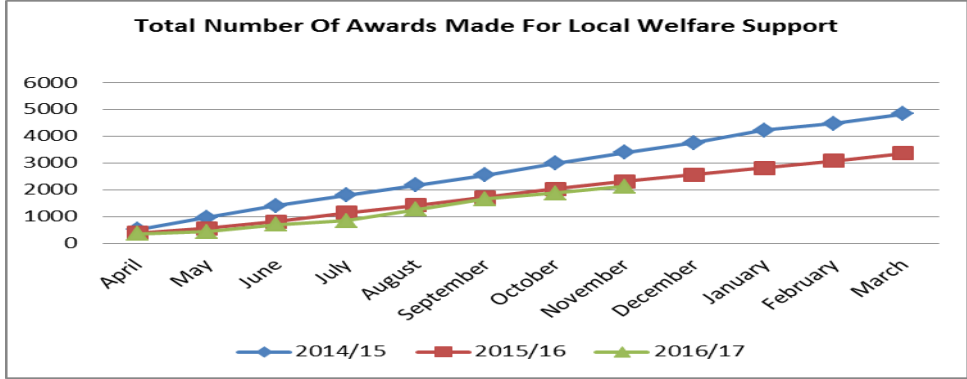
Breakdown of decisions		
Outcome	Totals	%
awarded	2120	78%
not awarded	597	22%
Total	2717	

Reasons for no award	
Reason	Totals
Single – not met emergency criteria	168
Family – not met emergency criteria	85
No response to our phone call	265
Cancelled/ Withdrawn	11
previous claims	61
HRT/ GPOW (See decription below)	9
Total	599

HRT - Habitual Residence Test
GPOW - Genuine Prosplet of Work

NEW GOODS	TOTAL
G/COOKER	173
E/COOKER	277
F/FREEZER	335
U/FRIDGE	29
WASHER	162
DRYER	0
M/WAVE	4
BED	200
COT	18
SOFA	8
ARMCHAIR	9
CURTAINS	16

REFURBISHED GOODS	TOTAL
E/COOKER	213
F/FREEZER	141
U/FRIDGE	21
WASHER	10
DRYER	0
SINGLE BED	3
DOUBLE BED	0
SOFA	31
ARM CHAIR	2
3/SUITE	3



## Local Council Tax Support

NUMBER OF CLAIMS AFFECTED BY LOCALISED COUNCIL TAX SUPPORT												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
ALL CLAIMS	23198	23245	22971	22619	22479	22349	22079	21660				
Weekly Value Of Loss Of Benefit For Claims Affected By LCTS												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
ALL CLAIMS	£ 78,842.42	£ 79,054.78	£ 77,828.93	£ 76,535.39	£ 76,259.52	£ 75,611.77	£ 74,466.43	£ 72,808.78				

## Local Council Tax Support: Breakdown by ward of numbers with additional 25% to pay

Ward	Nov-16		
	Number Of Claims	Ward	Number Of Claims
Adel and Wharfedale	261	Horsforth	217
Alwoodley	462	Hyde Park and Woodhouse	1067
Ardsley and Robin Hood	301	Killingbeck and Seacroft	1098
Armley	1301	Kippax and Methley	247
Beeston and Holbeck	1206	Kirkstall	766
Bramley and Stanningley	804	Middleton Park	1157
Burmantofts and Richmond Hill	2018	Moortown	365
Calverley and Farsley	276	Morley North	369
Chapel Allerton	1049	Morley South	467
City and Hunslet	1371	Otley and Yeadon	336
Cross Gates and Whinmoor	517	Pudsey	471
Farnley and Wortley	739	Rothwell	303
Garforth and Swillington	201	Roundhay	416
Gipton and Harehills	2262	Temple Newsam	563
Guiseley and Rawdon	198	Weetwood	420
Harewood	83	Wetherby	124
Headingley	225		

## Local Council Tax Support: Breakdown By Group Type

Nov-16		
COUNCIL TAX GROUP	NUMBER OF CLAIMS	COMMENTS
Elderly	25197	National Prescribed Scheme ; No Change to Entitlement
War Pensioners	28	Protected: no change to entitlement
Severe Disability	5755	Protected: no change to entitlement
Enhanced Disability	8136	Protected: no change to entitlement
Carer	2358	Protected: no change to entitlement
Lone Parent Child Under 5	5777	Protected: no change to entitlement
Engaging Jobseeker	467	No Protection : Entitlement Reduced By 25%
Other	21193	No Protection : Entitlement Reduced By 25%
Total	68911	
Non-Engaging Jobseeker	342	Not Receiving CTS Due to Non Engagement

## Affect Of Council Tax Support On Council Tax Collection Rate

Council Tax Liability Of Claims Previously In Receipt Of 100% Council Tax Benefit												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
	£ 3,564,587.00	£ 3,554,068.00	£ 3,495,917.00	£ 3,493,283.00	£ 3,505,356.00	£ 3,492,145.00	£ 3,509,908.00	£ 3,463,200.00				
Council Tax Liability Of Claims Previously In Receipt Of Partial Council Tax Benefit												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
	£ 3,545,777.00	£ 3,537,281.00	£ 3,614,306.00	£ 3,556,267.00	£ 3,523,385.00	£ 3,565,247.00	£ 3,543,164.00	£ 3,531,660.00				
Council Tax Liability Of All CTS Claims Affected By The 25% Reduction In Benefit												
2016/17	April	May	June	July	August	September	October	November	December	January	February	March
	£ 7,110,364.00	£ 7,091,349.00	£ 7,110,223.00	£ 7,049,550.00	£ 7,028,741.00	£ 7,057,392.00	£ 7,053,072.00	£ 6,994,860.00				
Comparison Of Overall Council Tax Collection Rate (Both CTS and Non CTS Cases)												
	April	May	June	July	August	September	October	November	December	January	February	March
VARIANCE 2015/16 to 2016/17	0.00%	N/A	-0.10%	-0.20%	0.00%	0.00%	0.00%	0.00%				
Council Tax Collection Rate For CTS and Non CTS Claims												
Collection Rate	April	May	June	July	August	September	October	November	December	January	February	March
Overall	10.2%	N/A	28.4%	37.3%	46.0%	54.8%	63.8%	72.70%				
CTS Claims (Prev On 100% Benefit)	8.7%	N/A	20.4%	26.5%	32.1%	37.6%	43.3%	48.3%				
All CTS Claims	8.9%	N/A	21.3%	27.8%	34.0%	40.2%	46.4%	52.5%				



Report author: Angela Brogden  
Tel: (0113) 247 4707

## Report of Head of Governance and Scrutiny Support

## Report to Scrutiny Board (Citizens and Communities)

**Date:** 9<sup>th</sup> January 2017

**Subject:** Financial Health Monitoring

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

1. The purpose of this report is to provide Board Members with information with regard to the financial health of the Citizens and Communities directorate.
2. Attached is the latest financial health monitoring report (month 7) that was considered by the Executive Board at its meeting on 14 December 2016.
3. Representatives from the directorate have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board. The Scrutiny Board will also be considering the initial 2017/18 budget proposals during today's meeting, which are presented elsewhere on the agenda.

## Recommendations

4. That the Scrutiny Board considers the attached Executive Board report in relation to the financial health of the Citizens and Communities directorate and agrees any specific scrutiny actions that may be appropriate.

## Background documents<sup>1</sup>

5. None.

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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## Report of the Deputy Chief Executive

### Report to Executive Board

**Date: 14<sup>th</sup> December 2016**

**Subject: Financial Health Monitoring 2016/17 – Month 7**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of the revenue budget, and the Housing Revenue Account.
2. The 2016/17 financial year is the first year covered by the 2015 Spending Review and again presents significant financial challenges to the council. The council to date has managed to achieve considerable savings in the order of £330m since 2010 and the budget for 2016/17 will require the council to deliver a further £76m of savings.
3. The current and future financial climate for local government represents a significant risk to the council's priorities and ambitions. Whilst the council continues to make every effort possible to protect the front line delivery of services, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without significant changes in the way the council operates.
4. Executive Board will recall that the 2016/17 general fund revenue budget, as approved by council provides for a variety of actions to reduce net spend by £31.5m delivering some £76m of budget action plans by March 2017. After 7 months of the financial year it is clear that the majority of these actions and savings plans are on track to be delivered, however this report highlights a potential overall overspend/risk of £4m.

5. The medium-term financial strategy approved by Executive Board in September 2016 assumes that the 2016/17 budget will be at a balanced position by the year-end. Work is ongoing through directors and budget holders to bring-forward options and proposals across all directorates and services in order to reduce net spend in line with the budget.
6. At the half-year, the Housing Revenue Account is projecting a £0.62m surplus.

## **Recommendation**

7. Executive Board are asked to note the projected financial position of the authority.

### **1. Purpose of this report**

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2016/17 after 7 months of the year.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after 7 months of the year.

### **2. Background information**

- 2.1 Executive Board will recall that the net budget for the general fund for 2016/17 was set at £496.4m, supported by the use of £3.5m of general reserves.
- 2.2 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc.

### **3. Main Issues**

- 3.1 At month 7, a £4m overspend is forecast, as shown in table 1 below.

*Table 1 – forecast 2016/17 budget variations by directorate*

Directorate	Director	(Under) / Over spend for the current period				Month 6 Position
		Staffing	Total Expenditure	Income	Total (under) / overspend	
		£000	£000	£000	£000	£000
Adult Social Care	Cath Roff	(2,066)	858	(858)	0	0
Children's Services	Steve Walker	500	9,490	(4,502)	4,988	4,256
City Development	Martin Farrington	(697)	540	(689)	(149)	(225)
Environment & Housing	Neil Evans	(764)	2,038	(2,133)	(95)	(95)
Strategy & Resources	Alan Gay	(1,367)	(1,526)	1,620	94	194
Citizens & Communities	James Rogers	(45)	1,756	(1,852)	(96)	345
Public Health	Dr Ian Cameron	(176)	15	(38)	(23)	(72)
Civic Enterprise Leeds	Julie Meakin	1,459	2,080	(1,879)	201	201
Strategic & Central	Alan Gay	300	2,970	(3,908)	(938)	(714)
<b>Total Current Month</b>		<b>(2,856)</b>	<b>18,221</b>	<b>(14,239)</b>	<b>3,982</b>	<b>3,890</b>
<b>Previous month (under)/over spend</b>		<b>(2,458)</b>	<b>18,500</b>	<b>(14,610)</b>	<b>3,890</b>	

3.1.1 The report on the 2017/18 initial budget proposals which is also on the agenda for today's Executive Board makes reference to proposals to review and re-profile the council's repayment of debt which could achieve savings of up to £9.3m against the minimum revenue provision budget in 2016/17, with subsequent earmarking of the saving to reserves. This proposal has not been reflected in this report and the budget proposals for 2017/18 still assume that the 2016/17 budget is balanced by year-end. For information, the position at this point in the 2015/16 financial year was also a £4m overspend which improved to a marginal underspend by the year-end.

3.2 The key variations against the budget are outlined below and more detailed information is included in the financial dashboards at appendix 1.

3.2.1 Adult Social Care - the directorate is projecting a balanced position at the financial year-end, as also reported at P5. Projected spend on community care packages, general running expenses has reduced, income has slightly improved albeit offset by a reduction in the projected staffing savings.

A high level review of all budget action plans has taken place and slippage totalling £3.1m is projected at the year-end, although substantial contingency savings have also been identified to offset the impact. There is a projected shortfall of £1.4m in delivering the specific actions within the community care packages budget, with the largest shortfall relating to learning disability services. Slippage of £0.9m relates to contracts and grants budgeted savings and £0.3m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified, further details of which are outlined in the financial dashboard at appendix 1.

3.2.2 Children's Services – overall at month 7 the directorate is reporting a projected overspend of £4.98m. The directorate is still facing a number of budget pressures but has committed to a number of actions to mitigate against these budget pressures including additional controls on recruitment and promoting the ELI

scheme in some areas, a review of contracts and a review of spend including restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional funding through a new innovations bid but this is subject to final approval.

Children in care - at month 7, the directorate is supporting an additional 34 looked after children in external residential (ER) placements and with independent fostering agencies (IFA) than the 2016/17 budget provides for and this has resulted in a projected £4.9m pressure around these demand budgets (£3.5m ER & £1.3m IFA). In the last quarter of 2015/16 numbers had increased and continued to increase through to April 2016; however there has been a steady reduction in children looked after numbers since May. There are currently 1,232 CLA children (increase of 6 from month 6); this includes 51 with ER and 200 with IFA's. There is also a £0.9m pressure on in-house fostering but this is off-set by £0.9m of additional income on adoption. Overall the children in care budget supports 1,170 placements which includes provision for 36 ER and 181 IFA placements. The current projection assumes that the number of children in care will continue to gradually reduce during the remainder of the financial year to 44 ER & 187 IFA.

Transport - the home to school/college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £1.7m, which is net of the appropriation of £1m from the specific demand & demography earmarked reserve.

Other Income - additional income from the Innovations & Partners in Practise grant is anticipated (part of a new 3/4 year bid which has not been secured yet). A further £0.3m income is also anticipated from the Housing Revenue Account to support the Family Intervention Services and the Multi-Systemic Therapy Service. Mitigating these is a net £0.6m pressure from a reduced level of funding supporting the Children's Centres.

- 3.2.3 Schools Budget/Dedicated Schools Grant (DSG) – as reported last month, there are a number of budget pressures that have emerged during 2016/17. These are mainly in the High Needs Block with a projected overspend of £5.3m in 2016/17 and this position was reported to the schools forum in October 2016. Schools forum noted the projected financial position, including that the deficit could be carried forward into 2017/18, and that a further report would be presented to the next meeting of the forum which would outline options for mitigating the budget pressures.
- 3.2.4 City Development – at month 7 the overall position is a projected underspend of £149k. However it should be noted that there are a number of fluctuations within the directorate that are being managed through additional income receipts and specific actions.
- 3.2.5 Environment & Housing – at month 7 the directorate is forecasting a marginal underspend of £0.1m against its £53m net managed budget. Within this overall figure, the waste management budget is anticipated to balance. In car parking, staffing savings and additional income are expected to deliver a saving of £0.3m and in Community Safety there is a forecast underspend of £0.1m due again to staffing savings, one-off income from the WYPCC and additional Ministry of Justice funding. Environment action & health are forecasting a £0.2m underspend due to

staffing savings and Housing support are also expecting to deliver a £0.2m underspend again due to staffing savings. These savings are enabling the directorate to manage the directorate wide staffing efficiency target within the budget.

- 3.2.6 Citizens & Communities – budget action plans have been reviewed with each Chief Officer and at present it is anticipated that most plans will be achieved, though there is a pressure of £0.25m on the Customer Access budget which is offset by a forecast underspend of £0.24m on the elections, licensing and registration budget which is due to additional income. The anticipated year-end position on the Benefits, Welfare and Poverty budget has improved from last month due to further work on housing benefit overpayment income, and the transfer of libraries has brought across a £0.1m underspend from City Development. Overall, the directorate is forecasting £0.1m underspend against its £29.7m budget.
- 3.2.7 Public Health – the public health budget and budget savings plans for 2016/17 reflect the continuing reduction to the ring-fenced grant. Overall, the budget plans are on track to be delivered other than the planned savings of £0.2m as part of the transfer of the TB contract which will not materialise, though work to find compensating savings is now completed and is currently predicted to offset this pressure. Due to overtrading of sexual health services, provision was made for anticipated costs however it is likely that these costs will not materialise in full resulting in savings to compensate for this risk. In addition, pay costs are projected to be £0.16m underspent on the general staffing budget and work is continuing to identify potential financial pressures particularly in relation to costs associated with the new drugs and alcohol contract and public health activity contracts which are paid based on demand and some on NHS tariff. Recent activity data is showing a reduced level of activity and as a result an underspend of £249k is projected on commissioning budgets.
- 3.2.8 Strategy & Resources – overall, the directorate is highlighting a potential overspend of £0.2m which is due to a potential reduction in external income in the Projects, Programmes and Procurement Unit of £1m offset by forecast staffing savings of £0.7m. The rest of the directorate is expected to deliver on its budget action plans.
- 3.2.9 Civic Enterprise Leeds – the overall projected position at month 7 is an overspend of £0.2m explained by a potential overspend against the catering net budget which is mainly as a result of the marginal impact of the loss of 7 school contracts together with the marginal impact of a shortfall against the adjusted meal numbers.
- 3.2.10 Strategic & Central budgets – at month 7, the strategic and central budgets are anticipated to underspend by £0.9m. The key variations include;
- i. Debt - a net forecast pressure of £0.3m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates.
  - ii. Section 278 income - a potential £1.8m risk due to lower levels of development activity.
  - iii. Procurement - a £1m variation which reflects that the procurement savings will be managed through directorate budgets.
  - iv. The spend forecast recognises the impact of the decision to increase the Leeds living wage from January 2017.

- v. PFI – a £0.9m variation which recognises that these savings will show in directorate/service budgets.
- vi. Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- vii. Appropriation of £1.9m of earmarked reserves.
- viii. A pressure of £0.4m relating to court cost income.
- ix. Savings of £2m on the levy contribution to the business rates pool.
- x. A potential pressure on court cost fees.

### **3.3 Other Financial Performance**

#### **3.3.1 Council Tax**

The Council Tax in-year collection rate at the end of October was 63.85% which is marginally ahead of the performance in 2015/16. At this stage of the year, the forecast is for an in-year collection rate of 95.9% collecting some £301m of council tax income.

#### **3.3.2 Business Rates**

The business rates collection rate at the end of October was 64.91% which is 0.34% behind the performance at this stage in 2015/16. The forecast is still to achieve the 2016/17 in-year collection target of 97.7% collecting some £383.2m of income.

#### **3.3.3 Prompt payment of Creditors**

The current performance for the prompt payment of invoices processed within 30 days is 91.93% which is marginally below the target of 92%.

#### **3.3.4 Procurement Report**

Executive Board has requested a quarterly update on procurement activity. The report attached at appendix 2 provides information in relation to the second quarter of the current financial year.

### **4. Housing Revenue Account (HRA)**

- 4.1 At month 7 the HRA is projecting a £0.62m surplus at the year-end. Projected income from rents and service charges are forecast to be marginally below the budget with a £0.1m estimated variation at the year-end. There are a number of variations against the expenditure budgets which together total an underspend of £0.7m, including an underspend of £0.9m on the employee budget due in the main to staffing vacancies, a pressure on the disrepair provision of £0.2m because of new cases, an overspend on capital charges of £0.2m due to lower interest receivable and a forecast overspend of £0.2m across the supplies and services budgets. Further detailed information is included in the HRA financial dashboard at appendix 1.

### **5. Corporate Considerations**

#### **5.1 Consultation and Engagement**

5.1.1 This is a factual report and is not subject to consultation

## **5.2 Equality and Diversity / Cohesion and Integration**

5.2.1 The Council's revenue budget for 2016/17 was subject to equality impact assessments where appropriate and these can be seen in the papers to Council on 24th February 2016.

## **5.3 Council Policies and Best Council Plan**

5.3.1 The 2016/17 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

## **5.4 Resources and Value for Money**

5.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

## **5.5 Legal Implications, Access to Information and Call In**

5.5.1 There are no legal implications arising from this report.

## **5.6 Risk Management**

5.6.1 Financial management and monitoring continues to be undertaken on a risk-based approach with key budget risks identified as part of the annual budget-setting process and specifically monitored through the financial year. Examples include the implementation of budget action plans, those budgets which are volatile and subject to fluctuating demand, key income budgets, etc. The information in the financial dashboards at appendix 1 includes specific information on these risk areas.

## **6. Recommendations**

6.1 Executive Board are asked to note the projected financial position of the authority.

## **7. Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## ADULT SOCIAL CARE 2016/17 BUDGET

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

#### Overall narrative

The directorate is projecting a balanced position at the financial year-end, as also reported at month 6. Projected spend on community care packages, general running expenses has reduced, income has slightly improved albeit offset by a reduction in the projected staffing savings.

A high level review of all budget action plans has taken place and slippage totalling **£3.1m** is projected at the year-end, although substantial contingency savings have also been identified to offset the impact. There is a projected shortfall of £1.4m in delivering the specific actions within the community care packages budget, with the largest shortfall relating to learning disability services. Slippage of £0.9m relates to contracts and grants budgeted savings and £0.3m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified, further details of which are outlined below.

The main variations at Month 7 across the key expenditure types are as follows:

#### Staffing (-£2.1m – 4.0%)

Savings within Access and Care Delivery total £1.0m. This mainly reflects reducing staffing numbers within the Community Support Service since the budget was set and vacancies within the care management and business support services, partly offset by slippage relating to the Better Lives programme within older people's residential and day care services. Savings of £1.1m are projected in commissioning services, resources and strategy and health and wellbeing due to ongoing vacancies.

#### Community care packages (+£2.4m – 1.2%)

Expenditure on the learning disability pooled budget is currently projected to exceed budget provision mainly due to slippage in delivering the budgeted savings, but work continues to bring this back on track as far as possible by the year-end. There are also some pressures on residential and nursing care placements reflecting the trend in the last quarter of 2015/16 and a higher number of residents at the start of the current financial year than was assumed when the budget was set. Actions are underway to minimise the impact of these pressures by the year-end.

#### Transport (+£0.7m – 16.4%)

The most recent projections from Passenger Transport Services indicate higher than budgeted costs. The information available indicates that the majority of the projected overspend relates to costs rather than demand, but further work is needed to understand this more fully. This is being undertaken in conjunction with Passenger Transport Services.

#### Income (-£0.9m – 1.3%)

Service user contributions are slightly higher than budgeted, mainly due to some slippage in the Better Lives programme within older people's residential and day care services. Funding for staffing costs through the learning disability pooled budget is also higher than budgeted.

#### Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Health Partnerships	365	(112)	252	(87)	0	75	0	4	121	0	0	0	113	(204)	(91)
Access & Care Delivery	245,962	(39,467)	206,495	(1,004)	74	(179)	(16)	551	1,575	787	0	0	1,789	(444)	1,345
Commissioning Services	12,828	(24,298)	(11,470)	(497)	0	(141)	(3)	109	410	0	0	0	(121)	(599)	(720)
Resources and Strategy	6,985	(1,008)	5,977	(478)	(1)	(176)	(3)	(315)	50	0	0	0	(922)	388	(534)
<b>Total</b>	<b>266,139</b>	<b>(64,885)</b>	<b>201,254</b>	<b>(2,066)</b>	<b>74</b>	<b>(421)</b>	<b>(21)</b>	<b>349</b>	<b>2,156</b>	<b>787</b>	<b>0</b>	<b>0</b>	<b>858</b>	<b>(858)</b>	<b>(0)</b>



<b>Key Budget Action Plans and Budget Variations:</b>							
		<b>Lead Officer</b>	<b>Additional Comments</b>	<b>RAG</b>	<b>Action Plan Value £m</b>	<b>Forecast Variation against Plan/Budget £m</b>	
<b>A. Key Budget Action Plans</b>							
1.	Older people's residential and day care	D Ramskill	Full-year effects and ongoing Better Lives programme	A	0.9	0.3	
2.	Assessment and care management practice	S McFarlane	Delivering the most cost effective service for new customers based on the strengths based approach and the use of reablement and telecare services	A	1.0	0.4	
3.	Review of care packages - mental health	M Ward / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	A	0.5	0.0	
4.	Review of care packages - physical impairment	J Bootle	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	G	0.5	0.0	
5.	Review of care packages - learning disability	J Wright / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	A	3.0	1.0	
6.	Assessment and care management efficiencies	S McFarlane	Review of skills mix and business processes	G	0.5	0.0	
7.	Grants and contracts	M Ward	Review of contracts and grants across client groups	A	1.4	0.9	
8.	Vacancy management	Various	Mainly non-frontline services	G	0.8	0.0	
9.	Fees and charges	A Hill	Implementation of February 2016 Executive Board decisions	G	1.0	0.0	
10.	Health funding	S Hume	Mainly funding received in 2015/16 on a non-recurring basis	G	3.9	0.0	
11.	Better Care Fund	S Hume	Exploring opportunities to realign spend between capital and revenue	G	1.8	0.0	
<b>B. Other Significant Variations</b>							
1.	Staffing	Various	Ongoing tight vacancy management and reducing staff numbers in the Community Support Service			(2.1)	
2.	Community care packages	J Bootle / M Naismith	Pressures experienced on residential & nursing placements and the learning disability pooled budget are continuing			0.6	
3.	Transport	J Bootle / M Naismith	Mainly increased costs, which are under investigation with Passenger Transport Services			0.7	
4	Other expenditure	Various	Savings on general running expenses through careful budget management, including the projected impact of essential spend only for the remainder of the year			(0.9)	
5	Income	Various	Mainly funding for staffing costs through the learning disability pooled budget and service user contributions			(0.9)	
						<b>Adult Social Care Directorate - Forecast Variation</b>	
						<b>0.0</b>	

## CHILDREN'S SERVICES 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall** - at period 7 the directorate is reporting a projected overspend of £4.98m. The directorate is still facing a number of budget pressures but has committed to a number of actions to mitigate against these budget pressures including additional controls on recruitment and promoting the ELI scheme in some areas, a review of contracts and a review of spend including restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional funding through a new innovations bid but this is subject to final approval.

**CLA Obsession** - at period 7, the directorate is looking after an additional 34 looked after children in External Residential (ER) placements and with Independent Fostering Agencies (IFA) than the 2016/17 budget provides for and this has resulted in a projected £4.9m pressure around CLA demand budgets (£3.5m ER & £1.3m IFA). In the last quarter of 2015/16 numbers had increased and continued to increase in April but there has been a steady reduction in children looked after numbers since May. There are currently 1,232 CLA children (increase of 6 from P6); this includes 51 with ER and 200 with IFA's. There is a £0.9m pressure on in-house fostering but this is off-set by £0.9m additional income on adoption. Overall the CLA budget supports 1,170 placements which includes provision for 36 ER and 181 IFA placements. The current projection assumes that the looked after children numbers will continue to gradually reduce during the remainder of the financial year to 44 ER & 187 IFA.

**Staffing** - Current assumption is for pay to overspend by £0.5m. There are some risks around this forecast although the directorate has committed to take action to reduce staffing numbers. Staffing levels continue to reduce and have fallen month on month during 2016/17 and the overall monthly spend on pay is gradually reducing. Offsetting the savings in basic pay are increased spend on overtime and agency staff, mitigating some of the savings being delivered from reducing headcount but this is being reviewed with the aim of reducing where possible.

**Commissioned Services** - A £0.1m saving target around the £10m of commissioned contracts and other spend within the directorate. The target has been reduced from Period 3 by £0.4m but the review currently taking place will generate further savings in 2017/18 to contribute to contribute to the directorate's budget strategy.

**DfE Innovations Funding** - There is a potential pressure of £0.8m with the existing DfE Innovations funding. The current projection assumes that actions will be taken so that overall commitments match the funding available but there is still a significant risk that commitments will exceed the available funding in 16/17.

**Transport** - The home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £1.7m, which is net of the appropriation of £1m from the specific demand & demography earmarked reserve.

**Other Income** - Additional income from the Innovations & Partners in Practise grant is anticipated (part of a new 3/4 year bid which has not been secured yet). A further £0.3m HRA income to support the FIS and MST Service. Offsetting this is a net £0.6m pressure from a reduced level of funding supporting the Children's Centres.

**Dedicated Schools Grant (DSG)Pressure-** Pressures have emerged over the past term principally in relation to the Social Emotional and Mental Health provision, Funding for Inclusion numbers and Central Early Years expenditure which total £5.1m. School Forum on the 6th October received a report on the DSG budget which outlined the various pressures and have requested a further update and options to bring spend within budget in 2017/18. School Forum noted the projected overspend of £5.1m and that one option was to carry forward a deficit on the DSG into 2017/18 which would enable time to consider options to manage the budget in 2017/18

#### Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Demand Led Budgets:</b>															
External and other Residential Placements	7,002	(2,835)	4,167						3,500				3,500	40	3,540
Independent Fostering Agencies	7,613	0	7,613						1,300				1,300		1,300
In House Fostering, Adoption, SGO and RO	21,560	(2,755)	18,805						898				898	(989)	(91)
SEN Outside Placements	4,857	(4,857)	0						871				871	(863)	8
Leaving Care	5,052	(1,160)	3,892						886				886	(363)	523
Transport	5,210	0	5,210				2,700					(1,000)	1,700		1,700
<b>Sub total Demand Led Budgets</b>	<b>51,294</b>	<b>(11,607)</b>	<b>39,687</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,700</b>	<b>0</b>	<b>7,455</b>	<b>0</b>	<b>0</b>	<b>(1,000)</b>	<b>9,155</b>	<b>(2,175)</b>	<b>6,980</b>
<b>Partner Funding</b>															
Schools Forum(A Life Ready For Learning)	0	(3,380)	(3,380)									875	875	152	1,027
Partner Funding of Family Services		(1,600)	(1,600)										0	600	600
<b>Sub total Partner Funding</b>	<b>0</b>	<b>(4,980)</b>	<b>(4,980)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>875</b>	<b>875</b>	<b>752</b>	<b>1,627</b>
<b>Other Budgets</b>															
Partnership, Development & Business Support	14,257	(1,137)	13,120	465		(311)	0	95					249	(240)	9
Learning, Skills & Universal Services	129,347	(112,112)	17,235	(17)		(417)	1	(229)	(1,206)	0		153	(1,715)	1,545	(170)
Safeguarding, Targeted & Specialist Services	75,551	(17,897)	57,654	52	1	226	160	82	673	(38)		(230)	926	(4,384)	(3,458)
Central Overheads	8,894	(11,838)	(2,944)										0		0
<b>Sub total Other Budgets</b>	<b>228,049</b>	<b>(142,984)</b>	<b>85,065</b>	<b>500</b>	<b>1</b>	<b>(502)</b>	<b>161</b>	<b>(52)</b>	<b>(533)</b>	<b>(38)</b>	<b>0</b>	<b>(77)</b>	<b>(540)</b>	<b>(3,079)</b>	<b>(3,619)</b>
<b>Total</b>	<b>279,343</b>	<b>(159,571)</b>	<b>119,772</b>	<b>500</b>	<b>1</b>	<b>(502)</b>	<b>2,861</b>	<b>(52)</b>	<b>6,922</b>	<b>(38)</b>	<b>0</b>	<b>(202)</b>	<b>9,490</b>	<b>(4,502)</b>	<b>4,988</b>

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies) partly offset by additional income from adoption. There has been a gradual reduction in numbers since May and the current budget projection appears achievable.			4.90
	Passenger Transport	Sue Rumbold	Increased numbers of children requiring education outside the city, increased complexity of need and an increase in private hire rates. The current projection will be reviewed in October once the latest transport data is available.			1.70
	Income - DSG	Steve Walker	The current projection allows for a £0.75m shortfall against the budgeted income. The other pressures on the DSG could be partly met by exploring options in relation to balances and re-examining eligibility criteria. Options to be presented to School Forum in October.			0.75
	Income - DfE BID	Steve Walker	New BID submitted in 2016/17. Good progress is being made in the discussions with the DfE.			(2.00)
	HRA - funding	Steve Walker	Additional HRA income re signpost and MST service may not be forthcoming. It is subject to agreement with Environments & Housing.			(0.30)
	Savings challenge across department	All	Target savings against running costs and staffing budgets. Proposals are being considered by CSLT. There is a risk that sufficient savings are not identified. The saving target has been reduced as savings have been identified.			(0.50)
B. Key Budget Action plans (BAP's)						
A1	Securing additional income from Schools Forum	CSLT	£3.4m of funding per academic year provisionally agreed subject to delivery of activity and funds being available from DSG. School Forum in October has now approved this funding.	G	2.40	0.00
A2	Additional Funding For Children's Centres	CSLT	Funding options being pursued.	R	1.60	0.60
C1	Reconfigure services to young people at risk of becoming NEET	Andrea Richardson	IAG contract has been extended to July 2016. Some existing provider staff will TUPE.	A	1.20	0.25
E1/E2/E4	Staff savings	Sue Rumbold	Reduction in posts/additional trading opportunities and ELIs. Linked to medium term strategy for the directorate. Further staff reductions are required to meet budget assumptions.	A	1.40	0.00
E5	Reduce net cost of Learning For life managed Children's Centres Childcare.	Andrea Richardson	Ensure childcare income generated is reflected in childcare staffing levels	A	0.50	0.40
A3	Improvement partners	Steve Walker	Maximise income from supporting other LA's. Work underway with a number of LAs. Other expressions of interest from other LA's. Innovations bid ongoing. Decision due late summer.	G	0.50	0.00
A4	Adel Beck	Francis N'Jie	Maximise income from selling to other LA's. Rates revised for 16-17 to recover this additional income subject to occupancy levels being achieved.	G	0.40	(0.10)
E3	Impact of residential review on overtime costs	Steve Walker	Running cost efficiencies following closure of Pinfolds and Bodmin. Linked to the overall pay strategy for the directorate.	G	0.40	0.00
	Various other budget savings (10)	All CO's	Including reconfiguration of Targeted Services, a review of assets, additional trading with schools, additional DfE funding for adoption services; principally inter-agency fee, reviewing non Statutory costs etc.	G	2.29	(0.72)
Children's Services Directorate - Forecast Variation						4.98

## CITY DEVELOPMENT 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall** - at Period 7 the reported position is a projected underspend of **£149k**. However it should be noted that there are a number of fluctuations within the Directorate that are being managed through additional income receipts and specific actions such as the use of Bridgewater Place money estimated at £916k and Arena Debt savings of £450k. These variances continue to be managed with the expectation that they will not cross over into 2017/18.

There are concerns around Planning Appeals costs this year as the service currently have a number of appeals ongoing from 2015/16 and new ones coming in in 2016/17, this is currently estimated at £200k, and is offset by increased Building Control and Planning Fee income and underspends on staffing due to a number of vacant posts.

In Economic Development the large variations on supplies and services and income is reflective of the Flood Alleviation expenditure and grant income receipts at Kirkgate Market are under pressure due to the extension of rent discounts into 2016-17 and later than anticipated new lettings resulting from delays to its redevelopment. The projected effect will be an under recovery of £420k against the income budget.

In Asset Management the advertising Income pressure remains at £442k. Although the income target was reduced in the 2016/17 estimates cycle by £200k it is unlikely to achieve its target this year due to the time required to build up the advertising sites portfolio and programme delays around approvals for the advertising sites. It is assumed that this will be offset by Arena debt savings (£450k) and income from two new asset purchases recently approved by Executive Board (£131k).

Highways and Transportation have contracted further work with their strategic partners Mouchel increasing supplies and services spend offset by additional income.

In Arts and Heritage there is a projected loss of income from Room Hire at the Art Gallery (closed for roof repairs) £100k, which is offset by the NNDR Rebate and there is increased Town Hall bar and catering income. Overspends in supplies and services are partly funded by and related to increased events income.

**The Libraries Service has transferred to Citizens and Communities which has reduced the overall Directorate underspend by £101k**

Within the Sport Service overspends on supplies and services including catering, resalable and consultancy costs are offset with associated increases in projected income, which also includes an anticipated £40k shortfall of income in relation to the pool closure and refurbishment at John Smeaton and a £60k pressure due to incorrect treatment of VAT on the Fitness and Swim Bodyline Offer. The service is also experiencing a downturn in Bodyline income due to the number of budget gyms that have opened in the last 12 months.

The directorate strategy is to use the proposed £916k Bridge Water Place settlement to part fund these net pressures and contribute the balance to the corporate strategy. In the service analysis below £460k is utilised against specific services and £456k Highways & Transportation.

#### Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning and Sustainable Development	8,571	(5,753)	2,818	(124)	0	197	0	17	0	0	0	0	90	(190)	(100)
Economic Development	5,058	(4,189)	869	54	20	1,302	0	17	0	0	0	0	1,393	(907)	486
Asset Management and Regeneration	11,181	(10,410)	771	(165)	98	(108)	(6)	(188)	0	0	16	0	(353)	66	(287)
Highways and Transportation	56,429	(40,246)	16,183	(384)	107	(634)	78	(34)	0	0	0	0	(867)	420	(447)
Arts and Heritage	16,642	(6,902)	9,740	(31)	(116)	392	(2)	8	22	13	0	0	286	(202)	84
Sport and Active Recreation	24,507	(18,842)	5,665	(32)	30	43	3	28	(35)	(31)	0	0	6	124	130
Resources and Strategy	1,720	(95)	1,625	(15)	0	0	0	0	0	0	0	0	(15)	0	(15)
<b>Total</b>	<b>124,108</b>	<b>(86,437)</b>	<b>37,671</b>	<b>(697)</b>	<b>139</b>	<b>1,192</b>	<b>73</b>	<b>(152)</b>	<b>(13)</b>	<b>(18)</b>	<b>16</b>	<b>0</b>	<b>540</b>	<b>(689)</b>	<b>(149)</b>

**Key Budget Action Plans and Budget Variations:**

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
<b>A. Budget Action Plans</b>						
		Lead Officer	Additional Comments			
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service through management restructure, staffing savings and increased income generation	G	550	(300)
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation	A	280	66
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation	G	410	(148)
4.	Highways and Transportation	Gary Bartlett	Reduction in the net cost of service via alternative service delivery, removal of subsidies, staffing savings and additional income	G	440	9
5.	Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation	A	570	84
6.	Arts Grant	Cluny MacPherson	Full Year Effect of new grant allocations will deliver the savings. DDN published 25 March 2015 and implemented 1st April 2015	G	125	0
7.	Sport and Active Recreation	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation	A	440	130
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiency and staffing savings	G	30	(15)
9.	Directorate	All Chief Officers	Directorate-wide additional income target	G	460	0
<b>B. Other Significant Variations</b>						
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£450k) income from new assets (£131k) offsetting reduced income from Advertising (£442)			(139)
2.	Highways	Gary Bartlett	Additional Highways Income			0
3.	Planning Appeals	Tim Hill	Uncertainty at this stage around the costs of planning appeals			200
4.	Kirkgate Market	Tom Bridges	Extension of rent discounts and other rent reductions resulting from the delay in the Kirkgate redevelopment.			420
5.	Bridgewater Place	Martin Farrington	As per the Directorate Strategy, use of balance of Bridgewater Place settlement to mitigate pressures			(456)
				<b>City Development Directorate - Forecast Variation</b>		<b>(149)</b>

## ENVIRONMENT & HOUSING 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall Position (£95k under budget)**
**Community Safety (£113k under budget)**

The service is projecting an underspend on staffing of £202k (offset by reduced charges to HRA of £79k). One off income in year has been received from West Yorkshire Police & Crime Commissioner (£85k) for contributions to LASBT (Leeds Anti social behaviour team) and additional Ministry of Justice funds (£89k) have been utilised. CCTV income is projected to be lower than budgeted by £179k. Other variances total £5k

**Parks & Countryside (£0k Nil variance)**

The service is projecting lower level of turnover at attractions (including cafe/retail) due to no Easter and the good weather in August/September affecting Tropical World attendances, giving an overall variance at attractions of +£144k. A projected lower reduction in Golf income of £58k is offset by projected workshop savings (£84k) and fuel (29k). Other net savings across the service total (£89k).

**Environmental Action & Health (£212k under budget)**

Env Action - Projected staffing savings of (£357k) are offset by loss of Wellbeing funding £36k, reduced FPN income of £66k and additional transport costs of £125k in respect of GPS system for gully tankers and additional vehicles. Other variations total +£12k).

Env Health - projected staffing savings of (£136k), partially offset by increased legal costs £32k, other expenditure £27k and reduced income of £7k.

**Car Parking (£319k under budget)**

Ongoing vacant attendant posts (£185k) partially offset by additional expenditure of £60k (mainly for P&D machine maintenance and the upgrades required to facilitate the new £1 coin coming into circulation in 2017). Overall Income is projected to be increased by (£194k). This includes: Woodhouse Lane (£135k) of which (£90k) is for the 50p increase (in June); other variations being off street parking (£153k), On street £204k, PCN/BLE (£57k) and other income (£53k).

**Housing Support/Partnerships/SECC/SP Contracts (£221k under budget)**

Housing staffing underspends (£466k) due to vacant posts are partially offset by a reduction of £187k corresponding income, mainly charged to HRA. Variations in SP are £52k. Other variations across all areas are projected to be £6k.

**General Fund SS (+£750k over budget)**

Of the £999k Directorate wide staffing efficiency target, £886k savings have been included within the projected position of individual services and therefore remains a pressure within GFSS. (It is assumed that the remaining £113k will be found across the directorate in year). Offsetting the £886k are staffing savings in Intelligence & Improvements and other minor variations (£136k).

**Leeds Building Services (£0k Nil variance)**

Additional turnover is being generated through Housing Leeds repairs and work for capital schemes. This results in additional sub contractor spend which is partially offset by reductions in internal costs. Overall a nil variance is

**Waste Management +£20k over budget**
**Refuse (+£54k over budget)**

The projected overspend reflects additional staffing costs relating to Christmas cover and the cost of union support to the redesign of collection routes which is key to delivering the 2017/18 efficiency savings. Other staffing costs relating to back up routes and sickness levels are projected to be contained within the overall staffing budget.

**HWSS & Infrastructure (+£16k over budget)**

Additional staffing costs of £105k are forecast, which reflects additional operatives at HWSS required to deal with higher than anticipated waste volumes and increased sickness levels. In addition, vehicle repair costs of £29k are projected. Additional Trade contract income is projected to largely offset the expenditure variations, leaving a small projected overspend of £16k.

**Waste Strategy & Disposal (£50k under budget)**

Lower than anticipated tonnage volumes and an additional share of electricity income at the RERF have resulted in a projected underspend of (£254k). In addition, the continuing reduction in gate fees experienced in recent months has resulted in a projected underspend of (£189k) in respect of SORT disposal costs. Offsetting these projected underspends are higher than anticipated tonnages at Household Waste Sorting Sites. Excluding additional Trade contract waste disposal costs of £90k (which is offset by additional income within HWSS & Infrastructure) and taking into account a contribution of (£100k) from Housing Leeds to reflect increased volumes, these are projected to cost an additional £460k. All other variations and

**Budget Management - net variations against the approved budget;**
**Summary By Service**

				PROJECTED VARIANCES											Total (under) / overspend
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Safety	8,723	(6,530)	2,193	(212)		(226)		(169)					(607)	494	(113)
Strategic Housing, SECC, Contracts	18,610	(9,429)	9,181	(515)	3	103	2	0	143				(264)	44	(220)
General Fund Support	(429)	(408)	(837)	700		50							750	0	750
Leeds Building Services	45,305	(51,376)	(6,071)	(129)	181	1,772	(202)						1,622	(1,622)	0
Parks & Countryside	29,328	(21,309)	8,019	(52)	(4)	848	(87)	112					817	(817)	0
Waste Strategy and Disposal	20,429	(5,749)	14,680	(34)		(16)							(50)		(50)
Household Waste Sites & Infrastructure	4,502	(480)	4,022	106	17	14	6						143	(127)	16
Refuse Collection	16,747	(375)	16,372	51				3					54		54
Environmental Action	15,346	(4,343)	11,003	(358)	66	(45)	136	(24)					(225)	82	(143)
Environmental Health	3,164	(765)	2,399	(136)		22	4	32					(78)	8	(70)
Car Parking	5,003	(12,614)	(7,611)	(185)	19	28	13	1					(124)	(195)	(319)
<b>Total</b>	<b>166,728</b>	<b>(113,378)</b>	<b>53,350</b>	<b>(764)</b>	<b>282</b>	<b>2,550</b>	<b>(128)</b>	<b>(45)</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,038</b>	<b>(2,133)</b>	<b>(95)</b>

**Key Budget Action Plans and Budget Variations:**

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>						
1.	Dealing Effectively with the City's waste	Andrew Lingham	FYE of Waste Strategy and assumes PFI at £53.3 for 81 tonnes; £0.3m for additional recycling performance	G	(4.5)	0.0
2.	HWSS Strategic Review	Andrew Lingham	Service still reviewing options but likely to be 2017/18. Other savings to be identified.	G	(0.1)	0.0
3.	Parks and Countryside additional income	Sean Flesher	Implement price rises, plus additional income at various attractions	G	(0.6)	0.0
4.	Leeds Building Services	Simon Costigan	Identification of savings to fund PPPU costs	A	(0.2)	0.0
5.	Car Parking	Helen Freeman	Review of Price tariffs and additional income target.	G	(0.2)	0.0
6.	WYP &CC grant use	Sam Millar	£713k funding budgeted but not confirmed therefore remains a risk	A	(0.7)	0.0
7.	Savings in Housing related support programme	Neil Evans	FYE of 15/16 plus recommissioning of more SP contracts	G	(0.3)	0.1
8.	Directorate wide staffing reductions	Neil Evans	At period 7, pressure of £0.75m offset by staffing savings in services (see 6 and 10 below)	G	(1.2)	0.75
9.	Contract / Procurement Savings / Line by Line		Target for contract savings in the base. (not shown as a variance as reported corp in 15/16)	A	(0.3)	0.0
10.	All Other action plan items			G	(0.1)	0.0
<b>B. Other Significant Variations</b>						
1.	Waste Disposal Costs	Andrew Lingham	Net budget £15.7m for 329.2k tonnes of waste; -£15k variation at P7			(0.0)
2.	Refuse Collection staffing costs	Tom Smith	£12.2m pay budget in service; £54k variation anticipated at P7			0.1
3.	Refuse Collection vehicle costs	Tom Smith	Repairs £0.7m; Fuel £1.2m. Fuel nil variance at P7 (price increases offset by volume variations)			0.0
4.	Car Parking BLE / PCN income	Helen Freeman	BLE £1.4m ; PCN's £2.3m - (£57k) variance projected at P7			(0.1)
5.	Car Parking Fee Income	Helen Freeman	£8.4m budget increase of £810k from 15/16.(Introduced new WHLCP increased by 50p June 2016)			(0.1)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			(0.4)
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m required to be delivered. Service currently operating with £12.2m WIP			0.0
8.	Parks and Countryside - Attractions	Sean Flesher	£1.7m Income budget (incl: TWorld £1.3 m budget)			0.0
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£6.3 m budget			0.0
10.	All other variations, mainly staffing		Includes Community Safety (£0.2m, Car Parking £0.2m, Housing Support/Partnership £0.2m)			(0.4)
<b>Environment &amp; Housing - Forecast Variation</b>						<b>(0.1)</b>

## CITIZENS AND COMMUNITIES 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall** - Budget action plans have been reviewed with each Chief Officer and at present it is anticipated that most plans will be achieved, though there is a pressure of £250k on Customer Access staffing costs. A projected underspend of £241k in Elections, Licensing and Registration along with forecast savings of £101k in Libraries gives an overall underspend of £96k for the Directorate as a whole.

**Communities** The latest figures for Community Centres indicate a potential overspend of £50k, although this assumes no savings in utility costs (last year this was £50k) which could balance the overall position. We have also assumed a drop in income as Leeds City College will be moving out of St Barts/Strawberry Lane and generated £30k per year. Budget savings on Well Being, Youth Activities, and the Innovation Fund have been delivered. The full saving of 3rd Sector Infrastructure Grant will not be delivered in year but this will be offset by savings elsewhere within the service. The variances recorded below all relate to Migration Services and reflect some savings on staffing cost due to delayed recruitment and transfer of income in year to reserve. Overall the service will balance to resources in year.

**Customer Access** Savings targets built in to the budget for 2016/17 are challenging and there is a significant amount of work involved in developing the Community Hubs.

The budget for 2015/16 had a saving of £100k built in for Community Hubs and there is a further £100k saving for 2016/17. Demands on staffing are significant and development of the Hub approach as well as integration of the Branch Library Service has resulted in some additional cost. It is unlikely that the saving will be delivered in year as we are currently forecasting the staffing pressure could result in an overspend of approx £250k. Some of the additional staffing costs relates to project resource required to deliver the outcomes of an Executive Board Report approving £4.6m of capital spend to develop the retained assets that are becoming the hub sites to allow both service integration and release of surplus assets. The Transactional Web savings of £200k relate to staffing costs in the Contact Centre and these are currently on line to be delivered.

**Libraries Service** The figures this month reflect the transfer of the service from City Development to Citizens and Communities. Overall, an underspend of £101k is expected, comprising a savings of £89k on staffing, £40k running costs as well as a shortfall in income of £28k.

**Elections, Licensing & Registration** Staffing costs at Period 7 are projected to be £18k under budget, included in this is an overspend of £29k for Taxi and Private Hire Licensing which is funded out of additional income. The collection of income continues to do well and this has been reflected within this month's projections. A total of £182k of projected income in excess of the budget has been identified at this stage in the year, this arises across three areas: Registrars £100k, Local Land Charges £53k and Entertainment Licensing £30k. Additional premises costs relate to Elections Service and these costs are funded via grant, the overspend on supplies and services relates to Vehicle Licensing and this is funded out of additional income.

**Benefits, Welfare and Poverty** Staffing and overtime costs are projected to be £129k below the staffing budget. There have been a number of windfall grants which have now been reflected in the projection, ie Pension Assessed Income, Temporary Absence, Family Premium which relate to the DWP New Burdens. In addition the FERIS and Single Fraud grants have been used to fund the increased cost of additional off-site processing work.

The Local Welfare Support Scheme is projecting to underspend by £300k - with some aspects of the spend on a 5 month delay, prior years orders rolled into 16/17 are currently being completed. Housing Benefit Overpayments have reduced in line with the overall reduction in HB payments, so too has the average value of each overpayment. In addition the number and value of overpayments generated through data matching with DWP and HMRC have reduced significantly despite the number of referrals being received by the LA remaining at a similar level to previous years. However proactive work has been ongoing during recent months with interventions based on medium risk cases - this has resulted in an increase in overpayment income projections compared to last month.

This year's initiative to identify further cases where Single Person Discount has been incorrectly claimed is proving successful and the projected additional income by year end is £500k against the £280k reflected in the budget. This income is accounted for within the Collection Fund, so doesn't show within the Citizens and Communities revenue position.

#### Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Communities	12,452	(6,900)	5,552	(59)	50	132	(3)	21	0	0	0	43	184	(188)	(4)
Customer Access	16,930	(1,568)	15,362	250	0	0	0	0	0	0	0	0	250	0	250
Libraries	6,299	(1,193)	5,106	(89)	(2)	(35)	(2)	(1)	0	0	0	0	(129)	28	(101)
Elections, Licensing & Registration	7,474	(6,749)	725	(18)	181	81	(6)	(7)	0	0	0	0	231	(472)	(241)
Benefits, Welfare and Poverty	287,302	(284,390)	2,912	(129)	8	317	(12)	100	0	936	0	0	1,220	(1,220)	0
Total	330,457	(300,800)	29,657	(45)	237	495	(23)	113	0	936	0	43	1,756	(1,852)	(96)



**Key Budget Action Plans and Budget Variations:**

	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>					
<b>Efficiencies</b>					
Community hubs	Lee Hemsworth	Efficiencies from bringing services together, linked to Phase 1 and 2 of the capital investment in the service	R	0.1	0.3
Running costs	Shaïd Mahmood	Main savings in Communities	G	0.3	0.0
Transactional web	Lee Hemsworth	Further savings from the implementation of transactional web, mainly staffing	G	0.2	0.0
Registrars	John Mulcahy	Review of costs and income	G	0.1	0.0
Asset savings	Shaïd Mahmood/Lee Hemsworth	Savings in line with the asset management plan for closure of buildings and move of some HRA functions into the Community Hubs	G	0.1	0.0
Staffing Savings (Libraries)	Lee Hemsworth	Staffing efficiency target	G	0.0	0.0
Other	All CO's	£64k from PPE, printing and mail	G	0.1	0.0
<b>Changes to service</b>					
Third sector infrastructure grant	Shaïd Mahmood	Grant reduction	G	0.1	0.0
Reduction in wellbeing and youth activities	Shaïd Mahmood	Reduction in budget	G	0.2	0.0
Innovation Fund	Shaïd Mahmood	Budget reduction	G	0.1	0.0
Service Reductions	Lee Hemsworth	Book Fund	G	0.1	0.0
Service Reductions	Lee Hemsworth	In year Savings	G	0.1	0.0
<b>Additional income - traded services, partner and other income</b>					
Housing benefits overpayments	Steve Carey	Level of overpayments down compared to last year. Projections still assume that the trend will pick up and the budget will be met, although this is a significant risk area.	R	0.4	0.6
Council Tax Single Person Discount	Steve Carey	£500k now projected - incidence in the Collection Fund	G	0.0	0.0
Advice consortium and welfare rights	Steve Carey	HRA contribution relating to under occupancy and rent arrears	G	0.2	0.0
Local Welfare Support Scheme	Steve Carey	HRA contribution in respect of support of Council tenants	G	0.1	0.0
<b>B. Other Significant Budgets</b>					
Net effect of all other variations					(1.0)
<b>Citizens and Communities Directorate - Forecast Variation</b>					<b>(0.1)</b>

## PUBLIC HEALTH - 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall** - The allocation of the ring fenced Public Health grant for 2016-17 is £46,630k, this includes an additional £4,993k of funding for the full year effect for the 0-5 years services (Health Visiting and Family Nurse Partnership) which transferred to LCC in October 2015 less the continuing and significant reduction to the ring-fenced grant allocation.

The 2016/17 budget reflects savings of £1.1m from successful consultation and negotiation with our partners and providers including 3rd Sector and NHS providers. In addition savings have been made from the Public Health funding which is provided across Council directorates to support joint commissioning and commissioning of Council run services resulting in £355k of savings. Savings of £955k have been found from Public Health programme budgets, vacant posts, support services and running costs.

#### Detailed Analysis

The planned saving of £233k as part of the transfer of the TB contract will not materialise, though work to find compensating savings is now completed and is currently predicted to slightly over-achieve. Due to overtrading of sexual health services, provision was made for anticipated costs. However it is likely that these costs will not materialise in full therefore resulting in savings to compensate for this risk.

Due to staff turnover and vacant posts on hold as a result of a review to prioritise critical posts that need to be filled, pay costs are projected to be £161k underspent on the general staffing budget, though some staff are now working on income funded projects. Work is continuing to identify potential financial pressures particularly in relation to costs associated with the new drugs and alcohol contract and Public Health activity contracts which are paid based on demand and some on NHS tariff. Recent activity data is showing a reduced level of activity and as a result, an underspend of £249k is projected on commissioning budgets.

Overall, this means that the grant funded budgets are projected to be £401k underspent. This underspend will be used to reduce the £1,326k required from reserves to fund the budget shortfall, meaning that the funding required from reserves is now expected to be £925k.

In Supporting People there are a number of vacancies and recruitment delays which has resulted in a projected underspend of £73k, though this is partly offset by a corresponding reduction in income of £50k to give an overall underspend of £23k.

#### Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Public Health Grant		(46,630)	(46,630)	0	0	0	0	0	0	0	0	0	0	0	0
Staffing and General Running Costs	5,023		5,023	(176)	2	7	0	0	0	0	0	0	(167)	(22)	(189)
Commissioned and Programmed Services:															
- General Public Health	208		208	0	0	0	0	0	(30)	0	0	0	(30)	0	(30)
- Population Healthcare	283		283	0	0	0	0	0	(5)	0	0	0	(5)	0	(5)
- Healthy Living and Health Improvement	15,329	(140)	15,189	0	0	(3)	0	0	(127)	0	0	0	(130)	0	(130)
- Older People and Long Term Conditions	2,361	(47)	2,314	39	0	0	0	1	26	0	0	0	66	(66)	0
- Child and Maternal Health	14,059		14,059	0	0	0	0	(4)	(30)	0	0	0	(34)	0	(34)
- Mental Wellbeing and Sexual Health	9,248		9,248	37	0	0	0	9	(288)	0	0	0	(242)	0	(242)
- Health Protection	806		806	0	0	0	0	0	229	0	0	0	229	0	229
Transfer From Reserves		(500)	(500)									401	401		401
Supporting People	964	(637)	327	(76)	1	2	0	0	0	0	0	0	(73)	50	(23)
Drugs Commissioning	1,260	(1,260)	0	0	0	24	0	0	(24)	0	0	0	0	0	0
<b>Total</b>	<b>49,541</b>	<b>(49,214)</b>	<b>327</b>	<b>(176)</b>	<b>3</b>	<b>30</b>	<b>0</b>	<b>6</b>	<b>(249)</b>	<b>0</b>	<b>0</b>	<b>401</b>	<b>15</b>	<b>(38)</b>	<b>(23)</b>

<b>Key Budget Action Plans and Budget Variations:</b>					
	<b>Lead Officer</b>	<b>Additional Comments</b>	<b>RAG</b>	<b>Action Plan Value £m</b>	<b>Forecast Variation against Plan/Budget £m</b>
<b>A. Key Budget Action Plans</b>					
<b>Efficiencies</b>					
- General efficiencies on contracted services	Ian Cameron	A combination of reductions in demand, expiry of contracts, ending one-off contributions and activities now funded by other contracts or organisations	G	0.80	0.00
- Staff savings	Ian Cameron	Reduction in staffing pay budget through vacant posts on hold and vacancy management throughout 2016/17	G	0.42	0.00
<b>Review of commissioned services</b>					
<b>Third Sector</b>					
- Savings on contracts due to expire	Ian Cameron	5% saving on 22 contracts due to expire. Areas covered community development, food and nutrition, vulnerable groups, older people, sexual health, domestic violence, mental health, cancer screening, children's physical activity, obesity and breast feeding. All affected 3rd Sector providers have confirmed their acceptance of the 5% saving, public health contract managers continue to provide support to all providers.	G	0.16	0.00
- Drugs and alcohol services	Ian Cameron	Initial consultation with provider has taken place, further discussions are planned.	G	0.20	0.00
- Drug Intervention Programme and Integrated Offender Management	Ian Cameron	Consultation with partners and providers have begun in order to realise savings.	G	0.38	0.00
- Savings on existing contracts	Ian Cameron	Contracts affected include Health Visiting, School Nursing, Healthy Lifestyles, Smoking Cessation, Weight Management, Infection Control. Consultation with NHS provider has started, further discussions planned.	G	0.29	0.00
- Transfer of TB service to NHS provider	Ian Cameron	Following consultation with NHS Partners this saving will not be realised	R	0.23	0.23
<b>Leeds City Council services</b>	Ian Cameron	In response to this proposed reduction in public health funding in 16/17 to council provided services, £1.3m of non-recurrent earmarked reserves will be used to maintain services to March 17. LCC directorates and heads of finance have confirmed savings have been achieved and implemented either by absorbing the saving or in consultation with relevant provider.	G	1.75	0.00
<b>Programmed budgets</b>	Ian Cameron	Programme budgets removed for area health priorities across ENE, S&E and WNW. Adult public health programmes including drugs and alcohol, mental health, sexual health, infection control and fuel poverty. Children's public health programmes including obesity, breastfeeding, alcohol, drugs infant mortality and oral health.	G	0.60	0.00
<b>B. Other Variations</b>					
Projected underspend on staffing costs					(0.18)
Net effect of all other variations					(0.07)
<b>Public Health - Forecast Variation</b>					<b>(0.02)</b>

## STRATEGY AND RESOURCES - 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall** - Action plans are generally on line to deliver the budgeted savings. The only area currently expected to create a pressure is income within the PPPU which means that Strategy & Resources is currently reporting a net overspend of £94k.

**Strategy & Improvement** - Strategy and Improvement are projected to spend within budget at Month 7.

**Financial Services** - the number of staff of leaving during the year is expected to result in a balanced position by the year-end.

**Human Resources** - HR are planning to meet the £371k efficiency savings incorporated in the budget, through freezing recruitment and the use of the early leavers initiative.

**Information Technology** - savings on staffing costs due to vacant posts are expected to be offset by reduced income as these posts are income generating. On running costs, there is an £80k saving on Microsoft licences which was initially funded by transfers from directorate budgets.

**PPPU** - based on current projections, the Unit will be £452k overspent at year end. Even though there is an underspend on pay of £723k and a freeze on posts is in place, income is projected £1,172k less than budget. The main reasons for the shortfall in income are the fall out of NGT (£619k), Health Transformation (£81k) and various capital schemes (£559k). PPPU's Senior Management Team are reviewing workload and income streams and the reported variance assumes that an extra £152k of income can be realised by year end. Obviously this remains a significant risk area for the Directorate.

**Legal Services** - Legal are currently under budget on staffing by £160K and all expenditure budgets are online. There is a risk that internal income will be significantly below budget, principally because of reductions in the Legal establishment. Some additional income is now predicted meaning that the current forecast is a shortfall of £160k.

**Democratic Services** - the Governance, Scrutiny, Civic and Ceremonial and Members' Allowances budgets are on target to deliver a balanced budget for 2016/17. However on-going, year on year pressures remain within Members' Support which has necessitated other opportunities to be explored to achieve a balanced budget across the Democratic Services division. These include the on-going secondment of a member of staff to WYCA, redesigning work packages, working arrangements and leadership responsibilities to enable vacated posts to be not filled and other in-year one off savings to be accrued.

#### Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategy & Improvement	4,832	(471)	4,361	(60)	0	5	(5)		0	0	0	0	(60)	60	0
Finance	15,843	(7,004)	8,839	(25)	2	(4)	0	0	0	0	0	0	(27)	27	0
Human Resources	8,305	(1,915)	6,390	(178)	(2)	(5)	(24)	(46)	0	0	0	0	(255)	255	0
Information Technology	19,428	(6,074)	13,354	(95)	0	(80)	0	0	0	0	0	0	(175)	95	(80)
Projects, Programmes & Procurement	7,658	(6,085)	1,573	(723)	0	1	(1)	0	0	0	0	0	(723)	1,023	300
Legal Services	4,736	(6,915)	(2,179)	(160)	0	0	0	0	0	0	0	0	(160)	160	0
Democratic Services	4,944	(26)	4,918	(126)	0	0	0	0	0	0	0	0	(126)	0	(126)
<b>Total</b>	<b>65,746</b>	<b>(28,490)</b>	<b>37,256</b>	<b>(1,367)</b>	<b>0</b>	<b>(83)</b>	<b>(30)</b>	<b>(46)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,526)</b>	<b>1,620</b>	<b>94</b>

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
Efficiencies						
1	Financial services	Doug Meeson	Further changes to way services provided, self service, less internal audit, centralisation.	G	0.76	0.00
2	HR	Lorraine Hallam	On-line advice, less HR input into low level cases, ELI and vacancy management	G	0.37	0.00
3	ICT staffing	Dylan Roberts		G	0.12	0.00
4	ICT Print Smart	Dylan Roberts	Further efficiencies on top of those delivered in 2015/16	G	0.10	0.00
5	Legal Services	Catherine Witham		G	0.05	0.00
6	Corporate Communications and intelligence	Mariana Pexton	Staffing and efficiency savings, mainly within the Communications Team	G	0.38	0.00
7	Democratic services	Catherine Witham	Staffing and efficiency savings. Member pension saving	G	0.12	0.00
8	ICT procurement savings	Dylan Roberts	Modernisation of telephony	G	0.33	0.00
9	PPPU	David Outram	Significant reduction in Procurement particularly low value procurements. Additional external income	R	0.66	0.30
Additional income - traded services, partner anc						
10	ICT	Dylan Roberts	Provision of managed service to WY Joint Services	G	0.15	0.00
B. Other Significant Variations						
Net effect of all other variations						(0.2)
Strategy and Resources Directorate - Forecast Variation						0.09

## CIVIC ENTERPRISE LEEDS - 2016/17 FINANCIAL YEAR

### FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

**Overall** - the overall projected position at period 7 is an overspend of £201k explained by a £200k overspend against the Catering net budget. The Catering overspend is mainly as a result of the marginal impact of the 7 schools which have been lost to the service plus the marginal impact of a shortfall against the adjusted meal numbers.

#### Business Support Centre

BSC are forecast to be on track to meet their 2016/17 savings target of £400k which is to be achieved through the freezing of posts and ELIs.

#### Commercial Services

The Commercial Services overspend of £200k is, as explained above, accounted for by the marginal impact of the 7 schools which were lost from the Catering service plus the marginal impact of a shortfall against the adjusted meal numbers. The projected overspend on staffing is mainly within the Cleaning Service and is offset by additional income. Work will be done with the Head of Service to identify the permanent resources requirement and income so that a virement can be done to ensure an accurate expenditure and income budget moving forward for Cleaning Services. Once this budgetary realignment is done, this will show that following the implementation of day time cleaning in civic buildings (thus avoiding premium staffing payments) and reduced cleaning frequencies and using the ELI initiative, the service is on track to meet the £200k savings from a lower cleaning specification included in the 2015/16 base budget and should provide a platform for savings in the following financial year.

#### Facilities Management

A balanced position is projected at month 7 although there are risks around accruals for services charges for the two joint service centres going back to 2013/14. The payment of these charges is being dealt with by Legal Services. There is also a potential risk on savings assumed in the Asset Rationalisation programme for Merrion House NNDR where, following advice, an accrual of £430k has been provided in 2015/16.

#### Corporate Property Management

A balanced position is projected at month 7 which assumes budgeted savings of £150k staffing and £450k on building maintenance will be achieved.

#### Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Business Support Centre	15,269	(5,590)	9,679	15	8	(74)	0	0	0	0	0	0	(51)	51	0
Commercial Services	59,532	(56,897)	2,635	1,553	1	758	(15)	(24)	0	1	0	0	2,274	(2,074)	200
Facilities Management	10,088	(4,123)	5,965	(142)	(8)	7	0	0	0	0	0	0	(143)	144	1
Corporate Property Management	5,959	(587)	5,372	33	(40)	0	0	7	0	0	0	0	0	0	0
<b>Total</b>	<b>90,848</b>	<b>(67,197)</b>	<b>23,651</b>	<b>1,459</b>	<b>(39)</b>	<b>691</b>	<b>(15)</b>	<b>(17)</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2,080</b>	<b>(1,879)</b>	<b>201</b>

**Key Budget Action Plans and Budget Variations:**

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>						
1	Asset rationalisation	Sarah Martin	Savings from: 1&3 Reginald Terr £29k, Belgrave Hse £60k, Deacon Hse £30k, South Pudsey Centre £25k, Tribecca £110k	G	0.29	0.0
2	Maintenance of council buildings	Sarah Martin	Reduce responsive maintenance	G	0.60	0.0
3	Catering Savings	Mandy Snaith	Agency staff	G	0.05	0.0
4	Energy	Sarah Martin	Impact of energy efficiency measures	G	0.05	0.0
5	BBM - admin, mail and print	Helena Phillips	Significant changes in respect of business processes required to deliver these savings across 4 contract areas.	G	0.37	0.0
6	Vehicle Fleet	Terry Pycroft	Extend life of light commercial vehicles	G	0.20	0.0
7	Recover cost of living wage	Richard Jackson	Recover from Property Cleaning.	G	0.20	0.0
8	Catering additional income.	Mandy Snaith	Increased income/efficiencies.	G	0.05	0.0
9	Additional MOT income.	Terry Pycroft	Increase number of MOTs undertaken.	G	0.03	0.0
10	Recovery of cleaning charges.	Les Reed	Recovery of charges from clients.	G	0.07	0.0
<b>B. Other Significant Variations</b>						
1	Net effect of all other variations			R		0.2
<b>Civic Enterprise Leeds - Forecast Variation</b>						<b>0.2</b>

# STRATEGIC & CENTRAL ACCOUNTS - 2016/17 FINANCIAL YEAR

## FINANCIAL DASHBOARD - MONTH 7 (APRIL TO OCTOBER)

At month 7, the strategic & central budgets are anticipated to underspend by 938k.

The key variations are;

- Debt - a forecast pressure of £0.3m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates (net of additional prudential borrowing re strategic fund investment acquisitions)
- Section 278 income - a potential £1.8m risk due to lower levels of development activity.
- £430k forecast shortfall in income from court costs
- Procurement - a £1.9m variation which reflects that the procurement and PFI savings will be managed through directorate budgets.
- Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- Appropriation of £2.0m of earmarked reserves.
- Savings of £2.0m on the levy contribution to the business rates.
- Joint Committee - £0.1m anticipated overspend for the Coroners' services.

### Budget Management - net variations against the approved budget

				PROJECTED VARIANCES										Total (under) / overspend £'000	
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000
Strategic Accounts	(11,480)	(32,488)	(44,422)	300		1,860					(2,000)	(1,993)	(1,833)	2,430	597
Debt	24,380	(1,103)	23,277								1,422		1,422	(1,162)	260
Govt Grants	3,015	(26,434)	(23,419)										0	(1,890)	(1,890)
Joint Committees	37,411	0	37,411			95							95		95
Miscellaneous	2,450	(1,311)	1,139										0		0
Insurance	9,831	(9,831)	0			3,414		(121)				(7)	3,286	(3,286)	0
Total	65,607	(71,167)	(6,014)	300	0	5,369	0	(121)	0	0	(578)	(2,000)	2,970	(3,908)	(938)



**Key Budget Action Plans and Budget Variations:**

			RAG	Budget	Forecast Variation against Budget
				£m	£m
<b>A. Major Budget Issues</b>					
1.	Debt Costs and External Income	Doug Meeson Latest projection of increased debt costs due to new long term borrowing (net )	A	13.0	0.3
2.	Minimum Revenue Provision	Doug Meeson The budget assumes the use of £23.4m capital receipts to repay debt. There is a risk that capital receipts available to fund this may fall short by up to £1.8m.	A	10.3	0.0
3.	New Homes Bonus	Doug Meeson No material variation anticipated at this stage in the year	G	(19.2)	0.2
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson Tariff adjustment £480k and Enterprise zone reliefs £370k	A	(7.1)	0.1
5.	S278 Contributions	Doug Meeson Potential risk of £1.8m depending on development activity to the year-end	A	(5.2)	1.8
6.	General capitalisation target	Doug Meeson Capitalisation of eligible spend in directorate/service revenue budgets.	A	(3.0)	(1.0)
7.	Schools capitalisation target	Doug Meeson Capitalisation of eligible spend in school revenue budgets.	A	(2.5)	(1.0)
8.	Corporate Savings Target	Doug Meeson Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	A	(1.0)	1.0
9.	PFI Contract Monitoring Target	David Outram Budget held in the strategic accounts pending confirmation of where the reductions in expenditure will be achieved	A	(0.9)	0.9
10.	Early Leaver Initiative	Doug Meeson £2m earmarked reserve established to fund the severance costs in 2016/17.	A	0.0	0.0
11.	Joint Committee - Coroners Services	Doug Meeson £95k over spend projected at mth 6 due to dilapidations claim at Symons House and a large interpreter fees, partially offset by staffing cost savings	G	0.0	0.1
<b>B. Other Significant Budgets</b>					
1.	Insurance	Doug Meeson Potential additional costs in-year which will be managed through the Insurance Reserve	A	0.0	0.0
2.	Business Rates Levy	Doug Meeson Savings anticipated from levy	G	3.0	(2.0)
3.	Prudential Borrowing Recharges	Doug Meeson Contra budgets in directorate/service accounts.	G	(11.9)	0.0
4.	Earmarked Reserves	Doug Meeson Use of demography reserve and capital reserve	G	0.0	(1.9)
5.	Bridgwater Place	Doug Meeson Compensation to be received from the developer.	G	0.0	0.0
6.	Income	Doug Meeson Income from Court fees	A	0.0	0.4
7.	Leeds Living Wage	Doug Meeson Estimated impact of Jan rise to £8.25/ hour	A	0.0	0.3
<b>Strategic &amp; Central Accounts - Forecast Variation</b>					<b>(0.9)</b>

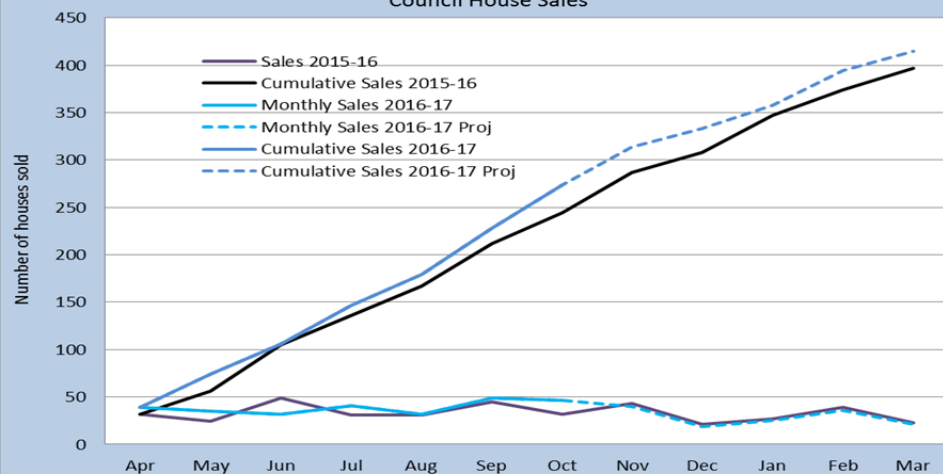
## Housing Revenue Account - Month 7 (October 2016)

### Financial Dashboard - 2016/17 Financial Year

#### Summary of projected over / under spends (Housing Revenue Account)

Directorate	Current Budget	Projected Year End Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
<b>Income</b>					
Rents	(218,375)	(218,339)	36	Projected rent lower than budget due to stock numbers being less than anticipated during budget setting.	62
Service Charges	(6,443)	(6,427)	16	Reduction in income from sheltered accommodation.	16
Other Income	(29,306)	(29,237)	69	PFI PTC (£100k), increase in RTB sales fee income (£46k) offsetting reduction in capitalised salaries due to vacant posts £196k and other small variances £18k.	43
<b>Total Income</b>	<b>(254,124)</b>	<b>(254,003)</b>	<b>121</b>		<b>121</b>
<b>Expenditure</b>					
Disrepair Provision	1,000	1,200	200	Projection due to increase in new cases which is anticipated to continue.	200
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	663	725	62	Current charges indicate overspend.	62
Employees	27,792	26,930	(862)	Vacant posts (£1061k) and training saving (£59k) offsetting agency staff (includes disrepair) £188k and severance costs £69k.	(801)
Premises	7,013	7,101	88	Increase in cleaning charges £77k, Site maintenance costs at Navigation House £11k	88
Supplies & Services	5,259	5,456	197	Large insurance claims £249k, LLBH PFI Japanese Knotweed consultants £15k. Offset by Tenant Mobility saving (£75k) and minor variations £8k.	178
Internal Services	38,473	38,372	(101)	Increase in surveyor RTB valuation work £160k, PPPU recharges for PFI £92k, HR recharge for additional time £24k. Offset by reduction in the GF recharges to the HRA (£321k) and Regeneration team recharge (£52k). Other small variance (£4k).	(32)
Capital Programme	73,041	73,041	-		-
Appropriations	(7,115)	(7,459)	(344)	Large insurance claims (£249k), PFI appropriation adjustment (£95k).	(377)
Unitary Charge PFI	8,101	8,194	93	PFI scheme adjustments: UC £52k; PTC £106k; RTB (£65k).	125
Capital Charges	49,159	49,364	205	Interest receivable lower than budgeted	197
Other Expenditure	7,190	6,907	(283)	Reduction in DHP requirement (£172k), Leeds Tenant Federation - in line with 2016/17 negotiations (£50k), Transport cost reforecast (£61k).	(111)
<b>Total Expenditure</b>	<b>254,124</b>	<b>253,379</b>	<b>(745)</b>		<b>(471)</b>
<b>Total Current Month</b>	<b>-</b>	<b>(624)</b>	<b>(624)</b>		<b>(350)</b>

Council House Sales



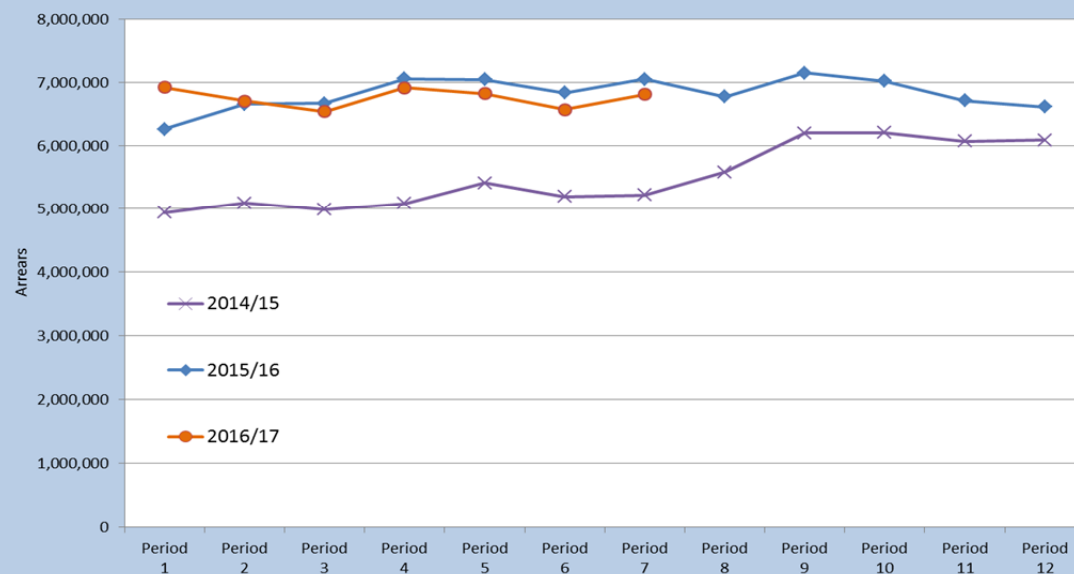
Change in Stock	Budget	Projection
Right to Buy sales*	380	415
New Build (PFI)	(93)	(93)
New Build (Council House Growth)	(142)	(142)
<b>Total</b>	<b>145</b>	<b>180</b>

\* actual sales as at the end of Period 7 - 274

Right to Buy Receipts	2015/16 Actual	2016/17 Projection
Total Value of sales (£000s)	18,057	20,990
Average Selling Price per unit (£000s)	45	51
Number of Sales*	397	415
Number of Live Applications	892	1,051

	2015/16	2016/17	Variance
	£000	£000	£000
<b>Arrears (Dwelling rents &amp; charges) - Week 31</b>			
Current Tenants	6,838	6,813	(25)
Former Tenants	3,175	3,974	799
	10,013	10,787	774
<b>Under occupation - Week 26</b>			
Volume of Accounts	5,078	4,855	(223)
Volume in Arrears	2,628	2,352	(276)
% in Arrears	52%	48%	-4%
Value of Arrears	825	618	(207)
<b>Collection Rates - Week 31</b>			
Dwelling rents	97.24%	96.97%	-0.27%
Target	98.06%	97.50%	
Variance to Target	-0.82%	-0.53%	-0.27%

Comparison of Current Tenant Arrears by Financial Year



## 1. 2016-17 Procurement Report

- 1.1 The Chief Officer for the Projects Programmes and Procurement Unit is required to provide statistical procurement information to Executive Board every quarter. This report provides information in relation to **Q2 of the 2016/17** financial year.

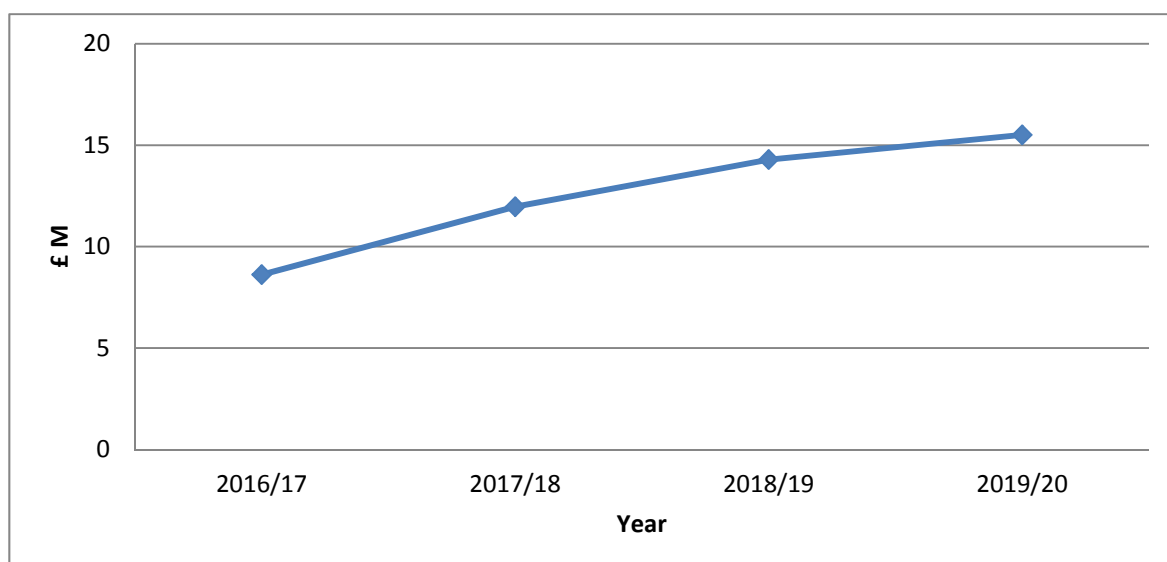
## 2. Procurement Savings

- 2.1 The delivery of procurements, and in turn procurement savings, are a result of cross-functional working with directorates. The procurement category teams work closely with directorate colleagues to seek to secure procurement and contract efficiencies and to reduce off-contract and non-contract spend. Agreeing and 'capturing' procurement savings, in discussion with directorates, enables budget holders to make informed choices and, where possible, translate identified saving opportunities into 'cashable' savings. The high level forecast savings are detailed below.

Updated September 2016	Prior Years £000s	2016/17 £000s	Future Years £000s	Projected Whole Life Saving £000s
Savings already deducted from previous year's and future budgets *	(18,226)	(5,602)	(8,087)	(31,915)
Additional Projected savings against the 2016/17 budget		(3,016)		(3,016)
<b>Total Forecast Savings on Current contracts</b>	<b>(18,226)</b>	<b>(8,618)</b>	<b>(8,087)</b>	<b>(34,931)</b>
*Savings reflect the whole life of the contract and are reflected in the budget for the year the contract is awarded				

- 2.2 Anticipated savings on new procurements for contracts awarded as at 30<sup>th</sup> September are £3.016m.
- 2.3 Forecast savings are based on predicted contract usage and will be updated on a quarterly basis to reflect this.
- 2.4 Further savings are anticipated in the remainder of the year however as market conditions dictate the final tender values, savings will only be estimated once the final tender values are known.
- 2.5 In addition to the cashable savings identified above, the savings report also identifies cost avoidance or 'non cashable savings', for example whereby having implemented good procurement controls, or contract management, a price increase has been avoided or where the re-procurement of a contract has resulted in 'more for less'. By definition it is difficult to prove these savings as they are not usually quantifiable from a budget perspective. Nevertheless they do demonstrate the value added by effective procurement intervention and add value to the process.

## 2.6 Graph of Cumulative Procurement savings 2016/17 to 2018/19



## 3. Orders Placed on the Financial Management System (FMS)

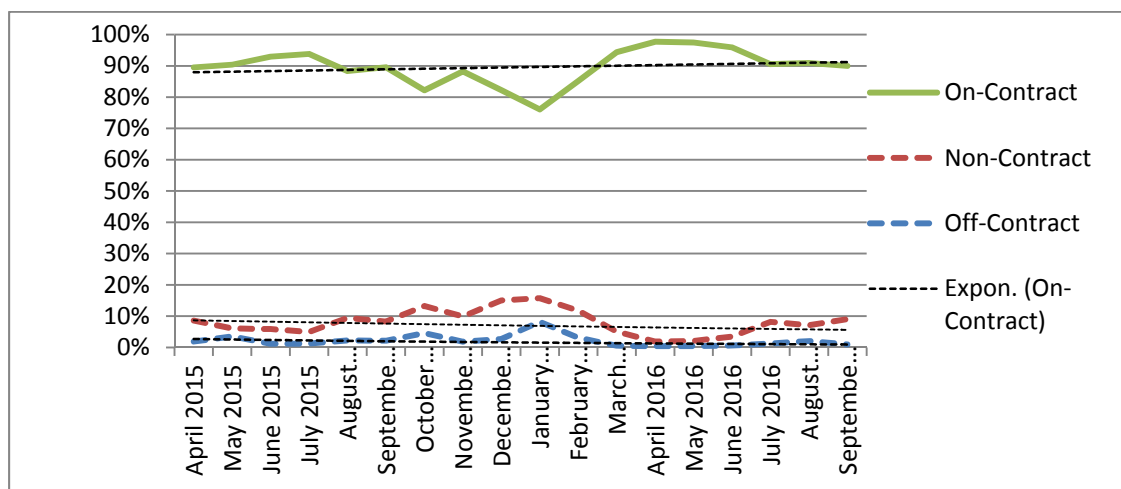
- 3.1 The following financial information is sourced from an analysis of all orders recorded in the council's main financial system, FMS. On the payments system, each creditor (a body or person to which a payment is made by the council) has an indicator on their record which allocates them to a category. Such categories include private companies, commercial individuals (sole traders), other public sector bodies, and the third sector. The classification of organisations is carried out by colleagues in corporate finance with typically several hundred new creditor organisations allocated to a category each month.
- 3.2 These figures do not include orders placed through feeder systems, such as Orchard<sup>2</sup>, purchasing cards, or payment requisitions where BACS or cheque payments are made through FMS without the Business Support Centre processing an invoice and where therefore there is no associated order.
- 3.3 The table below shows all orders placed in FMS during Q2 2016/17. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q2 2015/16			Q2 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
On Contract	£190,131,460	9,029	77.08%	£206,699,912	8,889	71.85%
Non-Contract	£15,069,188	8,332	6.11%	£8,701,345	7,356	3.02%
On Contract - Quasi	£33,326,430	2,824	13.51%	£64,059,050	4,012	22.27%
On Contract - Waiver	£778,766	47	0.32%	£2,760,894	325	0.96%
Off-Contract	£5,184,663	1,744	2.10%	£1,724,553	800	0.60%
Non-Contract - One off or non-influenceable	£2,191,706	566	0.89%	£1,319	43	0.00%
<b>Grand Total</b>	<b>£246,682,211</b>	<b>22,542</b>	<b>100.00%</b>	<b>£287,672,496</b>	<b>22,253</b>	<b>100.00%</b>

<sup>2</sup> Orchard is used by various council functions for dealing with the financial aspects of council owned property, for example to pay contractors for undertaking repairs to the housing stock.

## On, off and non-contract orders placed on FMS

- a) The graph below shows the percentage of on, off and non-contract orders placed on FMS from April 2015 to September 2016.



## 4. Local Suppliers

- 4.1 Orders placed with local suppliers in **Q2 2016/17** are detailed below. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q2 2015/16			Q2 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
Local Spend	£109,085,383	9,973	44.22%	£145,788,626	13,195	50.68%
Non-Local Spend	£137,596,828	12,569	55.78%	£141,883,869	15,295	49.32%
<b>Grand Total</b>	<b>£246,682,211</b>	<b>22,542</b>	<b>100.00%</b>	<b>£287,672,496</b>	<b>22,253</b>	<b>100.00%</b>

Suppliers with a Leeds metropolitan area postcode have been included in the above data. These are postcodes LS1 to LS29 plus BD3, BD4, BD10, BD11, WF2, WF3, WF10, WF12, WF17.

## 5. Third sector

- 5.1 Orders placed with third sector suppliers in **Q2 2016/17** are detailed below. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q2 2015/16			Q2 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
Third Sector	£47,398,144	2,833	19.21%	£83,038,999	2,113	28.87%
Non Third Sector	£199,284,068	19,709	80.79%	£204,633,497	20,140	71.13%
<b>Grand Total</b>	<b>£246,682,211</b>	<b>22,542</b>	<b>100.00%</b>	<b>£287,672,496</b>	<b>22,253</b>	<b>100.00%</b>

## 6. Small and Medium Enterprises (SMEs)

- 6.1 Orders placed with SMEs in **Q2 2016/17** are detailed below. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q2 2015/16			Q2 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
Not an SME	£129,332,344	8,509	52.43%	£148,017,745	8,108	51.45%
SME	£117,349,867	14,033	47.57%	£139,654,750	14,145	48.55%
<b>Grand Total</b>	<b>£246,682,211</b>	<b>22,542</b>	<b>100.00%</b>	<b>£287,672,496</b>	<b>22,253</b>	<b>100.00%</b>

## 7. Glossary

- 7.1 **On contract** is an order placed with a contracted supplier.
- 7.2 **Non-contract** is an order placed where no contract exists for the goods or service.
- 7.3 **Off contract** is an order placed where there is a contracted supplier but the order raiser uses a different supplier.
- 7.4 **Waivers** are required where the relevant Chief Officer is able to justify a genuine exception to the requirements for competition under Contract Procedure Rules.
- 7.5 **Quasi** contracts are virtual contracts put in place to aggregate spend with a view to evaluating the requirements of a contract.
- 7.6 The Local Government Association defines the third sector as “non-governmental organisations” (NGOs) that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.
- 7.7 **Third sector** includes charities, community groups, churches and faith groups, sports and recreational clubs, social enterprises and partnerships and trade unions and associations.
- 7.8 **SMEs** are defined as having a turnover of less than £25.9 million and fewer than 250 employees. This data was collated by using the categorisation selected by the supplier upon registration on YORtender (the council's electronic tendering site) and then verified where possible against data from the Department of Business Innovation and Skills.

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## Report of Head of Governance and Scrutiny Support

## Report to Scrutiny Board (Citizens and Communities)

**Date: 9<sup>th</sup> January 2017**

**Subject: Initial Budget Proposals for 2017/18**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

1. In accordance with the Council's Budget and Policy Framework, the Deputy Chief Executive submitted to the Executive Board the attached report which sets out the Initial Budget Proposals for 2017/18. The proposals are subsequently submitted to Scrutiny for consideration and review.
2. Specifically, the Scrutiny Board (Citizens and Communities) is asked to consider matters and proposals relating to the Citizens and Communities directorate. To assist, a further summary of the proposals linked to the Citizens and Communities directorate has been provided (see appendix B). Other Scrutiny Boards will consider elements of the budget proposals relevant to their terms of reference.
3. Any comments or recommendations made by the Scrutiny Board will be fed back to the Executive Board at its meeting on 8<sup>th</sup> February 2017 prior to submission of the proposed budget to full Council.
4. The Assistant Chief Executive (Citizens and Communities) and relevant Executive Members have been invited to the meeting to discuss the Executive's initial budget proposals.

## **Recommendations**

5. Members are asked to consider the Executive's initial budget proposals as set out in the attached report and agree any comments and/or recommendations to be submitted.

## **Background documents<sup>1</sup>**

6. None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

**Report of the Deputy Chief Executive  
Report to Executive Board  
Date: 14<sup>th</sup> December 2016**

**Subject: Initial Budget Proposals for 2017/18**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The purpose of this report is to set out the initial budget proposals for 2017/18.
2. These budget proposals support the council's Best City/Best Council ambitions, policies and priorities aimed at tackling inequalities (please refer to the Best Council Plan 2017/18 refresh report which is on today's agenda).
3. These budget proposals are set within the context of the 2017/18 – 2019/20 medium term financial strategy which was approved by the Executive Board in September 2016, updated to recognise the implications following the Chancellor's Autumn Statement in November 2016, the 2017 business rates revaluation and further savings proposals to bridge the previously identified budget gap.
4. Whilst the government's multi-year funding settlement provides some certainty, there are still a number of assumptions within the budget proposals that will not be known until the provisional local government finance settlement is announced, which is likely to be mid-December 2016.
5. The financial climate for local government continues to present significant risks to the council's priorities and ambitions. The council continues to make every effort possible to protect the front line delivery of services, and whilst we have been able to balance the budget each year since 2010, have continued to deliver a broad range of services despite declining income, and have avoided large scale compulsory redundancies, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without significant changes in the way the council operates.
6. The headlines from the 2017/18 initial budget proposals, when compared to the 2016/17 budget, are as follows:

- A reduction in revenue support grant from government of £28m (30%).
  - A reduction in the settlement funding assessment of £25m (10.6%)
  - An increase in Council tax of 1.99% together with a further 2% in respect of the Adult Social Care precept generating an additional £10.8m of local funding.
  - A combination of reduced funding and cost pressures means that the council will need to deliver £62.4m of savings by March 2018.
7. In respect of the Housing Revenue Account, whilst there are proposals to increase some service charges, the implementation of the rent cap, which was announced in July 2015, will mean that the majority of housing rents will again reduce by 1% from April 2017.

## **Recommendation**

8. Executive Board is asked to agree the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

### **1. Purpose of report**

- 1.1 In line with the council's constitution, the Executive Board is required to publish initial budget proposals two months before approval of the budget by Full Council, which is scheduled for the 22<sup>nd</sup> February 2017. This report sets out the initial budget proposals for 2017/18 which are set within the context of the medium term financial strategy which was approved by Executive Board in September 2016 updated to recognise the implications following the Autumn Statement in November 2016, the 2017 business rates revaluation and further savings proposals to bridge the previously identified budget gap.
- 1.2 Subject to the approval of the Executive Board, these initial budget proposals will be submitted to scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 8<sup>th</sup> February 2017. These budget proposals will also be made available to other stakeholders as part of a wider and continuing process of engagement and consultation. It is also proposed to provide an update at the meeting of the board in February 2017 as to the medium-term financial strategy, which was approved by the board at its September 2016 meeting.
- 1.3 In accordance with the council's budget and policy framework, decisions as to the council's budget are reserved to full council. As such, the recommendation at 13.1 is not subject to call in as the budget is a matter that will ultimately be determined by full council.

### **2. The national context and Autumn Statement**

- 2.1 The economic context in which public spending has to be seen within is very much dominated by the debate as to the impact of the EU referendum and the strength and resilience of the national economy.

2.2 In its November 2016 forecasts, compared with its March 2016 forecasts, the Office of Budget Responsibility (OBR);

- expects gross domestic product (GDP) annual growth to be lower in 2017 and 2018, and unchanged in 2019 and 2020. The 2017 forecasts have been cut from 2.2% to 1.4%.
- has raised consumer price index (CPI) annual inflation in 2017 and 2018 recognising the fall in the pound since the EU referendum and the consequential increase in import prices.
- has cut average annual earnings growth forecasts to 2019.

Chart 1 Office of Budget Responsibility's forecasts for the national economy

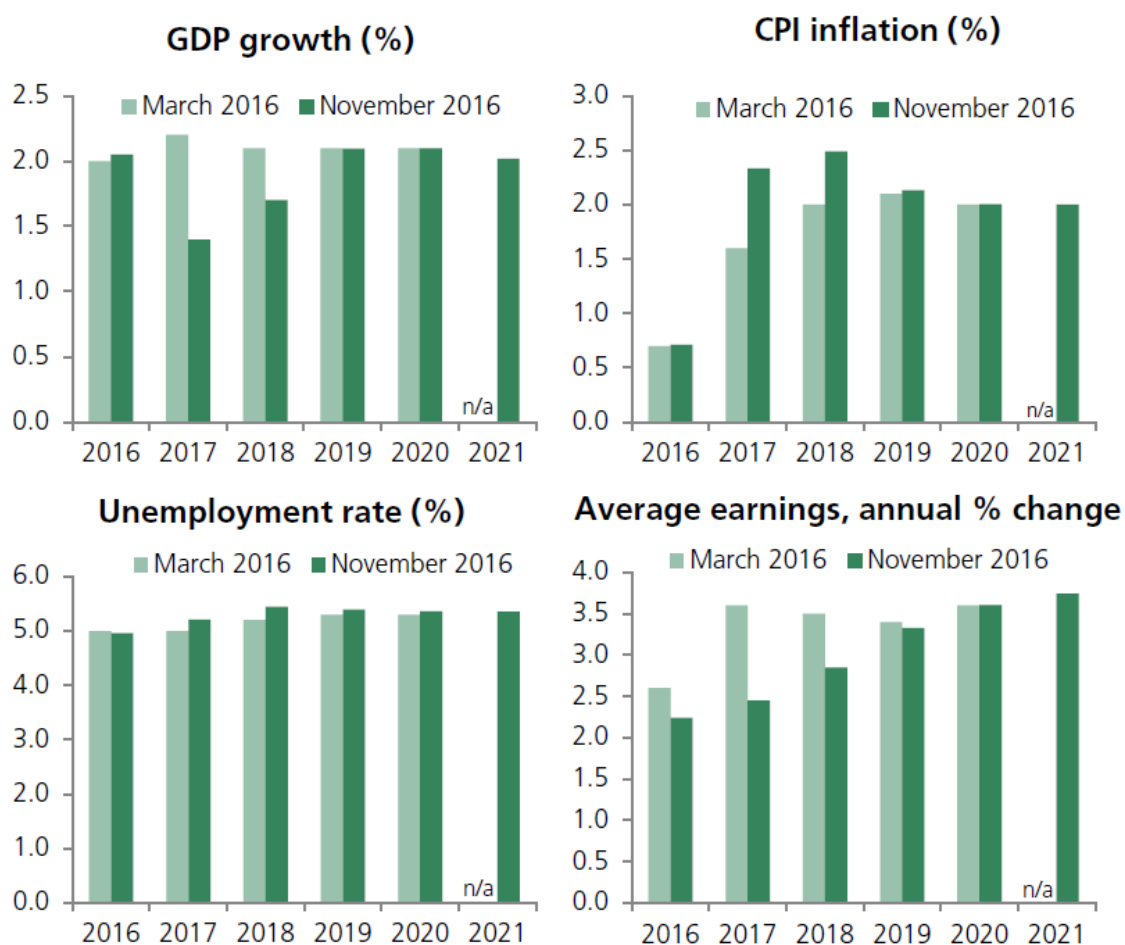


Table 1 Office of Budget Responsibility's forecasts for the national economy

**OBR forecasts: economy**

	2015	2016	2017	2018	2019	2020	2021
<b>GDP growth (%)</b>							
March 2016	2.2	2.0	2.2	2.1	2.1	2.1	..
November 2016	2.2	2.1	1.4	1.7	2.1	2.1	2.0
<b>CPI inflation (%)</b>							
March 2016	0.0	0.7	1.6	2.0	2.1	2.0	..
November 2016	0.0	0.7	2.3	2.5	2.1	2.0	2.0
<b>ILO unemployment rate, %</b>							
March 2016	5.4	5.0	5.0	5.2	5.3	5.3	..
November 2016	5.4	5.0	5.2	5.5	5.4	5.4	5.4
<b>Average earnings, % change on previous year</b>							
March 2016	2.3	2.6	3.6	3.5	3.4	3.6	..
November 2016	1.8	2.2	2.4	2.8	3.3	3.6	3.7

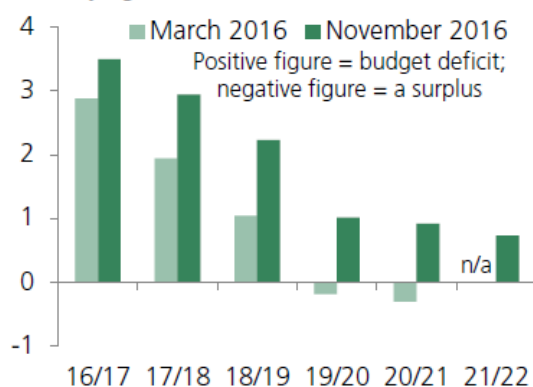
\*In March 2016, there were no forecasts for 2021

2.3 The OBR also updated its forecasts for the public finances. In summary the November 2016 forecasts compared with its March 2016 forecasts;

- expects more borrowing in all years – some of the additional borrowing can be attributed to government policy decision, but the majority is a result of changes to the OBR's underlying forecast.
- expects higher debt in all years. The debt-to-GDP ratio is now expected to start falling in 2018/19, two years later than previously expected.

Chart 2 Office of Budget Responsibility's forecasts for public finances

**Public sector net borrowing, % of GDP**  
Underlying basis, see table below



**Public sector net debt, % of GDP**

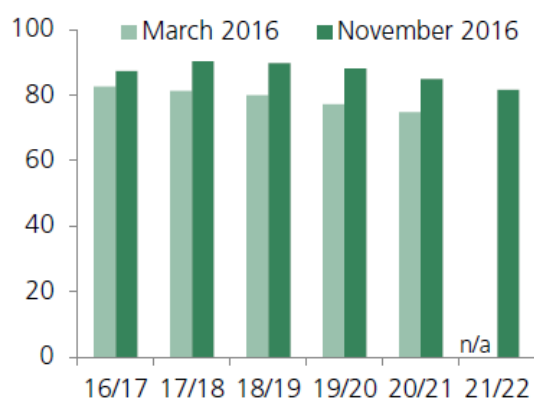


Table 2 Office of Budget Responsibility's forecasts for public finances

**OBR forecasts: public finances**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Net borrowing**, £ billion</b>							
March 2016	72.2	56.0	39.2	21.9	-4.1	-6.9	...
November 2016	76.0	68.2	59.0	46.5	21.9	20.7	17.2
<b>Net borrowing**, % of GDP</b>							
March 2016	3.8	2.9	1.9	1.0	-0.2	-0.3	..
November 2016	4.0	3.5	2.9	2.2	1.0	0.9	0.7
<b>Cyclically adjusted net borrowing, % of GDP</b>							
March 2016	3.6	2.7	1.9	1.0	-0.5	-0.5	..
November 2016	3.8	3.3	2.6	1.8	0.8	0.8	0.7
<b>Net debt, £ trillion</b>							
March 2016	1.59	1.64	1.68	1.72	1.72	1.74	..
November 2016	1.61	1.72	1.84	1.90	1.95	1.95	1.95
<b>Net debt, % of GDP</b>							
March 2016	83.7	82.6	81.3	79.9	77.2	74.7	..
November 2016	84.2	87.3	90.2	89.7	88.0	84.8	81.6

\*In March 2016, there were no forecasts for 2021/22

\*\* Like-for-like basis adjusting for ONS classification changes

The OBR assesses that the government is more likely than not to meet its proposed fiscal targets. They also report that the government would have missed its previous targets.

## 2.4 Autumn Statement 2016

2.4.1 On the 23<sup>rd</sup> November 2016, the new chancellor announced the first Autumn Statement since the EU referendum.

2.4.2 The key announcements in the 2016 autumn statement were;

- A National Productivity Investment Fund (NPIF) will be introduced, which will invest an average of around £5 billion a year between 2017/18 and 2021/22. The NPIF will be targeted at transport, digital communications, research and development and housing.
- The Universal Credit taper will be reduced from 65% to 63% from April 2017. This means once claimants earn above the work allowances in Universal Credit they will be able to keep more of what they earn.
- The National Living Wage will increase from £7.20 to £7.50 in April 2017. This follows the recommendations of the Low Pay Commission. The Government has also accepted the Low Pay Commission's recommendations for the other National Minimum Wage rates.
- Fuel duty will be frozen for the seventh successive year.

- The standard rate of Insurance Premium Tax will increase from 10% to 12% from 1 June 2017. From 2018/19 this is estimated to raise around £850 million a year, making it the largest tax raising measure announced.
- National Insurance contributions (NICs) thresholds for employers and employees will be aligned from April 2017. This means employees and employers will start paying National Insurance at the same amount of weekly earnings.
- Tax and NICs advantages on some salary sacrifices will be removed. This means that employees swapping salary for other benefits will pay tax on these benefits. Exceptions include: pensions (including advice), childcare, Cycle to Work and ultralow emission cars.
- £1 billion of savings from an efficiency review will be reinvested in priority areas. The review, announced in Budget 2016, is aiming to find savings for public spending of £3.5 billion in 2019/20.
- A Northern Powerhouse strategy has been published.
- Pay to Stay – under which local authority tenants with sufficient incomes would have been required to pay a market, or near market rent – is dropped. This was announced a couple of days prior to the Autumn Statement.
- Letting agents' fees to tenants will be banned.
- Various measures to tackle tax avoidance and evasion will be introduced.
- There will be minor amendments to business rates. Transitional reliefs, which are available to those whose bills will rise following the business rates revaluation, will be more generous. Rural rate relief will rise to 100%.
- The Budget timetable to change. The Budget will take place in autumn from autumn 2017. From 2018 there will be a Spring Statement in which the Chancellor will respond to the OBR's forecasts for the economy and public finances.

### **3. Developing the 2017/18 budget and medium term financial strategy with the refreshed 2017/18 Best Council Plan**

- 3.1 Between the 2010/11 and 2016/17 budgets, the council's core funding from government has reduced by around £214m and in addition the council has faced significant demand-led cost pressures. This means that the council will have to deliver reductions in expenditure and increases in income totalling over £400m by March 2017. To date, the council has responded successfully to the challenge and has marginally underspent in every year since 2010 through a combination of stimulating good economic growth, creatively managing demand for services, increasing traded and commercial income, growing council tax from new properties and a significant programme of organisational efficiencies.



- 3.2 In February 2016, Council approved the 2016/17 Best Council Plan and the supporting budget. The Best Council Plan is the council's strategic planning document and sets the context and policy direction against which the budget and medium-term financial strategy are developed. The policy direction is clearly explained in the 2016/17 Best Council Plan: that the council's 'Best City' and 'Best Council' ambitions remain - articulated around Leeds having a strong economy and being a compassionate city and the council being an efficient and enterprising organisation – with a focus on reducing poverty and tackling the range of interlinked inequalities that persist across the city.
- 3.3 Inevitably, managing the large reduction in government funding and increasing cost pressures has meant that the council has had to make some difficult decisions around the level and quality of services. However, as signposted in the 2016/17 Best Council Plan and 2016/17 budget reports to council in February 2016, it will become increasingly difficult over the coming years to identify further financial savings without significant changes in what the council does and how it does it. This will have significant implications for the services provided directly and commissioned by the local authority, impacting upon staff, partners and service users. In order to deliver the council's ambitions aimed at tackling poverty and reducing inequalities, those services that are no longer affordable and a lesser priority than others will be delivered differently or, in some cases, stopped. This will be achieved through a continuing process of policy and service reviews across the council's functions and ongoing consultation and engagement.

#### **4. Estimating the net revenue budget for 2017/18**

##### **4.1 Settlement funding assessment – reduction of £25.2m**

- 4.1.1 Settlement funding assessment is essentially the aggregate of government grant and business rate baseline funding for a local authority. As part of the 2016/17 financial settlement, government offered councils a 4-year funding settlement for the period 2016/17 to 2019/20. Government describes this as part of the move to a more self-sufficient local government, suggesting that these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery, support strategic collaboration with local partners and for local authorities to strengthen financial management and efficiency.
- 4.1.2 At its meeting in September 2016, Executive Board agreed to accept the government's 4-year funding offer on the premise that any acceptance would be on the basis that the offer represents a minimum level of government funding to the council and that the council would not be disadvantaged at all by accepting the offer.
- 4.1.3 On the 16<sup>th</sup> November 2016, the council received confirmation from DCLG that it is now formally on the multi-year settlement and can expect to receive the allocations published as part of the 2016/17 local government finance settlement in 2017/18, 2018/19 and 2019/20. The letter also re-iterated that the government will also need to take account of future events such as the transfer

of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the government expects these to be the amounts presented to Parliament each year.

- 4.1.4 Table 3 below sets out the council's settlement funding assessment for 2017/18 which is in line with the multi-year settlement. For 2017/18, this represents a reduction of £25.2m compared to 2016/17, equivalent to a 10.6% reduction.

*Table 3 – Settlement funding assessment*

	2016/17	2017/18	Change	
	£m	£m	£m	%
Revenue Support Grant	93.0	65.0	(28.0)	30.13
Business Rates Baseline Funding	145.0	147.8	2.9	1.97
<b>Settlement Funding Assessment</b>	<b>238.0</b>	<b>212.9</b>	<b>(25.2)</b>	<b>10.58</b>

- 4.1.5 The business rates element of the settlement funding assessment is determined by taking the 2016/17 baseline business rates amount of £145m and uplifting it for inflation. The uplift for inflation, based upon September 2016 Retail Price Index, is 1.97%. The business rates element of settlement funding assessment for 2017/18 for Leeds is therefore £147.8m which is net of the estimated tariff adjustment of £14.9m.

- 4.1.6 As in 2016/17, funding in respect of early intervention, homelessness prevention, lead local flood authorities and learning disability & public health reform funding, as shown in table 4 below, are included within the settlement funding assessment but continue to be separately identified within the assessment.

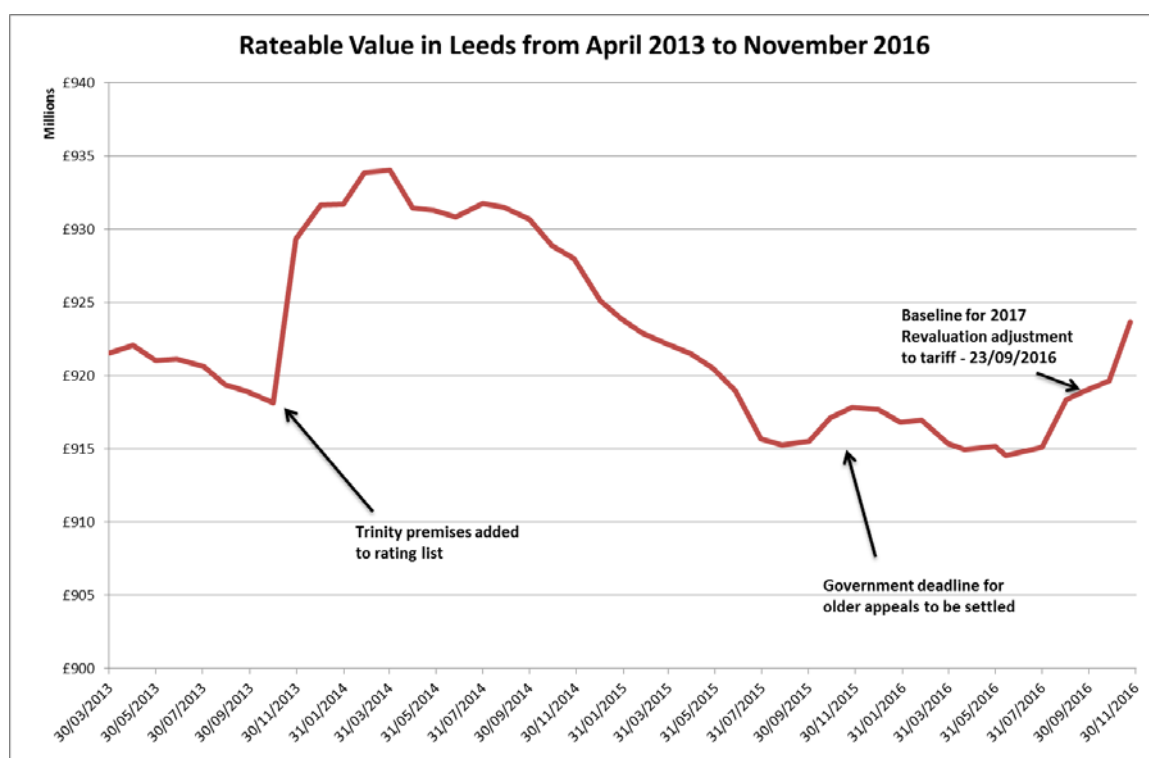
*Table 4 – Breakdown of the settlement funding assessment*

	2016/17	2017/18	Change
	£m	£m	£m
Formula Grant	192.31	167.56	(24.75)
Council tax freeze grant 2011/12	6.64	6.64	0.00
Council tax freeze grant 2013/14	2.77	2.77	0.00
Early intervention grant	17.79	16.34	(1.45)
Preventing homelessness	0.86	0.86	0.00
Lead local flood authority grant	0.23	0.23	0.00
Learning disability & health reform grant	10.81	11.02	0.21
Local welfare provision	2.59	2.59	0.00
Care act funding	4.03	4.84	0.81
Sustainable drainage systems	0.02	0.02	0.00
Carbon monoxide & fire alarm grant	0.00	0.00	0.00
<b>Settlement Funding Assessment</b>	<b>238.05</b>	<b>212.87</b>	<b>(25.18)</b>

## **4.2 Business rates retention**

- 4.2.1 Leeds has the most diverse economy of all the UK's main employment centres and has seen the fastest rate of private sector jobs growth of any UK city in recent years. Yet this apparent growth in the economy is not being translated into business rates growth; in fact the council's business rates income has declined since 2014/15 and other authorities are reporting similar problems.
- 4.2.2 Under the business rates retention (BRR) scheme which was introduced in 2013/14, business rates income is shared equally between local and central government. Local authorities that experience growth in business rates are able to retain 50% of that growth locally. The downside is that local authorities also bear 50% of the risk if their business rates fall or fail to keep pace with inflation, although a safety-net mechanism is in place to limit losses from year to year to 7.5% of their business rates baseline.
- 4.2.3 Although BRR allows local authorities to benefit from business rates growth, it also exposes them to risk from reductions in rateable values. The system allows ratepayers and their agents to appeal against their rateable values if they think they have been wrongly assessed or that local circumstances have changed. When agreement cannot be reached, appeals may be pursued through the Valuation Tribunal and then through the courts. One major issue with the system is that successful appeals are usually backdated to the start of the current valuation list, i.e. 1st April 2010, and this greatly increases the losses in cash terms – by nearly six times in the current financial year. At the end of November 2016 there were approximately 5,000 appeals outstanding in Leeds.
- 4.2.4. The cost of appeals in Leeds since the system started in 2013/14 is almost £100m. Under 50% retention that risk is at least shared equally with Whitehall, but under 100% retention all the appeals risk will fall on local government. The provision for business rate appeals within the collection fund has been reviewed and recalculated to recognise new appeals and the settlement of existing appeals, and the 2017/18 initial budget proposals provide for an additional £20.8m contribution from the general fund to fund the increased provision.
- 4.2.5 The chart below shows the headline rateable value for the city from the introduction of business rates retention in 2013 to the present day. From the chart we can see the impact from the opening of the Trinity shopping centre in 2013 and Victoria Gate in October 2016 together with other significant developments and how this growth in business rates has been eroded by successful appeals.

Chart 3 - Business rateable value 2013-2016



### 2017 revaluation

- 4.2.6 The Valuation Office Agency (VOA) has completed a revaluation of all business premises for rating purposes. Draft valuation lists were published at the end of September 2016 and ratepayers now have the opportunity to check their new rateable values and seek to have any errors corrected before the new lists come into force on 1<sup>st</sup> April 2017.
- 4.2.7 This new rating list, which is primarily based on rental values in 2015, should be more accurate than the 2010 list which was based on rental values in 2008, just before the 'financial & economic crisis'. This, together with the impact of the new 'check, challenge, appeal' appeals process, should reduce appeals and volatility going forward
- 4.2.8 Although rateable values for individual premises may go up or down, at the national level the revaluation is designed to be revenue neutral. Overall, rateable values in England have increased by 9.1%, but there are significant variations between both sectors and regions as shown below.

Table 5 - % change in rateable value by region and sector.

Area	Percentage change in rateable value by Region and Sector				
	Retail	Industry	Office	Other	All
<b>England</b>	<b>4.7%</b>	<b>4.0%</b>	<b>11.3%</b>	<b>15.5%</b>	<b>9.1%</b>
North East	-6.8%	0.0%	-12.5%	9.0%	-1.1%
North West	-5.5%	-3.1%	-4.8%	10.2%	-0.2%
Yorkshire and the Humber	-1.9%	0.4%	-13.0%	6.6%	-0.3%
East Midlands	4.7%	3.3%	7.8%	13.7%	7.2%
West Midlands	-1.2%	3.1%	-7.2%	12.0%	2.9%
East	-4.0%	2.3%	2.4%	13.2%	3.9%
London	26.2%	15.1%	21.2%	25.7%	22.8%
South East	1.4%	6.5%	7.7%	17.5%	8.6%
South West	-4.4%	5.4%	-0.7%	12.1%	3.8%
<b>Wales</b>	<b>-8.8%</b>	<b>-4.0%</b>	<b>-7.0%</b>	<b>4.7%</b>	<b>-2.9%</b>

- 4.2.9 The reductions for the north of England coupled with the reduction in the multiplier mean that the majority of ratepayers in the north will see reductions in their rates bills. However, those reductions will be limited because, as with previous revaluations, there will be a transitional scheme in place which will limit reductions for those transitioning to lower bills to provide funding for protections for those who are facing higher bills. The effect will be to subsidise ratepayers facing increases (mainly in London) by keeping bills in other areas (mainly in the north) higher than they otherwise would be. Government estimates that this subsidy will be worth £1bn over the five year lifetime of the scheme.
- 4.2.10 The average reduction in rateable value for Leeds is 1.2%, a reduction of £11m from £919m to £908m, which is higher than that for Yorkshire and Humberside as a whole. Within the 1.2% headline reduction for Leeds there are significant variations by sector with the largest factor being reductions to offices which have reduced by an average of 17.5%.
- 4.2.11 From April 2017, small business in Leeds will benefit from an increase to the rateable value threshold from £6,000 to £12,000 which will effectively mean that an extra 3,500 properties will pay no business rates at all.
- 4.2.12 In terms of the initial budget proposals, after applying the business rate multiplier, together with mandatory and discretionary reliefs, it is estimated that the local share of business rates funding in 2017/18 will be £180.51m. This includes an estimated £7.7m for a national appeals adjustment which relates to the potential future appeals against the 2017 business rates list. As per table 6 below, the initial budget proposals recognise business rate growth above the baseline of £17.8m which is an increase of £3.5m, or 25% from 2016/17 budget.

Table 6 – business rates, estimated growth above the baseline

	2016/17 £m	2017/18 £m	Change £m
Business rates local share	192.39	180.51	(11.88)
Less: business rates baseline	178.15	162.73	(15.42)
Growth above baseline	14.24	17.78	3.54

- 4.2.13 The £180.51m local share of business rates funding is then reduced by the £14.9m tariff payment and the £20.2m contribution to the collection fund to give the £145.4m estimated business rates funding shown in table 7.
- 4.2.14 Comparing the £145.4m of business rates funding against the £147.8m business rates baseline produces a shortfall of £2.4m which is a £6.4m improvement against the budgeted shortfall in the 2016/17 financial year.
- 4.2.15 The £20.2m contribution to the collection fund in 2017/18 is in addition to the £23m contribution in 2016/17 and the £6.4m contribution to the collection fund in 2015/16.

Table 7 – Business rates retention 2016/17 & 2017/18

	2016/17 £m	2017/18 £m
<b>Business rates baseline (including tariff)</b>	<b>145.0</b>	<b>147.8</b>
Projected growth above the baseline to March	5.7	16.7
Estimated growth in the year	6.4	1.1
Additional income from ending of Retail Relief	2.1	0
<b>Total estimated growth</b>	<b>14.2</b>	<b>17.8</b>
Estimated provision for appeals	(22.1)	(20.8)
Additional cost of transitional arrangements and provision for bad debts	(0.9)	0.6
<b>Estimated year-end Collection Fund deficit (Leeds Share)</b>	<b>(23.0)</b>	<b>(20.2)</b>
<b>Estimated Business Rates Funding</b>	<b>136.2</b>	<b>145.4</b>
<b>Increase/(reduction) against the Business Rates baseline</b>	<b>(8.8)</b>	<b>(2.4)</b>
<b>Business rates retention - net general fund saving</b>		<b>6.4</b>

- 4.2.16 The council is a member of the Leeds City Region Business Rates Pool along with the other four West Yorkshire Authorities, Harrogate and York. The benefit of the pooling arrangement is that the levy income generated by Leeds, Harrogate and York is retained in the region rather than being paid over to the Government. The initial budget proposals assume that this arrangement will continue in 2017/18. Based on the estimated growth in business rates above the baseline, the estimated levy payment to the pool in 2017/18 is £1.1m.

### 4.3 Council Tax

- 4.3.1 The 2016/17 budget was supported by a 3.99% increase in the level of council tax which included the new adult social care precept. Leeds council tax remains the 2<sup>nd</sup> lowest of the English core cities and mid-point of the West Yorkshire districts, as detailed in table 8 below.

*Table 8 – 2016/17 Council Tax levels (Figures exclude Police and Fire precepts)*

Core Cities	Band D £:p	West Yorkshire Districts	Band D £:p
Nottingham	1,771.08	Kirklees	1,522.86
Bristol	1,692.87	Calderdale	1,506.51
Liverpool	1,675.46	<b>Leeds</b>	<b>1,421.20</b>
Newcastle	1,604.79	Wakefield	1,413.43
Sheffield	1,581.27	Bradford	1,403.74
Manchester	1,435.12		
<b>Leeds</b>	<b>1,421.20</b>		
Birmingham	1,372.23		

- 4.3.2 Government previously provided funding for the on-going effect of previous council tax freezes up to 2015/16. The council accepted the council tax freeze grant for the years 2011/12 to 2013/14, and government funding of £9.4m was built into the council's 2015/16 settlement (the grant for freezing council tax in 2012/13 was for one year only).
- 4.3.3 The 2017/18 initial budget proposals recognise an additional £3.6m of income from increases to the Council Tax base (3,000 band D equivalent properties) together with an increase in the contribution from the collection fund of £0.4m (a budgeted £1.8m surplus on the collection fund in 2016/17 increasing to an estimated surplus on the collection fund of £2.2m in 2017/18).
- 4.3.4 In previous years the government has set a limit of up to 2% for council tax increases above which a Local Authority must seek approval through a local referendum. The referendum ceiling for 2017/18 has yet to be announced; when this information is known the council will need to make a decision about the proposed council tax increase. However, subject to an announcement as to a referendum ceiling it is proposed that the standard council tax is increased by 1.99%.
- 4.3.5 The 2015 Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care 'will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care'. This flexibility was offered in recognition of demographic changes which are leading to growing demand for adult social care, and increased pressure on council budgets. To ensure that this flexibility is used in accordance with the government's intentions, and to ensure transparency for council tax payers, authorities are required to provide certain information and undertake a number of actions. In addition, the Secretary of



State continues to indicate that he will take account of authorities' actions when setting referendum principles in future years. In line with the medium term financial strategy, it is proposed that the Leeds element of the council tax is also increased by a 2% Adult Social Care precept. Members will be assured that the increase in the Adult Social Care budget is higher than the £5.4m of funding that would be generated through the precept.

- 4.3.6 Table 9 below sets out the estimated total income from council tax in 2017/18. This recognises the estimated increase in the council tax base, a £2.2m estimated surplus on the collection fund together with £10.8m of additional income generated from the Adult Social Care precept and the general increase in the council tax rate.

*Table 9 – estimated council tax income in 2017/18*

	<b>2016/17 Baseline £m</b>	<b>2017/18 Forecast £m</b>
Previous year council tax funding	251.9	267.1
Change in collection fund - increase/(decrease)	(0.2)	0.4
Change in tax base - increase/(decrease)	5.2	3.6
Increase in council tax level	5.1	5.4
Adult Social Care precept	5.1	5.4
<b>Total - Council Tax Funding</b>	<b>267.1</b>	<b>282.0</b>
Increase from previous year		14.9

- 4.3.7 The settlement funding assessment includes an element to compensate parish and town councils for losses to their council tax bases from the local council tax support (LCTS). The amount is not separately identifiable and, as in previous years, it is proposed that the LCTS grant for parish and town councils should be reduced in-line with the assumptions for Leeds' overall reduction in the settlement funding assessment which would be a reduction of 10.6% for 2017/18 from £84k to £75k.

#### **4.4 The net revenue budget 2017/18**

- 4.4.1 After taking into account the anticipated changes to the settlement funding assessment, business rates and council tax, the council's overall net revenue budget is anticipated to reduce by £4.0m from £496.4m to £492.4m, as detailed in table 10 below;



Table 10 – estimated net revenue budget 2016/17 compared to the 2016/17 net revenue budget

	2016/17 £m	2017/18 £m	Change £m
Revenue Support Grant	93.0	65.0	(28.0)
Business Rates Baseline	145.0	147.8	2.8
<b>Settlement Funding Assessment</b>	<b>238.0</b>	<b>212.8</b>	<b>(25.2)</b>
Business Rates Growth	14.2	10.1	(4.1)
National Appeals Adjustment	0.0	7.7	7.7
Business Rates Deficit	(23.0)	(20.2)	2.8
Council Tax (incl. Adult Social Care Precept)	265.3	279.7	14.4
Council Tax surplus/(deficit)	1.8	2.2	0.4
<b>Net Revenue Budget</b>	<b>496.4</b>	<b>492.4</b>	<b>(4.0)</b>

- 4.4.2 Table 11 below analyses the £4m estimated reduction in the net revenue budget between the settlement funding assessment and locally determined funding sources.

Table 11 – reduction in the funding envelope

Funding Envelope	2017/18 £m
Government Funding	
Settlement Funding Assessment	(25.2)
<b>Sub-total Government Funding</b>	<b>(25.2)</b>
Locally Determined Funding	
Council Tax (incl tax base growth)	14.9
Business Rates	6.4
<b>Sub-total Locally Determined Funding</b>	<b>21.3</b>
<b>Increase/(decrease) in the Net Revenue Budget</b>	<b>(4.0)</b>

## 5. Developing the council's budget proposals – consultation

- 5.1 The financial strategy and initial budget proposals have both been driven by the council's ambitions and priorities as set out in the Best Council Plan, which have been shaped through past consultations and stakeholder engagement. Information that the council already hold about people's priorities has been used to inform the preparation of the initial budget proposals for 2017/18.
- 5.2 As in previous years, residents and wider stakeholders will have the opportunity to comment on the initial budget proposals in a variety of ways, for example hard-copy feedback forms in public spaces, online and also through city-wide networks.

## 6. Initial budget proposals 2017/18

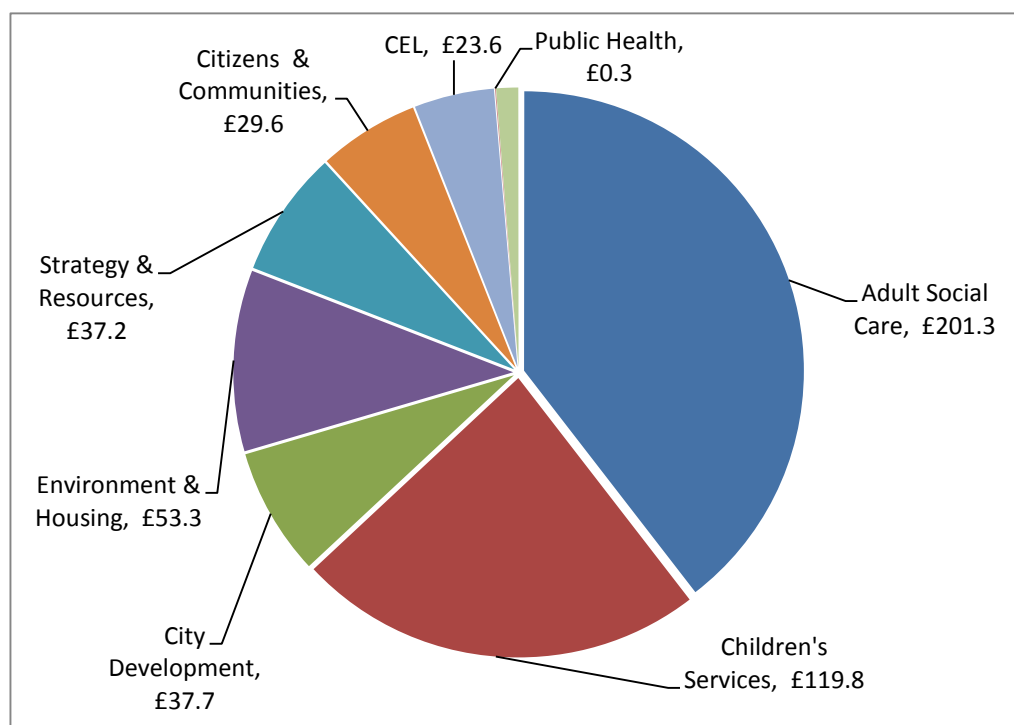
- 6.1 This section provides an overview of the spending pressures which the council is facing in 2017/18 and the initial budget proposals to balance with the available resources. Table 12 below provides a summary of key cost pressures and savings areas:

Table 12 Initial Budget Proposals 2017/18

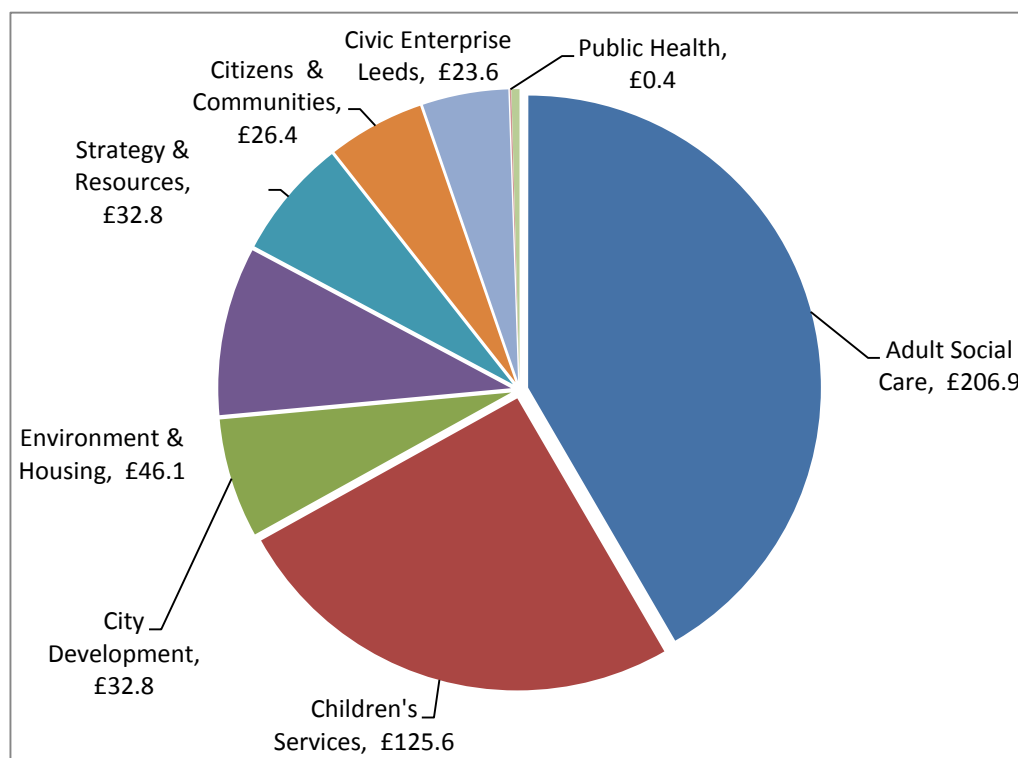
	£m
Reduction in settlement funding assessment	25.2
Inflation	7.2
Employers LGPS pension contributions	1.5
Apprentice levy	1.4
Leeds CC minimum pay rate	0.4
National living wage - commissioned services	3.2
Demand & demography - mainly Adult Social Care and Children's Services	12.5
Debt - external interest	2.5
New homes bonus - reduction in funding	6.6
Improved Better Care fund & Housing Benefit grant	(1.9)
Education Services Grant - reduction in funding	4.3
Estimated reduction in ring-fenced Public Health grant	1.2
Estimated reduction in partner funding	10.3
West Yorkshire transport fund	0.2
Adult social care charging review (full year effect)	(2.0)
Other corporate and directorate budget pressures;	
Children's Services	0.9
Environment & Housing	0.5
Public Health	1.7
Corporate pressures/savings	(0.4)
<b>Cost &amp; funding changes</b>	<b>75.3</b>
General and earmarked reserves	8.4
Potential increase in council tax base, rate and adult social care precept	(14.9)
Business rates - potential growth offset by impact of backdated appeals	(6.4)
<b>Sub total - reserves, council tax and business rates</b>	<b>(12.9)</b>
Re-profiling the repayment of long-term debt	(9.3)
Additional capitalisation	(2.0)
Directorate Savings - see appendix 2	(51.1)
<b>Sub total - savings proposals</b>	<b>(62.4)</b>
<b>Total</b>	<b>(75.3)</b>

- 6.1.1 The pie charts below show the share of the council's net managed expenditure between directorates for 2016/17 and the proposed allocations for 2017/18 based on the initial budget proposals. It should be noted that these resource allocations may be subject to amendments as we move through the budget setting process. Net managed expenditure represents the budgets under the control of individual directorates and excludes items such as capital charges and pensions adjustments.
- 6.1.2 The initial budget proposals would mean that the council's spend on Children's Services and Adult Social Care will increase from 64.7% in 2016/17 to 67% in 2017/18 which reflects the council's priorities around supporting the most vulnerable across the city and to prioritise spending in these areas.

2016/17 net managed budgets (adj) £m



2017/18 net managed budgets (adj) £m



## 6.2 Changes in costs

- 6.2.1 **Inflation** - the budget proposals include allowance for £7.2m of net inflation in 2017/18. This includes provision of £4.7m for a 1% pay award over and above

the cost of implementing the real living wage. The budget proposals allow for inflation where there is a contractual commitment, but anticipates that the majority of other spending budgets are cash-limited. An anticipated 3% general rise in fees and charges has also been built into the budget proposals, although there are instances where individual fees and charges will increase more than this.

- 6.2.2 **Local government pensions** - the next actuarial valuation will be implemented in April 2017. Employers' pension contribution rates have been fixed at 14.2% until the end of 2016/17. The initial budget proposals assume that a further provision will have to be made in 2017/18 to address the service pension deficit and an increase of 0.5% on the employers' contributions has been included into the proposed budget, which will cost an estimated £1.5m in 2017/18. This will need to be updated once the outcome of the 2017 actuarial valuation is known.
  
- 6.2.3 **National living wage** – as part of the budget in July 2015, the government announced the introduction of a new national living wage of £7.20 per hour, rising to £9 per hour by 2020. Implemented from April 2016, the national living wage would be paid to all employees aged over 25. In his 2016 autumn statement, the Chancellor confirmed that the national living wage for all those aged over 25 would be increased by 4% in April 2017, to £7.50 per hour with an intention for the national living wage to reach 60% of median earnings by 2020. The increase in the national living wage is estimated to cost local authorities nationally an extra £337m and the council's initial budget proposals provides £3.2m to recognise the increased cost pressure on commissioned services.
  
- 6.2.4 **Leeds CC minimum pay rate** – the council has committed to the West Yorkshire Low Pay Charter and the Ethical Care Charter and, at its October 2016 meeting, the board agreed to increase the minimum hourly rate for council employees to £8.25 from January 2017. The initial budget proposals include provision £0.4m over and above inflation in order to fund this agreed increase.
  
- 6.2.5 **Apprentice levy** – the government has made a commitment to see an additional 3 million apprenticeship starts in England by 2020 with an apprenticeship levy used to fund the provision of quality training. From April 2017, larger organisations will pay a levy equivalent to 0.5% of their pay bill and organisations with pay bills less than £3m being exempt. The overall levy for the council is estimated to be around £2.9m in total of which £1.4m and £0.1m relate to schools and the housing revenue account. The initial budget proposals therefore include provision of £1.4m in 2017/18 for the general fund services
  
- 6.2.6 **Demand and Demography** – the initial budget proposals recognise the increasing demography and consequential demand pressures for services in Adult Social Care and Children's Services with provision of £12.6m. The population growth forecast assumes a steady increase from 2015, in the number of people aged 85-89 during 2016 and 2017 (2.9% and 2.8% respectively) followed by further increases but at a lower rate at 1.8% for the later years of the strategy, resulting in additional costs for domiciliary care and placements (£3.5m). In addition, the strategy reflects the anticipated impact of

increasing cash personal budgets of £2m per year through to 2020. The learning disability demography is expected to grow by £3.7m per annum, which includes an anticipated growth in numbers of 3.5% (based on ONS data) over the period; but noting that the high cost increase is primarily a combination of increasingly complex (and costly) packages for those entering adult care, as well as meeting the costs of the increasing need for existing clients whose packages may last a lifetime.

Children's Services continues to face demographic and demand pressures with provision of £5.8m included in the 2017/18 initial budget proposals. These pressures reflect relatively high birth rates (particularly within the most deprived clusters within the city), increasing inward migration into the city (particularly from BME groups from outside the UK), the increasing population of children & young people with special and very complex needs, greater awareness of the risks of child sexual exploitation, growing expectations of families and carers in terms of services offered and changes in government legislation, including 'staying put' arrangements that enable young people to remain with their carers up to the age of 21.

- 6.2.7 **Debt (external interest)** – the initial budget proposals include provision for an increase in the council's estimated debt costs in 2017/18 of £2.5m. This reflects the on-going investment through the capital programme together with assumptions around interest rates and internal revenue balances. The gross total 2016/17 to 2019/20 capital programme is over £1bn and seeks to deliver investment in line with the council's plans and objectives.
- 6.2.8 **Public Health** – on the 4<sup>th</sup> November 2015, government announced the outcome of the consultation on the implementation of a £200m national in-year cut to the 2015/16 ring-fenced Public Health grant allocation. This confirmed the Department of Health's preferred option of reducing each local authority's allocation by 6.2%, which resulted in a reduction of £2.82m for Leeds in 2015/16.
- 6.2.8.1 In the 2015 Spending Review and Autumn Statement, government indicated it will make savings in local authority public health spending with a further cash reduction of 2.2% in 2016/17 and it became apparent that these reductions were in addition to the 6.2% 2015/16 reductions which have now recurred in 2016/17. Confirmation of the funding allocation was received on 11<sup>th</sup> February 2016 which set out the reduction to the council's public health grant of £3.9m (7.7%) in 2016/17 with a total estimated reduction to the council's grant allocation of £7.4m by 2019/20. This will effectively mean that the Council will have £25m less to spend on public health priorities between 2015/16 and 2019/20.
- 6.2.8.2 The initial budget proposals recognise an indicative £1.2m further cut to the ring-fenced public health grant, which when combined with other pressures and the impact of the previous grants cuts will require savings in the order of £2.9m to be made to public health spending by March 2018.

**6.2.8.3 West Yorkshire Transport Fund** – From the 1<sup>st</sup> April 2015 the West Yorkshire Combined Authority began operations overseeing strategies for growing the economy, creating jobs, developing new affordable homes and improving the transport network. Discussions as to how to bridge the gap between the aspiration to deliver a £1.4bn transport fund compared to the government's commitment of £1bn over 20 years would result in an increase in contributions by local councils from 2016/17. The initial forecast for council levies indicates a further £1.8m per annum would eventually be required from Leeds by 2024/25, with the levy increasing on average by £0.2m per year. This has been built into the initial budget proposals.

## **6.2.9 Grant & other funding**

**6.2.9.1 Education services grant** – the council and academies in the city are allocated an education services grant (ESG) on a per pupil basis according to the number of pupils for whom they are responsible. The current assumption is that, in line with the consultation, the grant will be significantly reduced and this is reflected in the initial budget proposals with a reduction of £4.2m for 2017/18 (equivalent to a 49% reduction on the 2016/17 grant allocation of £8.5m).

**6.2.9.2 New homes bonus** – the government introduced the new homes bonus as an incentive scheme in 2011 to encourage housing growth across the country: councils receive additional grant equivalent to the average national council tax for each net additional property each year which is received annually for six years. Whilst the new homes bonus is intended as an incentive for housing growth, it should be noted the funding for this initiative comes from a top-slice of the local government funding settlement and the distribution of this funding benefits those parts of the country with the highest level of housing growth and is weighted in favour of properties in higher council tax bands. The Chancellor announced in the 2015 spending review that the new homes bonus would be reduced by at least £800m in order to redirect funding to support adult social care services via the improved Better Care Fund. Although consultation ended in March 2016, the government has yet to announce the outcome. In line with the financial strategy and government's assessment of the council's core spending power, the initial budget proposals assume a reduction of £6.6m in 2017/18.

## **6.3 The Budget Gap – savings options – £62.4m**

**6.3.1** After taking into account the impact of the anticipated changes in funding and spend, it is forecast that the council will need to generate savings, efficiencies and additional income to the order of £62.4m in 2017/18, in addition to an estimated £14.9m additional council tax income.

**6.3.2** To develop options to generate these savings, efficiencies and additional income, from April 2016 an ongoing process of reviews has been carried out across a range of services and policy areas with the active involvement of the Best Council Leadership Team (the c. 50 most senior managers) and service managers throughout the organisation. With the Best Council Plan focus on tackling inequalities and poverty being central to any proposals, the reviews

have identified possible savings / income generation opportunities, decision-making routes for any changes to be implemented, initial identification of possible third sector and equality impacts and a high-level risk assessment. Of particular note are the two key cross-cutting reviews on support services and locality working / leadership (both incorporating reviews of JNC – senior management – staff) and reviews assessing options around income and trading.

6.3.3 The total budget savings options are shown at table 12 and detailed by directorate at appendix 2. This estimated budget gap and therefore the required savings are very much dependent on the range of assumptions highlighted previously in this report.

6.3.4 These service and policy reviews have been – and will continue to be – updated as part of an iterative approach to developing the council's strategic plan and aligned medium-term financial strategy and annual budgets. All services are within scope though the council remains committed to protecting front-line services as far as possible – especially those that provide support to the most vulnerable.

### **6.3.5 Efficiencies – savings of £24.9m**

6.3.5.1 In terms of efficiencies, the council has taken quite a distinctive approach. The focus has been on efficiencies from stimulating good economic growth and creatively managing demand for services. This whole city approach drives ambitious plans despite austerity. It is born from our vision for Leeds to be the best city in the UK: one that is compassionate with a strong economy that can tackle poverty and reduce inequalities. This approach coupled with a significant programme of more traditional efficiencies has enabled the council to make £400m of savings since 2010 whilst simultaneously creating the conditions for a thriving and sustainable city where people's lives are better.

6.3.5.2 Efficiency of the council's own operations remains important and we have reduced budgets in all areas of the council and will continue to do so, whilst protecting frontline services and those for the most vulnerable. At the centre of this work is a whole organisation cultural change programme coupled with modernisation of the work environment creating the necessary conditions for fundamental organisational change and efficiency improvements. Our key achievements so far include:

- Staff reductions of 2,500 since 2010 without compulsory redundancy – saving £55m pa.
- £2.4m savings from changes in terms and conditions of staff;
- Over 50% reduction in agency staff since 2013;
- Over £35m of procurement savings since 2010/11;
- Asset review – getting the most from the assets we own and investing in new assets where it makes financial sense, saving over £4m since 2013/14;
- An annual saving in the cost of waste disposal of approximately £7m following the completion of the Recycling and Energy Recovery plant in 2015.

- Innovative use of the balance sheet to generate £35m savings in 2015/16; and
- More effective working with city partners to maximise the impact of the 'Leeds Pound'.

6.3.5.3 Appendix 2 provides the detail of a range of proposed efficiency savings across all directorates which total some £24.9m in 2017/18. These savings are across a number of initiatives around:

- Organisational design.
- Continuing demand management through investment in prevention and early intervention, particularly in Adult Social Care and Children's Services.
- Savings across the range of support service functions.
- Ongoing recruitment and retention management.
- Reviewing leadership and management.
- Realising savings by cash-limiting and reducing non-essential budgets.
- Ongoing procurement and purchasing savings.

### **6.3.6 Fees & Charges – additional income of £6m**

6.3.6.1 At its February 2016 meeting, Executive Board approved the recommendations from Scrutiny Board (Strategy & Resources) on fees and charges which included agreement that all fees would be reviewed annually and increased by at least the rate of inflation, that officers should benchmark their charging frameworks each year and that full-cost recovery in line with CIPFA guidance should apply as part of the annual budget setting process.

6.3.6.2 The initial budget proposals reflect these principles and assume a general increase in fees and charges of 3%, and appendix 2 sets out detailed proposals around a number of fees, charges and subsidised services. If approved, these proposals would generate an additional £6m of income in 2017/18.

### **6.3.7 Traded Services, partner income & other income – additional income of £8.9m**

6.3.7.1 Appendix 2 provides details across directorates of a number of proposals that together would generate additional income of £8.9m.

### **6.3.8 Changes to service – savings of £11.4m**

6.3.8.1 By necessity, managing a reduction of £25.2m in government funding in addition to a range of cost pressures means that the council will have to make some difficult decisions around the level and quality of services that it provides and whether these services should be increasingly targeted toward need.

6.3.8.2 Appendix 2 sets out these detailed service change proposals which together target savings of £11.4m by March 2018.



### **6.3.9 Minimum revenue provision – savings of £9.3m**

- 6.3.9.1 The minimum revenue provision (MRP) is an annual revenue charge for the repayment of borrowing and other capital financing liabilities. Statutory guidance sets out the broad aims of a prudent MRP policy, which should be to ensure that borrowing is repaid either over the life of the asset which the capital expenditure related to or, for supported borrowing, the period assumed in the original grant determination. In simple legislative terms, local authorities have a duty each year to provide for an amount of MRP which it considers to be 'prudent', although the regulation does not itself define what is a 'prudent provision'.
- 6.3.9.2 The guidance on Minimum Revenue Provision identifies four options for calculating MRP which would result in a prudent provision, but states that other approaches are not ruled out. Local authorities therefore have a considerable level of freedom in determining their MRP policies, provided that they are in line with the broad aims set out in the statutory guidance. In line with the 2012 guidance, the council has already reviewed its MRP policies including the use of capital receipts to redeem debt, rescheduling the MRP on pre-2017/18 debt and to charge MRP on PFI schemes over the life of the asset rather than the term of the PFI contract. The council's base budget for MRP in 2016/17 is £10.3m which reflected £23m of savings in that year.
- 6.3.9.3 Following the asset life approach, the council's post 2007/08 debt is being funded over periods ranging from 5 years to 70 years, according to the nature of the capital expenditure. Its pre 2007/08 debt is being funded over 39 years. The proposal is to amend the MRP policy to reduce the overall provision for debt repayment from MRP and capital receipts in each of 2016/17, 2017/18 and 2018/19. The reduction in debt repayments across these 3 years would then be spread evenly over the following 10 years to leave the position at the end of 13 years exactly as it would have been if no change had been made.
- 6.3.9.4 In order to adhere to the principle that debt should be funded over the life of the relevant asset, the intention would be to still repay borrowing on short-life assets which are due to be fully repaid by 2019/20 in line with the existing schedule. This would be funded from a mixture of revenue MRP and capital receipts. Funding of repayments on longer maturity debt would be deferred during this three year period.
- 6.3.9.5 It is estimated that this change in policy would re-profile approximately £79m of long-term debt repayments by the end of 2018/19 in comparison to the council's existing MRP policy. The council would then spread the repayment of this £79m evenly over the following 10 year period. Forecasts of capital receipts from planned asset sales indicate that the impact on the revenue budget from 2019/20 can be phased in gradually over a further three year period by the use of increased capital receipts to repay debt in those years. Re-profiling the long-term debt would increase external interest costs by £150k in 2017/18.
- 6.3.9.6 The initial budget proposals include savings of £9.3m against the MRP budget in 2017/18. In addition, the proposal to re-profile the repayment of long-term debt would enable savings in the 2016/17 financial year and against the

financial strategy and the intention is to use these savings to create specific earmarked reserves to support business rate appeals, employee severance and invest to save opportunities.

## **6.4 Impact of proposals on employees**

- 6.4.1 The council has operated a voluntary retirement and severance scheme since 2010/11 which has already contributed significantly to the reduction in the workforce of around 2,500 ftes to March 2016, generating savings of £55m per year.
- 6.4.2 Following the 2015 spending review the council re-issued a Section 188 notice (notice to collectively consult to avoid redundancies issued under s.188 TULRCA 1992) stating that it is anticipated the council will need to downsize by 1,000 – 2,000 full time equivalent posts by the end of March 2020.
- 6.4.3 Since May 2016, the council has been positively and constructively engaging and working with our trade unions partners.
- 6.4.4 The council will continue to strive to avoid compulsory redundancies – through natural turnover, continuing the voluntary early leaver scheme, staff flexibility and continuing the positive working with the trade unions.
- 6.4.5 The initial budget proposals provide for an estimated gross reduction up to 800 in staff numbers by 31<sup>st</sup> March 2018, although there will be some opportunities for recruitment and redeployment, for example in highways, Children's Services, Civic Enterprise Leeds and across support services.

## **7. General Reserve**

- 7.1 General and useable reserves are a key measure of the financial resilience of the council, allowing the authority to address unexpected financial pressures. Since 2010/11, the council's general reserve level has reduced from £29.56m down to £21.6m at April 2016 with further budgeted use of £3.5m in 2016/17.
- 7.2 The assumed general reserve balance of £18.1m at March 2017 is predicated on the delivery of a balanced budget in 2016/17. Executive Board will be aware of the pressures in the 2016/17 financial year and the financial health report (month 7) indicates a potential pressure of £4m, primarily due to continuing demand pressures in children's social care. The expectation is that measures will be put in place to bring the council's budget into balance by March 2017.
- 7.3 The initial budget proposals assume a £2.7m contribution to general reserves in 2017/18. This will take the estimated level of the general reserves to £20.8m by March 2018 as set out in the table below:

Table 13 – General reserve level

General Reserve	2016/17 £m	2017/18 £m
Brought Forward 1st April	21.6	18.1
Budgeted contribution/(use) in-year	(3.5)	2.7
Carried Forward 31st March	18.1	20.8

- 7.4 The council's reserves are relatively low and whilst they afford some flexibility between years, the intention is to increase the level of general reserve in the medium-term, as reflected in the financial strategy.

## 8. The Schools Budget

- 8.1 The Dedicated Schools Grant (DSG) for 2017/18 will continue to be funded as three separate blocks for early years, high needs and schools.
- 8.2 The early years block will fund free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. The per pupil units of funding will be confirmed in December 2016 and will continue to be based on participation. From September 2017, government will increase the amount of free childcare to 30 hours/week for working families of 3 and 4 year old children.
- 8.3 The high needs block will support places and top-up funding in special schools, resourced provision in mainstream schools and alternative provision; top-up funding for early years, primary, secondary, post-16 and out of authority provision; central SEN support and hospital & home education. Published place numbers for the 2016/17 academic year will be rolled forward as the base for 2017/18 allocations and adjusted in accordance with the Education Funding Agency's (EFA) place change request process, and the transfer of funding from the post 16 budget. The overall high needs block allocation will not be known until December 2016.
- 8.4 The schools block funds the delegated budgets of primary and secondary schools for pupils in reception to year 11, and a number of prescribed services and costs in support of education in schools. The grant for 2017/18 will be based on pupil numbers (including those in academies and free schools) as at October 2016, multiplied by the schools block unit of funding which for 2017/18 is £4,564.86. The block unit of funding has increased due to the transfer of funding for the Education Services Grant (ESG) for retained duties (£15 per pupil). This rate also incorporates the former non-recoupment academies. It is estimated that pupil numbers will increase by approximately 3,080 this year, mainly in primary.
- 8.5 £5.2m of the schools block was retained centrally in 2016/17 in order to support Clusters, however the EFA has stipulated that from April 2017, the funding must be delegated to schools, and the local authority will have to put a plan in place so that schools may opt to purchase the service through individual agreement.

This funding will be distributed through an adjusted formula in order to limit variations to clusters and schools.

- 8.6 Funding for post-16 provision is allocated by the EFA through a national formula. No changes to the formula are expected for 2017/18. The current national base rate per student for 16-19 year olds will be protected in cash terms over the parliament. Funding for 2017/18 will be based on 2016-17 lagged student numbers.
- 8.7 Pupil Premium grant is paid to schools and academies based on the number of eligible Reception to year 11 pupils on roll in January each year. The rates for 2017/18 are expected to remain at: primary £1,320, secondary £935, looked after/adopted £1,900, service £300. The early years pupil premium is payable to providers for eligible 3 and 4 year olds at the rate of £0.53 per child per hour. The pupil premium grant will continue and the rates will be protected.
- 8.8 The Primary PE grant will be paid in the 2016/17 academic year to all primary schools at a rate of £8,000 plus £5 per pupil. The year 7 catch-up grant will be paid in the 2016-17 financial year at a rate of £500 for each pupil in year 7 who did not achieve at least level 4 in reading and/or mathematics (maximum £500 per pupil) at key stage 2. The rates for 2017-18 have yet to be announced.
- 8.9 A grant for the universal provision of free school meals for all pupils in reception, year 1 and year 2 was introduced in September 2014. Funding is based on a rate of £2.30 per meal taken by eligible pupils. Data from the October and January censuses will be used to calculate the allocations for the academic year. The government has given a commitment to maintain this funding.
- 8.10 The high needs block is forecast to overspend this year by over £5m with a significant increase in the number of pupils with additional needs and an increase in spend on top-ups for outside placements resulting in an overspend against the Funding For Inclusion budget. These budget pressures are forecast to continue in 2017/18 meaning that options for savings in the high needs block or other areas of the DSG will need to be considered in order to bring spend in line with the available resources. School Forum will be consulted on options at its meeting in January with proposals included in the budget report to Executive Board in February 2017.
- 8.11 The government had previously announced that from 2017/18 funding for schools, early years and high needs would be delivered through a national funding formula and there would be a transitional phase to smooth its introduction. These proposals have been delayed. We are awaiting further details, however the earliest implementation will now be 2018/19.
- 8.12 There will be a reduction in the education support grant paid to local authorities as part of government's commitment to reduce the local authority role in running schools as well as the removal of, as yet unspecified, statutory duties. ESG funding for retained duties will transfer to the DSG from April 2017

## Schools funding summary

- 8.13 As per table 14 below, the estimated figures for the 2016/17 and 2017/18 for the schools budget are;

*Table 14 – the estimated schools budget*

	2016/17 £m	2017/18 £m	Change £m
DSG - schools block	466.24	482.09	15.85
DSG - early years block	40.00	45.65	5.65
DSG - high needs block	59.25	60.75	1.50
EFA Post 16 funding	33.23	33.23	-
Pupil premium grant	42.03	42.93	0.90
Early years pupil premium grant	0.53	0.53	-
PE & sport grant	2.09	2.11	0.02
Yr 7 catch-up grant	0.83	0.86	0.03
Universal infant free school meals grant	9.37	9.57	0.20
<b>Total schools budget</b>	<b>653.57</b>	<b>677.72</b>	<b>24.15</b>

## 9. Housing Revenue Account

- 9.1 The Housing Revenue Account (HRA) includes all expenditure and income incurred in managing the Council's housing stock and, in accordance with Government legislation, operates as a ring fenced account.
- 9.2 The 2016 Welfare Reform and Work Act introduced the requirement for all registered social housing providers to reduce social housing rents by 1% for the 4 years from 2016/17. This reduction was implemented by the council in 2016/17 with a subsequent loss of £2.1m in rental income. Reducing rents by a further 1% in each of the three years from 2017/18 to 2019/20 equates to an additional estimated loss of £18.5m in rental income over this period. When compared to the level of resources assumed in the financial plan (and assuming that from 2020/21 rent increases will revert back to the previous policy of CPI+1%) this equates to a loss of £283m of rental income over the 10 year period (2016/17 to 2024/25).
- 9.3 Whilst the 2016 Act requires that social rents have to reduce by 1% per annum until 2019/20, properties funded through PFI can be exempt from this requirement. An increase in accordance with the government's rent formula of CPI (1% as at September 2016) + 1% is therefore proposed. This overall 2% rise equates to approximately £0.35m.
- 9.4 The costs associated with servicing the HRA's borrowing have increased due to a combination of discounts that had previously been applied to the overall level of debt falling out and the planned increase in borrowing to support the Council's new build programme.

- 9.5 The rollout of universal credit in Leeds commenced in 2016 and once fully implemented it will require the council to collect rent directly from around 24,000 tenants who are in receipt of full or partial housing benefit. Although the financial impact of this is still difficult to quantify it is likely to have implications for the level of rental income receivable since the level of arrears is anticipated to increase.
- 9.6 A reduction in the qualifying period after which tenants are able to submit an application to purchase a council house through the government's Right to Buy legislation continues to sustain an increase in the number of sales with a subsequent reduction in the amount of rent receivable.
- 9.7 The reduction in rental income will need to be managed in addition to other pay, price and service pressures. A combination of staffing efficiencies, a reduction in the contribution to BITMO and the use of reserves will all contribute towards off-setting these pressures. In addition it is proposed to reduce the level of resources available to Housing Advisory Panels (HAPs). Despite this reduction the proposed budget available to HAPs (£0.45m) in 2017/18 will still be greater than the level of resources that was provided prior to the housing management function being transferred back to the Council in 2013.
- 9.8 Further consideration will be given to increasing service charges to reflect more closely the costs associated with providing services. This will generate additional income which will contribute towards offsetting the reduction in rental income receivable as a result of the change in Government's rent policy.
- 9.9 Tenants in multi storey flats (MSFs) and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts and only pay a notional charge towards the cost of these services meaning other tenants are in effect subsidising the additional services received. It is proposed that an additional £2 per week increase on multi storey flats with an increase of £1 per week on low/medium rise flats in 2017/18 would generate an additional £950k compared to 2016/17.
- 9.10 Currently tenants in sheltered accommodation receiving a warden service are charged £13 per week for this service. This charge is eligible for Housing Benefit. In 2016/17 a nominal charge of £2 per week was introduced for those tenants who benefited from the service but did not pay. It is proposed to increase this charge by a further £2 per week in 2017/18.
- 9.11 An analysis of the impact on individual tenants of reducing rents by 1% and implementing the proposed charges as above has been undertaken. This analysis shows that should the proposals be agreed 71.8% of tenants will pay 78p less per week less in overall terms in 2017/18 than in 2016/17 with a further 4.1% paying 70p less per week. Of those paying more, 11.3% will pay up to £1.35 more per week, 4.6% will pay 31p per week more, 2.8% will pay £1.56 more per week, 2.3% will pay an additional 30p per week, 1.2% will pay £2.37 more per week, 0.8% will pay £3.30 more per week and 1.1% will pay

£1.33 more per week. These increases will be funded through Housing Benefit for eligible tenants.

- 9.12 Since all housing priorities are funded through the HRA any variations in the rental income stream will impact upon the level of resources that are available for the delivery of housing priorities. Resources will be directed towards key priority areas which include fulfilling the plan to improve the homes people live in, expanding and improving older person's housing and improving estates to ensure that they are safe and clean places to live.
- 9.13 In addition to the above, the Housing and Planning Act 2016 which received Royal Assent in May 2016 introduces a number of government proposals which when implemented are likely to have a significant impact on HRA resources. The Act requires local authorities to sell their higher value homes and allows the government to estimate the amount of money that they expect each local authority to receive from such sales each financial year. Authorities will then be required to pay a proportion of these receipts to the Treasury every quarter. Details of the definition of higher value homes and the mechanism by which government will calculate the amount to be paid by each authority are yet to be published. It is also unclear the date from which this legislative change will be implemented from. Since detailed regulations in respect of the Housing and Planning Act 2016 have yet to be issued the financial implications of the legislation upon the Housing Revenue Account cannot readily be assessed.
- 9.14 The Council remains committed to prioritising resources to meet the capital investment strategy and to replace homes lost through Right to Buy by the planned investment in new homes and the buying up of empty homes. The council aims to maintain a consistent level of capital expenditure with a view to improving the condition of the stock. However, any financial pressures resulting from the Housing and Planning Act may impact on the authority's ability to deliver this.

*Table 15 – housing revenue account pressures and savings*

<b><u>Income</u></b>	<b>£m</b>
Reduction in rental income due to stock reduction and 1% rent reduction	3.40
Apply 2% rent increase to PFI funded areas	(0.35)
Increase service charges	(0.95)
Use of Reserves	(3.35)
<b>Total</b>	<b>(1.25)</b>
 <b><u>Expenditure</u></b>	
Pay and price pressures	0.65
Increase costs of capital (due to fallout of HRA discount and increased borrowing)	1.90
Targeted staffing efficiency	(0.80)
Reduce Housing Advisory Panel expenditure	(0.45)
BITMO - apply staff efficiency target	(0.05)
<b>Total</b>	<b>1.25</b>

## **10. Capital Programme**

- 10.1 Over the period 2016/17 to 2019/20 the existing capital programme includes investment plans which total £1.1bn. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing will be included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £4.3bn, and the council's net debt, including PFI liabilities stands at £2.32bn.
- 10.2 The initial budget proposals provide for a £2.5m increase in the cost of debt and capital financing. This assumes that all borrowing is taken short term at 0.65% interest for the remainder of 2016/17 and 2017/18.
- 10.3 The strategy allows for capital investment in key annual programmes, major schemes that contribute to the Best Council Plan objectives and schemes that generate income or reduce costs. Capital investment will continue to be subject to robust business cases being reviewed and approved prior to schemes approval. Whilst the capital programme remains affordable, its continued affordability will be monitored as part of the treasury management and financial health reporting.
- 10.4 A capital programme update report will be presented to the Executive Board in February 2017.

## **11. Corporate Considerations**

### **11.1 Consultation and Engagement**

- 11.1.1 As explained at section 5 above the initial budget proposals have been informed through the wealth of consultation evidence gathered in recent years on residents' budget priorities. Since 2012 there has been only minor changes to those priorities and, in addition, residents and service users have had significant involvement in on-going service-led change projects. Subject to the approval of the board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this Board on the 8<sup>th</sup> February 2017.
- 11.1.2 Consultation is an ongoing process and residents are consulted on many issues during the year. It is also proposed that this report is used for wider consultation with the public through the Leeds internet and with other stakeholders. Consultation is on-going with representatives from the Third Sector, and plans are in place to consult with the Business sector prior to finalisation of the budget.

### **11.2 Equality and Diversity / Cohesion and Integration**

- 11.2.1 The council continues to have a clear approach to embedding equality in all aspects of its work and recognises the lead role we have in the city to promote equality and diversity. This includes putting equality into practice taking into



account legislative requirements, the changing landscape in which we work and the current and future financial challenges that the city faces.

- 11.2.2 As an example of the commitment to equality, scrutiny will again play a strong role in challenging and ensuring equality is considered appropriately within the decision making processes.
- 11.2.3 The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the revenue budget and council tax 2017/18 which will be considered by Executive Board in February 2017. Specific equality impact assessments will also be undertaken on the implementation of all budget decisions as they are considered during the decision-making processes in 2017/18.

### **11.3 Council Policies and Best Council Plan**

- 11.3.1 The refreshed Best Council Plan 2017/18 will set out the council's priorities aligned with the medium-term financial strategy and annual budget. Developing and then implementing the Best Council Plan will continue to inform, and be informed by, the council's funding envelope and staffing and other resources.

### **11.4 Resources and Value for Money**

- 11.4.1 This is a revenue budget financial report and as such all financial implications are detailed in the main body of the report.

### **11.5 Legal Implications, Access to Information and Call In**

- 11.5.1 This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, once approved by the board will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2017 meeting of this Board at which proposals for the 2017/18 budget will be considered prior to submission to full Council on the 22<sup>nd</sup> February 2017.
- 11.5.2 The initial budget proposals will, if implemented, have significant implications for council policy and governance and these are explained within the report. The budget is a key element of the council's budget and policy framework, but many of the proposals will also be subject to separate consultation and decision making processes, which will operate within their own defined timetables and managed by individual directorates.
- 11.5.3 In accordance with the council's budget and policy framework, decisions as to the council's budget are reserved to full council. As such, the recommendation at 13.1 is not subject to call in, as the budget is a matter that will ultimately be determined by full council, and this report is in compliance with the council's constitution as to the publication of initial budget proposals two months prior to adoption.

## **11.6 Risk Management**

- 11.6.1 The council's current and future financial position is subject to a number of risk management processes. Failure to address medium-term financial pressures in a sustainable way is identified as one of the council's corporate risks, as is the council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the council's risk-based reserves policy. Both these risks are subject to regular review. In addition, financial management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This risk-based approach has been reinforced with specific project management based support and reporting around the achievement of the key budget actions plans.
- 11.6.2 It is recognised that the proposed strategy carries a number of significant risks. Delivery of the annual budget savings and efficiencies proposed will be difficult, but failure to do so will inevitably require the council to start to consider even more difficult decisions which will have far greater impact upon the provision of front line services to the people of Leeds.
- 11.6.3 A full risk assessment will be undertaken of the council's financial plans as part of the normal budget process, but it is clear that there are a number of risks that could impact upon these plans put forward in this report; some of the more significant ones are set out below.
- The reductions in government grants are greater than anticipated. Specific grant figures for the council for 2017/18 will not be known until later in the budget planning period.
  - Demographic and demand pressures, particularly in Adult Social care and Children's services could be greater than anticipated.
  - The implementation of the transformation agenda and delivery of the consequential savings could be delayed or the savings less than those assumed in the budget.
  - Delivery of savings proposals could be delayed and reductions in staffing numbers could be less than anticipated.
  - Inflation and pay awards could be greater than anticipated.
  - The level of funding from partners could be less than assumed in the budget.
  - Other sources of income and funding could continue to decline.
  - The increase in the council tax base could be less than anticipated.
  - The position on business rates retention, and specifically the impact of back-dated appeals, could deteriorate further.
  - Changes in the level of debt and interest rates could impact upon capital financing charges.
  - The estimated asset sales and capital receipts could be delayed which would impact on the assumed reduction in the minimum revenue budget

and which would also require the council to borrow more to fund investment.

- Failure to understand and respond to the equality impact assessment.

- 11.6.4 A full analysis of all budget risks in accordance will continue to be maintained and will be subject to monthly review as part of the in-year monitoring and management of the budget. Any significant and new risks and budget variations are contained in the in-year financial health reports submitted to the Executive Board.

## **12. Conclusions**

- 12.1 This report has shown that the current financial position continues to be very challenging. The council is committed to providing the best service possible for the citizens of Leeds and to achieving the ambition for the city of being the best in the UK with a firm focus on tackling inequalities. In order to achieve both the strategic aims and financial constraints, the council will need to work differently, helping people to look after themselves, others and the places they live and work by considering the respective responsibilities of the 'state' and the 'citizen' (the social contract). This approach underpins the medium-term financial strategy and the refreshed 2017/18 Best Council Plan.
- 12.2 Based on the government multi-year settlement there will be a further reduction in the settlement funding assessment for 2016/17 of £25.2m which means that core funding from government (SFA and other core grants) will have reduced by around £240m by March 2018. The initial budget proposals for 2017/18 set out in this report, subject to the finalisation of the detailed proposals in February 2017, will, if delivered, generate savings and additional income of £62.4m to produce a balanced budget.
- 12.3 Clearly savings of this magnitude will require many difficult decisions to be taken and these will not be without risk. The level of reductions required for 2017/18 will impact on front line services which the council has worked, and continues to work, extremely hard to protect. In this context, it is important that risks are fully understood and the final budget is robust.

## **13. Recommendations**

- 13.1 Executive Board is asked to agree the initial budget proposals and for them to be submitted to scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

## **14. Background documents<sup>1</sup>**

None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## Equality, Diversity, Cohesion and Integration Screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: Strategy and Resources</b>	<b>Service area: Corporate Financial Management</b>
<b>Lead person: Doug Meeson</b>	<b>Contact number: 74250</b>

### 1. Title: Initial Budget Proposals 2017/18

Is this a:

☒

**Strategy / Policy**

☐

**Service / Function**

☐

**Other**

**If other, please specify**

### 2. Please provide a brief description of what you are screening

The council is required to publish its initial budget proposals two months prior to approval of the budget by full council in February 2017. The initial budget proposals report for 2017/18 sets out the Executive's plans to deliver a balanced budget within the overall funding envelope. It should be noted that the budget represents a financial plan for the forthcoming year and individual decisions to implement these plans will be subject to equality impact assessments where appropriate.

### 3. Relevance to equality, diversity, cohesion and integration

All of the council's strategies/policies, services/functions affect service users, employees or the wider community – city-wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation. Also those areas that impact on or relate to equality: tackling poverty and improving health and well-being.

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?	X	
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"><li>• Eliminating unlawful discrimination, victimisation and harassment</li><li>• Advancing equality of opportunity</li><li>• Fostering good relations</li></ul>	X  X X	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

### 4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?**  
(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

The initial budget proposals identify a savings requirement of £62.4m due to a reduction in Government funding and unavoidable pressures such as inflation and demand/demography. Savings proposals to bridge this gap will affect all citizens of Leeds to some extent. The council has consulted on its priorities in recent years and has sought to protect the most vulnerable groups. However, the cumulative effect of successive annual government funding reductions, means that protecting vulnerable groups is becoming increasingly difficult. Further consultation regarding the specific proposals contained in this report will be carried out before the final budget for 2017/18 is agreed.

• **Key findings**

(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

The budget proposals will impact on all communities but those who have been identified as being at the greatest potential risk include:

- Disabled people
- BME communities
- Older and younger people and
- Low socio-economic groups

The initial budget proposals have identified the need for significant staffing savings in all areas of the council which may impact on the workforce profile in terms of the at-risk groups. There will be some impact on our partners through commissioning and/or grant support which may have a knock on effect for our most vulnerable groups.

• **Actions**

(think about how you will promote positive impact and remove/ reduce negative impact)

A strategic equality impact assessment of the budget will be undertaken prior to its approval in February 2017.

There will also be further equality impact assessments on all key decisions as they go through the decision making process in 2017/18.

**5. If you are *not* already considering the impact on equality, diversity, cohesion and integration you *will need to carry out an impact assessment*.**

Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

<b>6. Governance, ownership and approval</b>		
Please state here who has approved the actions and outcomes of the screening		
<b>Name</b>	<b>Job title</b>	<b>Date</b>
Doug Meeson	Chief Officer Financial Services	24/11/16
<b>Date screening completed</b>		24/11/16

<b>7. Publishing</b>	
<p>Though <b>all</b> key decisions are required to give due regard to equality the council <b>only</b> publishes those related to <b>Executive Board, Full Council, Key Delegated Decisions</b> or a <b>Significant Operational Decision</b>.</p> <p>A copy of this equality screening should be attached as an appendix to the decision making report:</p> <ul style="list-style-type: none"> <li>• Governance Services will publish those relating to Executive Board and Full Council.</li> <li>• The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.</li> <li>• A copy of all other equality screenings that are not to be published should be sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a> for record.</li> </ul> <p>Complete the appropriate section below with the date the report and attached screening was sent:</p>	
For Executive Board or Full Council – sent to <b>Governance Services</b>	Date sent: 5/12/16
For Delegated Decisions or Significant Operational Decisions – sent to appropriate <b>Directorate</b>	Date sent:
All other decisions – sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a>	Date sent:

**APPENDIX 1**
**2017/18 Budget Proposals**

	Adult Social Care	Children's Services	City Development	Environment & Housing	Strategy & Resources	Citizen's & Communities	Civic Enterprise Leeds	Public Health	Strategic Budget	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Net Managed Budget 2016/17 (adjusted)</b>	<b>201.3</b>	<b>119.8</b>	<b>37.7</b>	<b>53.3</b>	<b>37.2</b>	<b>29.6</b>	<b>23.6</b>	<b>0.3</b>	<b>(6.5)</b>	<b>496.4</b>
Inflation	2.5	0.6	1.8	0.8	0.4	0.3	0.6	0.1		7.2
Employer's LGPS contribution	0.2	0.4	0.2	0.3	0.2	0.1	0.2			1.5
Apprentice levy									1.4	1.4
Leeds CC minimum pay rate		0.02	0.04	0.1	0.002	0.01	0.3			0.4
National Living Wage	2.9	0.3								3.2
Demand and Demography	6.7	5.8								12.5
Specific grants		4.3						1.2	4.7	10.2
Partner funding	4.7	5.6								10.3
West Yorkshire Transport Fund									0.2	0.2
Adult Social Care - charging review (full-year effect)	(2.0)									(2.0)
Fall-out of Capitalised Pension costs	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.04)	(0.05)			(0.8)
Other Pressures		0.9		0.6		(0.1)		1.7	0.4	3.6
Debt - external interest									2.5	2.5
General Reserve									6.2	6.2
Earmarked Reserves									2.2	2.2
<b>Total - Cost and funding changes</b>	<b>14.8</b>	<b>17.8</b>	<b>1.8</b>	<b>1.8</b>	<b>0.5</b>	<b>0.3</b>	<b>1.0</b>	<b>2.9</b>	<b>17.6</b>	<b>58.5</b>
Budget Savings Options; Accounting - additional capitalisation Capital Financing - Minimum Revenue Provision									(2.0) (9.3)	(2.0) (9.3)
<b>Appendix 2:-</b>										
Changes to Service	(1.9)	(3.1)	(1.6)	(0.5)		(0.7)	(0.8)	(2.9)		(11.4)
Efficiencies	(6.7)	(1.9)	(1.5)	(5.4)	(4.7)	(2.7)			(2.0)	(24.9)
Income - Fees & Charges	(0.5)		(3.4)	(1.8)		(0.2)				(6.0)
Income - Traded Services, Partner & Other Income		(7.0)	(0.2)	(1.3)	(0.2)		(0.2)			(8.9)
<b>Total - Appendix 2</b>	<b>(9.1)</b>	<b>(12.0)</b>	<b>(6.7)</b>	<b>(9.0)</b>	<b>(4.9)</b>	<b>(3.6)</b>	<b>(1.0)</b>	<b>(2.9)</b>	<b>(2.0)</b>	<b>(51.1)</b>
<b>Total - Budget Savings</b>	<b>(9.1)</b>	<b>(12.0)</b>	<b>(6.7)</b>	<b>(9.0)</b>	<b>(4.9)</b>	<b>(3.6)</b>	<b>(1.0)</b>	<b>(2.9)</b>	<b>(13.2)</b>	<b>(62.4)</b>
<b>Target 2017/18 Net Revenue Budget</b>	<b>206.9</b>	<b>125.6</b>	<b>32.8</b>	<b>46.1</b>	<b>32.8</b>	<b>26.4</b>	<b>23.6</b>	<b>0.4</b>	<b>(2.2)</b>	<b>492.4</b>
<b>Increase/(decrease) from 2016/17</b>	<b>5.7</b>	<b>5.8</b>	<b>(4.8)</b>	<b>(7.3)</b>	<b>(4.4)</b>	<b>(3.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>(4.0)</b>



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Savings Proposal		Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
			£m	£m	
A) Efficiencies					
Assessment and Care Management	Review of business processes and staff skills mix	(0.5)	0.0	N	
Older People Care Packages	Reduction in the number of customers going into residential care through increased use of reablement, telecare and recovery services	(1.3)	0.0	Y	
Physical Impairment Care Packages	Review of care package costs, increased use of community based services rather than residential care and the promotion of 'ordinary lives'	(0.5)	0.0	Y	
Mental Health Care Packages	Review of care package costs to ensure they are the most cost effective way of meeting people's needs, including in-house services, and promoting 'ordinary lives'	(0.8)	0.0	Y	
Learning Disabilities Care Packages	Review of care package costs to ensure they are the most cost-effective way of meeting people's needs and that services commissioned through block contracts deliver best value outcomes. Promoting 'ordinary lives	(1.5)	0.0	Y	
Aspire / Independent Living Programme	A review of practice re high cost out of area packages and low level need packages (Aspire) and a review of practices at ILP establishments	(1.0)	0.0	Y	
Running Cost savings	Review and reduction of non-essential spend budgets	(0.1)	0.0	N	
Direct Payments	Auditing & targeting additional recovery of unused direct payments	(0.2)	0.0	N	
Legal Fees	Reduction in legal fees (representing trend of expenditure)	(0.3)	0.0	N	
Staffing	Review of current posts being held vacant	(0.6)	0.0	N	
Sub-Total Efficiencies			(6.7)	0.0	

## Adult Social Care - savings options 2017/18

Savings Proposal		Comments	2017/18 £m	2018/19 fye £m	Is this relevant to Equality & Diversity?
<b>B) Changes to Service</b>					
Community Support Service	Ceasing the Community Support Service		(0.9)	0.0	Y
Residential and Day Support for Older People	Closure of residential homes and day services		(1.0)	0.0	Y
<b>Sub-Total Service Changes</b>			<b>(1.9)</b>	<b>0.00</b>	
<b>C) Additional Income - Fees and Charges</b>					
Income	Leeds income levels lower than comparators, particularly regarding residential service user contributions.		(0.5)	0.00	Y
<b>Sub-Total Additional Income (Fees &amp; Charges)</b>			<b>(0.5)</b>	<b>0.0</b>	
<b>D) Additional Income - Traded Services, Partner and Other Income</b>					
<b>Sub-Total Additional Income (Traded Services, Partner and Other Income)</b>			<b>0.0</b>	<b>0.0</b>	
<b>Total Savings Options - Adult Social Care</b>			<b>(9.1)</b>	<b>0.0</b>	

## Children's Services - savings options 2017/18

Page 1 of 1

Savings Proposal	Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
		£m	£m	
A) Efficiencies				
Social Work Services	Remodelling of the service to reduce agency spend by £0.6m and non front line staffing by £0.3m	(0.9)	0.0	Y
Other staff savings	Review and reshape of services provided by Children's Services, other than those specifically identified on this document. Includes vacancy management across the directorate and specific savings in Employment and Skills and Workforce Development.	(0.4)	0.0	Y
Running Cost savings	On-going review of running cost budgets.	(0.1)	0.0	N
Targeted Services	Review of staffing in Targeted Services including Family Intervention Service and Signpost, vacancy management and review of secondment arrangements.	(0.2)	0.0	Y
Integrated Safeguarding Unit - staff savings	Review the Education Safeguarding Team and reduced staffing through vacancy management within the team.	(0.3)	0.0	Y
Sub-Total Efficiencies		(1.9)	0.0	
B) Changes to Service				
Remodelling of Children's Centre Family Services	Reshape of the provision of family services, to include a review of the core offer and additional services currently funded by partners where the funding will either reduce or cease.	(0.6)	0.0	Y
Commissioned Services	Review all current contracts with the aim to reduce spend on commissioned services. Includes specific saving proposals in Employment and Skills, Targeted Services and Complex Needs (short breaks contract)	(1.3)	0.0	Y
Education Services Grant funded activities	Reduced spend and additional income to help offset the reduction in grant funding. Includes staff savings in administration and Learning Improvement, running cost savings in IMT, Learning Improvement, Learning Management and Learning Systems.	(1.0)	0.0	Y
Complex Needs Service	Review of Complex needs and Targeted Services staffing	(0.2)	0.0	Y
Sub-Total Service Changes		(3.1)	0.0	

## Children's Services - savings options 2017/18

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Savings Proposal	Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
		£m	£m	
C) Additional Income - Traded Services, Partner and Other Income				
Adel Beck Secure Children's Home	Additional income from increase in demand for placements from the Youth Justice Board.	(0.2)	0.0	N
Traded Services	Specific proposals in Workforce Development, Youth Services (Activity Centres), Learning Systems and Complex Needs with other proposals being developed as part of a Trading Review across the directorate.	(1.3)	0.0	N
Innovations bid	Additional funding from a new Innovations Bid, subject to final approval.	(2.5)	0.0	N
Anti Social Behavioural Services	Additional funding from the Housing Revenue Account	(0.3)	0.0	N
Family Services Best Start.	Additional 3 year funding agreed.	(0.2)	0.0	N
Children's Centres	Increase in nursery fees and Free Early Education Entitlement hourly rates.	(0.3)	0.0	Y
Free Early Education Entitlement nursery payments	New ability to top slice 5% from the Free Early Education Entitlement payments to nursery providers.	(1.0)	0.0	N
Other income	General increases and additional non-traded income.	(0.8)	0.0	N
Families First	Reflects current income position although assumes that the programme will continue.	(0.5)	0.0	N
Sub-Total Additional Income (Traded Services, Partner and Other Income)		(7.0)	0.0	
Total Savings Options - Children's Services		(12.0)	0.0	

## City Development - savings options 2017/18

Savings Proposal		Comments	2017/18 £m	2018/19 fye £m	Is this relevant to Equality & Diversity?
<b>A) Efficiencies</b>					
Asset Management		Reduced borrowing costs at the Leeds Arena	(0.5)	0.0	N
Economic Development		Review and reduce non staffing budgets to deliver efficiencies and expenditure savings	(0.1)	0.0	N
Highways		Capitalisation of maintenance costs and extension of street lighting switch off	(0.7)	0.0	N
Sport and Active Lifestyles		Further efficiencies within the rotas and operating methods within leisure centres and review of the work of the Sport and Active Lifestyles Development function.	(0.1)	0.0	N
Events Review		Review of Leeds lights budgets to reflect increased external commercial work and review other city centre events	(0.1)	0.0	Y
Culture		Reduction of non staffing budgets to deliver efficiencies and expenditure savings	(0.1)	0.0	N
<b>Sub-Total Efficiencies</b>			<b>(1.5)</b>	<b>0.0</b>	
<b>B) Changes to Service</b>					
Highways		Recruit more engineers to retain more work in-house and reduce external spend on contractors.	(0.7)	0.0	N
Sport and Active Lifestyles		Review of the future of the Sailing and Activity Centre and review and reduction of operating hours in some Leisure Centres	(0.3)	0.0	Y
Museums		Review of operations at Thwaite Mills to reduce opening hours and develop new income streams.	(0.2)	0.0	Y
Tour de Yorkshire		Leeds not hosting a stage in 2017	(0.3)	0.0	N
International Young Peoples Festival		Cease holding the festival realising staffing and operational cost savings	(0.1)	0.0	Y
<b>Sub-Total Service Changes</b>			<b>(1.6)</b>	<b>0.0</b>	

## City Development - savings options 2017/18

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Savings Proposal	Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
		£m	£m	
C) Additional Income - Fees and Charges				
Asset Management	New rental income from the purchase of commercial assets and additional fee income from asset sales	(2.3)	0.0	N
Economic Development	Additional income from events and licences, street trading and speciality markets, and from marketing and advertising	(0.3)	0.0	N
Highways	Additional income from developers, utility companies, and park and ride sites.	(0.1)	0.0	N
Planning Services	Additional fee income from planning application fee increases and the provision of premium services. Introduction of new charges for Street Naming and Numbering. Income from charging fees for Environment and Design work to capital schemes and external clients.	(0.4)	0.0	N
Sport and Active Lifestyles	Increased income across all leisure centres through improvements to commercial marketing, retention and sales processes.	(0.3)	0.0	N
Culture	Additional income across functions including increased rental income, increased income from ticket sales via a new box office system, increased income from cultural events.	(0.2)	0.0	N
Sub-Total Additional Income (Fees & Charges)		(3.4)	0.0	
D) Additional Income - Traded Services, Partner and Other Income				
Building Control	Increased income through increased demand for building control services	(0.2)	0.0	N
Sub-Total Additional Income (Traded Services, Partner and Other Income)		(0.2)	0.0	
Total Savings Options - City Development		(6.7)	0.0	

# Environment & Housing - savings options 2017/18

## Savings Proposal

## Comments

## Saving

2017/18

2018/19  
fye

Is this  
relevant to  
Equality &  
Diversity?

£m

£m

## A) Efficiencies

Leeds Building Services - consolidation of Construction/Property Maintenance	Cost savings will be realised though both a reduction in the number of managers and supervisors and a targeted reduction in running costs. In addition the roll out of the Total Mobile software combined with improved job scheduling will deliver efficiencies which will result in a reduction in the use of sub-contractors.	(1.8)	0.0	Y
Refuse Collection - review of routes	Increased productivity will facilitate a revision to the current number of collection routes and the anticipated reduction in the number of rounds and management costs will result in cost savings.	(1.6)	0.0	Y
Strategic Housing - integration of functions	Closer working arrangements for the different functions within Strategic Housing will facilitate a reduction in the number of budgeted posts.	(0.1)	0.0	N
Environmental Action - revision to the level of resources	Street cleansing and enforcement expenditure and posts will be reduced, with resources reviewed & deployed differently across the city in line with the Council-wide review of Locality Working.	(0.4)	0.0	Y
Environmental Action - locality working	Managerial posts will be reduced as operational teams are reconfigured in line with the Council-wide review of Locality Working.	(0.4)	0.0	Y
Community Safety - reduction in area coordinator posts	Following a review of the delivery of the Community Safety function it is proposed to reduce the number of area co-ordinator posts.	(0.2)	0.0	Y
Housing Related Support - reduction in contract payments	Savings to be realised through the ongoing review and retendering of contracts	(0.4)	(0.2)	Y
Parks & Countryside - reduce grants to the Third Sector	Grants to support 3rd sector organisations will reduce at the same level as the reduction in resources to the Council.	(0.02)	0.0	Y
Parks & Countryside - revised security at the new nursery	The relocation of the nursery from Redhall to Whinmoor will result in revised security arrangements.	(0.1)	0.0	N
All services - review of running costs	Review of running cost budgets across the directorate	(0.5)	0.0	N
<b>Sub-Total Efficiencies</b>		<b>(5.4)</b>	<b>(0.2)</b>	

## B) Changes to Service

Parks & Countryside - reduction in front line horticultural staff	In discussion with Community Committees, this will mean a reduction in the area of maintained flower beds, shrub beds and hedges along with some increased relaxed mowing as appropriate in parks/green spaces and at graveyards/closed churchyards	(0.4)	0.0	Y
Parks & Countryside - reduction in grass/hedge cuts on highways assets	Reduce grass verge maintenance on high speed roads and reduce hedge cuts from 3 times each year to 2 on highway assets	(0.1)	0.0	N
<b>Sub-Total Service Changes</b>		<b>(0.5)</b>	<b>0.0</b>	

## C) Additional Income - Fees and Charges

Car Parking - Woodhouse Lane car park price increase	The 50p increase implemented at Woodhouse Lane car park in June 2016 will generate an additional £120k in a full year	(0.1)	0.0	N
Car Parking - price increases	Additional income from a £1 increase on Sunday/evening tariffs, the introduction of charging on bank holidays (excl xmas day), and increase of 10p on all on street tariffs. It is also assumed that activity levels experienced in 2016/17 will continue and generate an additional £200k in 17/18	(0.6)	0.0	N
Car Parking - mobile enforcement/increase in permit charges	Mobile CCTV monitoring to enforce offences at schools/bus stops/bus lanes. Increase cost of business and trade permits.	(0.1)	0.0	N

## Environment & Housing - savings options 2017/18

Savings Proposal	Comments	Saving		Is this relevant to Equality & Diversity?
		2017/18 £m	2018/19 fye £m	
Parks & Countryside - review of charges at Lotherton Bird Garden	In recognition of the enhancements to the Bird Garden admission prices will increase from £5.50 to £6 from April 1st. It is also anticipated that the improved attraction will experience an increase in visitor numbers.	(0.1)	(0.0)	Y
Parks & Countryside - review of charges at Tropical World	Following further development of the attraction prices will increase from £5 to £6 per visit for adults with other charges to increase in the same proportion. There will be significant discounts for Leeds card and Leeds card Extra holders and under 5s will continue to gain free entry.	(0.3)	(0.1)	Y
Parks & Countryside - review of charges at Temple Newsam Home Farm	Review of charging following significant investment in indoor play facility with integral café/retail space. Price would increase from £3.60 to £5 from 2018/19.	0.1	(0.1)	Y
Parks & Countryside - introduce parking charges at visitor attractions	Introduction of car parking charges at Roundhay Park, Golden Acre Park and Temple Newsam	(0.2)	(0.1)	Y
Bereavement Services - review of charges to eliminate subsidy	Removal of subsidy would require a 5% increase in prices	(0.1)	0.0	Y
Waste Management - introduce charges for replacement wheeled bins	Implement charging for replacement wheeled bins that have been stolen or destroyed.	(0.2)	(0.1)	Y
Waste management - introduce charges for inert waste/plasterboard waste	The introduction of charges for disposal of inert (soil/rubble) and plasterboard waste at Household Waste sites would eliminate the current level of subsidy for disposal of these types of waste	(0.1)	0.0	Y
Environmental Action - introduce charges for bulky waste collections	Introduction of a charge to households choosing to use the bulky waste collection service over other disposal options which will remain free of charge.	(0.1)	0.0	Y
Environmental Health - introduce new pest control fees	Implement charges to eliminate the subsidy in pest control services. This would include introducing a charge for treating rats in domestic properties.	(0.1)	0.0	Y
<b>Sub-Total Additional Income (Fees &amp; Charges)</b>		<b>(1.8)</b>	<b>(0.4)</b>	
<b>D) Additional Income - Traded Services, Partner and Other Income</b>				
Community Safety - review partner funding arrangements of community safety activities	Working with West Yorkshire Police and Crime Commissioner to review the funding arrangements of community safety activities	(0.8)	0.0	N
Strategic Housing - review of charging arrangements	In respect of adaptations review charges to both the capital programme and Housing Leeds.	(0.2)	0.0	N
Parks & Countryside - review of the allocation of costs relating to mowing amenity grass	Increase the level of charges to Housing Leeds to reflect the fact that housing assets are typically smaller with more access restrictions (e.g. gates/fences) resulting in smaller machines and more operators.	(0.2)	0.0	N
Parks & Countryside - income from partnership with Askham Bryan college	Contribution from Askham Bryan college in respect of the use of buildings and facilities at Parks and Countryside sites for student learning	(0.1)	0.0	N
Parks & Countryside - additional retail income from nursery	Increase in plant and other retail sales following move to new nursery facility at Whinmoor	(0.1)	0.0	N
Parks & Countryside - additional landscaping income	Review the appropriateness of the allocation of costs associated with landscaping work.	(0.1)	0.0	N
<b>Sub-Total Additional Income (Traded Services, Partner and Other Income)</b>		<b>(1.3)</b>	<b>0.0</b>	
<b>Total Savings Options - Environment &amp; Housing</b>		<b>(9.0)</b>	<b>(0.6)</b>	



## Strategy & Resources - savings options 2017/18

Savings Proposal	Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
		£m	£m	
A) Efficiencies				
Business Administration, transactional and operational activities	Following the first phase of Better Business Management where all 'core' business admin staff were transferred into the central service, the main initiative in progress is to achieve further efficiencies by consolidating 'specialist' admin staff under one professional lead.	(1.0)	(1.1)	Y
ICT, Information Management and Technology (IM&T), Information Governance(IG) and Intelligence	Introduce a new operating model for coordinated, shared cross Council digital and intelligence services. Establish 2 Hubs for IM&T and IG complemented by Business Partners who will work with Council services. The new Intelligence function will be brought alongside the corporate policy and insight function to form a single lead through the Chief Officer, Strategy and Improvement.	(1.1)	(0.5)	Y
Programme, Project and Portfolio Management	The review has sought to identify savings through the development of a portfolio approach which includes the development of a prioritisation tool. This will lead to greater efficiency with more of the right projects / programmes being delivered to time, cost and quality.	(0.6)	(0.3)	Y
Workforce Development	April 2017 move to a single professional line of leadership model. Consolidation of training budgets into one single pot combined with a comprehensive review of all Organisational/Workforce Development activity.	(0.3)	(0.2)	Y
Compliments and Complaints	Bring existing staff performing this function together into 2 teams. Implement de-escalation of complaints at the first point of contact and realise efficiencies through reduction in the duplication of process and IT system changes.	(0.1)	(0.1)	Y
Financial Services	Implement new operating model from September 2017 based on a centralised approach in one physical location. Finance Business Partner teams would continue to be aligned to specific directorates and organisational priorities and focus on supporting transformational change across the organisation.	(0.9)	(0.5)	Y
Human Resources	Continuation of implementation of new ways of working within the service.	(0.3)	(0.1)	Y

## Strategy & Resources - savings options 2017/18

Savings Proposal	Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
		£m	£m	
Strategy and Improvement	Further staffing savings and efficiencies within Communications, Marketing and Emergency Planning. (Strategy and Policy and Business Improvement are included in scope of the Intelligence review).	(0.1)	(0.1)	Y
Legal and Democratic Services	Staffing efficiencies to fund cost of pay award	(0.1)	(0.2)	Y
Corporate Leadership Team	Changes to Corporate Leadership Team	(0.2)	0.0	N
<b>Sub-Total Efficiencies</b>		<b>(4.7)</b>	<b>(3.0)</b>	
<b>B) Additional Income - Traded Services, Partner and Other Income</b>				
Financial Services	Additional traded income	(0.2)	0.0	N
<b>Sub-Total Additional Income (Traded Services, Partner and Other Income)</b>		<b>(0.2)</b>	<b>0.0</b>	
<b>Total Savings Options - Strategy &amp; Resources</b>		<b>(4.9)</b>	<b>(3.0)</b>	

## Citizens & Communities - savings options 2017/18

Savings Proposal	Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
		£m	£m	
<b>A) Efficiencies</b>				
Communities	Communities teams and associated activity: review management & leadership; review grants & contributions to 3rd sector	(0.2)	(0.1)	Y
Corporate Contact Centre	Fewer calls due to channel shift (dependent on technology) and general improvement in productivity	(0.3)	0.0	Y
Corporate Contact Centre	Council Tax/Benefits/Contact Centre Integration (savings within Customer Access and Welfare and Benefits)	(0.2)	0.0	Y
Corporate Contact Centre	Reduce service failure: target to reduce by 25%	(0.1)	(0.04)	N
Corporate Contact Centre	Review the Out of Hours Service allow contact to be directed straight to the relevant service	(0.1)	0.0	Y
Customer Access	Reduce Helpdesk function through development of professional Tier 2 (rather than C1 Helpdesk Customer Services Officer) support	(0.1)	0.0	Y
Customer Access	Merge support and development functions	(0.2)	0.0	Y
Elections	No local elections in 2017/18	(0.7)	0.7	N
Welfare and Benefits	Reduction in off-site processing and overtime	(0.2)	0.0	Y
Advice Consortium	Deliver greater efficiencies; to be addressed as part of re-tendering on contract in 2017/18	(0.1)	(0.1)	Y
Libraries	Staffing review, running cost savings, and increased income	(0.4)	0.0	Y
All services	Review of running cost budgets across the directorate	(0.3)	0.0	N
<b>Sub-total Efficiencies</b>		<b>(2.7)</b>	<b>0.5</b>	

## Citizens & Communities - savings options 2017/18

Savings Proposal		Comments	2017/18	2018/19 fye	Is this relevant to Equality & Diversity?
			£m	£m	
<b>B) Changes to services</b>					
Communities		Well Being grants - further reductions	(0.2)	(0.1)	Y
Library Service		Reprovision delivery of mobile library service	(0.1)	0.0	Y
Local Welfare Support Scheme		Reduction in existing £1.1m budget provision by £300k	(0.3)	0.0	Y
Leeds City Credit Union		Working with Credit Union to agree options to save £50k	(0.1)	0.0	N
<b>Sub-total Changes to Services</b>			<b>(0.6)</b>	<b>(0.1)</b>	
<b>C) Additional income - Fees and Charges</b>					
Community Centres		Restrict free lets to 75% of present level	(0.1)	0.0	Y
Community Hubs		Charge for events (currently free)	(0.1)	0.0	Y
Registrars service		Charging/income proposals (Passport checking service; additional appointments; Saturday appointments; general fee increase)	(0.1)	(0.0)	N
<b>Sub-total Fees and Charges</b>			<b>(0.2)</b>	<b>(0.0)</b>	
<b>Total Savings Options - Citizens and Communities</b>			<b>(3.6)</b>	<b>0.4</b>	

## Civic Enterprise Leeds - savings options 2017/18

Savings Proposal	Comments	2017/18 £m	2018/19 fye £m	Is this relevant to Equality & Diversity?
<b>A) Efficiencies</b>				
Cleaning Civic Hall	Changes to the times and frequency at which cleaning is provided resulting in a reduced staffing requirement and expanding the mobile operation for cleaning.	(0.1)	0.0	N
Cleaning - other office accommodation	As with changes at the Civic Hall, these are changes to the times and frequency at which cleaning is provided resulting in a reduction in the number of staff required to deliver the service combined with expanding the mobile cleaning operation.	(0.4)	0.0	N
Management/staff reductions	Reduction in level of JNC management support, delivered through reconfiguration of roles and responsibilities within the service.	(0.2)	0.0	Y
Facilities Management savings	Planned realignment of the service to be delivered through a restructure resulting from a review of roles and responsibilities.	(0.1)	0.0	N
<b>Sub-Total Efficiencies</b>		<b>(0.8)</b>	<b>0.0</b>	
<b>B) Additional Income - Traded Services, Partner and Other Income</b>				
Fleet	Combination of attempting to maximise existing income streams whilst developing new ones together with the aim of reducing costs.	(0.1)		N
Commercial Catering	Based on internalising commercial catering for some of the services within the Civic quarter and expanding retail offer.	(0.1)		N
<b>Sub-Total Additional Income (Traded Services, Partner and Other Income)</b>		<b>(0.2)</b>	<b>0.0</b>	
<b>Total Savings Options - Civic Enterprise Leeds</b>		<b>(1.0)</b>	<b>0.0</b>	

## Public Health - savings options 2017/18

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Savings Proposal	Comments	2017/18	2018/19	Is this
			fye	relevant to
		£m	£m	Equality & Diversity?
A) Changes to Service				
Third sector commissioned service	Recommissioning new services with a 5% reduction for contracts in scope. Integrated Healthy Living Service (October 2017), Community Health Development & Improvement (April 2017) and Cancer Screening (April 2017).	(0.1)	0.0	Y
Third sector/statutory drugs and alcohol services	8% reduction in drug and alcohol treatment contract, work is underway with provider to develop options to achieve the saving	(0.7)	0.0	Y
NHS Healthy Lifestyle services	Recommissioning new Integrated Healthy Living Service due to start October 2017, 5% reduction in contracts in scope.	(0.3)	0.0	Y
Family Nursing Partnership	Family Nurse Partnership contract will not be extended beyond March 2017	(0.8)	0.0	Y
School Nursing and Health Visiting	Reduction in contract values for 0-19 services - School Nursing and Health visiting	(0.4)	0.0	Y
Children's Centres	Reduction in funding contribution to Children's Centres	(0.5)	0.0	Y
Joint commissioning with other directorates	Reduction in funding to other Council directorates for joint commissioning including HIV social care, Neighbourhood Networks, Advice Services, Luncheon Clubs and Home adaptations	(0.1)	0.0	Y
Sub-Total Service Changes		(2.9)	0.0	0.0
Total Savings Options - Public Health		(2.9)	0.0	0.0

Pressures/Savings	2017/18 £m
<b>Budget Pressures:</b>	
<b>Inflation</b>	
Pay	0.30
Price	
Income	-0.02
Living Wage	0.01
Actuarial Review	0.09
<b>Full Year Effects of previous decisions</b>	
Fallout of capitalised Pensions	-0.04
<b>Other</b>	
Housing Benefits	
Reduction in Administration grant	0.17
Cost of intervention work	0.27
<b>Total Pressures</b>	<b>0.78</b>
<b>Savings Proposals:</b>	
<b>Efficiencies</b>	
Communities teams and associated activity: review management & leadership; review grants & contributions to 3rd sector	(0.20)
Fewer calls due to channel shift (dependent on technology) and productivity improvements	(0.30)
Council Tax/Benefits/Contact Centre Integration (savings within Customer Access and Welfare and Benefits)	(0.15)
Reduce service failure: target to reduce by 25%	(0.13)
Review the Out of Hours Service allow contact to be directed straight to the relevant service	(0.10)
Reduce Helpdesk function through development of professional Tier 2 (rather than C1 Helpdesk CSO) support	(0.10)
Merge support and development functions	(0.15)
No local elections in 2017/18 & 2019/20	(0.65)
Reduction in off-site processing and overtime	(0.20)
Advice consortium	(0.05)
Further efficiencies to fund cost of pay award	(0.29)
<b>Service Changes</b>	
Well Being grants - further reductions	(0.18)
Reprovision delivery of mobile library service	(0.12)
Local Welfare Support Scheme - reduce budget by 30%	(0.30)
Credit Union - reduce grant funding	(0.05)
<b>Income - Fees &amp; Charges</b>	
Community Centres: Restrict free lets to 75% of present level	(0.08)
Charge for events at Community Hubs	(0.05)
Registrars: charging/income proposals (Passport checking service; additional appointments; Saturday appointments; general fee increase)	(0.08)
Additional Housing Benefits grant income FERIS, RTI, New Burdens	(0.54)
<b>Total Savings</b>	<b>-3.71</b>
<b>Overall net Saving</b>	<b>-2.93</b>

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Report author: Angela Brogden  
Tel: 247 4553

## Report of Head of Governance and Scrutiny Support

### Report to Scrutiny Board (Citizens and Communities)

**Date:** 9<sup>th</sup> January 2017

**Subject:** Work Schedule

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The Board's work schedule is attached as appendix 1. This will be subject to change throughout the municipal year.
2. Also attached at appendix 2 are the minutes of the Executive Board meeting held on 14<sup>th</sup> December 2016, for the Board's information.

### Recommendation

3. Members are asked to consider the work schedule and make amendments as appropriate.

### Background documents<sup>1</sup>

4. None used

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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# Scrutiny Board (Citizens and Communities) Work Schedule for 2016/2017 Municipal Year

Appendix 1

Area of review	Schedule of meetings/visits during 2016/17		
	June	July	August
<b>Development of a revised Council Tax Support Scheme</b>		Initial briefing and agreeing terms of reference. SB 25/07/16 @ 10 am	
<b>Safeguarding issues linked to the night time economy.</b>			
<b>Reducing repeat customer contacts</b>			
<b>Briefings</b>	Scrutiny Board Terms of Reference and Sources of Work SB 27/06/16 @ 10 am		
<b>Recommendation Tracking</b>		Universal Credit SB 25/07/16 @ 10 am	
<b>Performance Monitoring</b>			

## Scrutiny Board (Citizens and Communities) Work Schedule for 2016/2017 Municipal Year

Areas of review	Schedule of meetings/visits during 2016/17		
	September	October	November
<b>Development of a revised Council Tax Support Scheme</b>	Session 2 on the inquiry WG – 19/09/16 @ 1.30 pm  Session 3 of the inquiry WG – 28/09/16 @ 1 pm	Session 4 of the inquiry WG – 4/10/16 @ 10 am  Session 5 of the inquiry WG – 18/10/16 @ 1.30 pm	Agree final report SB 07/11/16 @ 10 am
<b>Safeguarding issues linked to the night time economy.</b>		Overview of actions taken within Taxi and Private Hire Licensing and Entertainment Licensing. SB 10/10/16 @ 10 am	
<b>Reducing repeat customer contacts</b>		Scoping terms of reference WG – 6/10/16 @ 2pm	Agree terms of reference and introductory session SB 7/11/16 @ 10 am
<b>Briefings</b>	Future changes to the Leeds Advice Consortium. SB 12/09/16 @ 10 am		The roll out of Community Hubs SB 7/11/16 @ 10 am
<b>Budget &amp; Policy Framework/pre-decision Scrutiny</b>			
<b>Recommendation Tracking</b>	Migration in Leeds SB 12/09/16 @ 10 am  Development of Community Committees SB 12/09/16 @ 10 am	Development of Community Hubs SB 10/10/16 @ 10 am	
<b>Performance Monitoring</b>	Performance Update SB 12/09/16 @ 10 am		

Key: SB – Scrutiny Board (Citizens and Communities) Meeting

WG – Working Group Meeting

## Scrutiny Board (Citizens and Communities) Work Schedule for 2016/2017 Municipal Year

Area of review	Schedule of meetings/visits during 2016/17		
	December	January	February
<b>Reducing repeat customer contacts</b>	Session 2 of the inquiry WG 05/12/16 @ 9.30 am		Session 3 of the inquiry WG 08/02/17 @ 9.30 am  Session 4 of the inquiry WG 21/02/17 @ 12.30 pm
<b>Briefings</b>			Welfare Reforms – Update SB 13/02/17 @ 10 am
<b>Budget &amp; Policy Framework/pre-decision Scrutiny</b>		Financial Health Monitoring SB 09/01/17 @ 10 am  2017/18 Initial Budget Proposals SB 09/01/17 @ 10 am	
<b>Recommendation Tracking</b>			Universal Credit SB 13/02/17 @ 10 am  Revised Council Tax Support Scheme SB 13/02/17 @ 10 am
<b>Performance Monitoring</b>		Performance Update SB 09/01/17 @ 10 am	

## Scrutiny Board (Citizens and Communities) Work Schedule for 2016/2017 Municipal Year

Area of review	Schedule of meetings/visits during 2016/17		
	March	April	May
<b>Reducing repeat customer contacts</b>		Agree final report SB 10/04/17 @ 10 am	
<b>Briefings</b>	Phase 3 of the Community Hub programme. SB 13/3/17 @ 10 am		
<b>Budget &amp; Policy Framework/pre-decision Scrutiny</b>			
<b>Recommendation Tracking</b>	Migration in Leeds SB 13/3/17 @ 10 am  Development of Community Hubs SB 13/3/17 @ 10 am	Development of Community Committees SB 10/04/17 @ 10 am	
<b>Performance Monitoring</b>			

## **EXECUTIVE BOARD**

**WEDNESDAY, 14TH DECEMBER, 2016**

**PRESENT:** Councillor J Blake in the Chair

Councillors R Charlwood, D Coupar,  
S Golton, J Lewis, R Lewis, L Mulherin,  
M Rafique and L Yeadon

**SUBSTITUTE MEMBER:** Councillor B Anderson

**APOLOGIES:** Councillor A Carter

**110 Substitute Member**

Under the provisions of Executive and Decision Making Procedure Rule 3.1.6, Councillor B Anderson was invited to attend the meeting on behalf of Councillor A Carter, who had submitted his apologies for absence from the meeting.

**111 Exempt Information - Possible Exclusion of the Press and Public**

**RESOLVED** – That, in accordance with Regulation 4 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of the following parts of the agenda designated as 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 2 to the report entitled, 'Supporting the Delivery of Housing Mix: Outcome of Marketing of Council Owned Sites', referred to in Minute No. 122 is designated as exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that it relates to the financial or business affairs of a particular person, 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 through the inviting of best and final offers for the property/land then it is not in the public interest to disclose this information at this point in time as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of property/land by this process.

It is also 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 about the nature and level of offers which may prove acceptable to the Council. It

Draft minutes to be approved at the meeting  
to be held on Wednesday, 8th February, 2017

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.

- (b) Appendix 1 to the report entitled, 'Design and Cost Report for the Acquisition of a Property for the Council's Investment Portfolio', referred to in Minute No. 123 is designated as exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that it contains information relating to the financial or business affairs of a particular organisation and of the Council. The property has been offered to the Council to acquire on a one to one basis off the market, rather than being put to the open market. It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information due to the impact that disclosing the information would have upon the Council and third parties.

**112 Declaration of Disclosable Pecuniary Interests**

There were no declarations of interest made at the meeting.

**113 Minutes**

**RESOLVED** - That the minutes of the previous meeting held on 16<sup>th</sup> November 2016 be approved as a correct record.

**HEALTH, WELLBEING AND ADULTS**

**114 Time to Shine Project**

Further to Minute No. 102, 16<sup>th</sup> December 2015, the Director of Adult Social Services and the Director of Public Health submitted a joint report providing details on the 'Time to Shine' project and the progress which had been made in tackling social isolation and loneliness in Leeds. The report also described the work which had been undertaken since the previous update report and the impact that it has had so far.

In considering this item, the Board received a presentation entitled, 'Time to Shine: Leeds Community Connect: The Asset Based Community Development (ABCD) Approach' and viewed a short film entitled, 'Loneliness and Me'. As part of this presentation, the Board also received further information from Bill Rollinson, Chair of Leeds Older People's Forum; Sharon Middling, of Community Connect at Rural Action Yorkshire and Jude Woods of Sage at Yorkshire MESMAC on the role that their respective organisations, as delivery partners, were playing in tackling social isolation and loneliness in Leeds as part of the Time to Shine programme.

Responding to a Member's enquiry, the Board received further information on the actions being taken to monitor and evaluate the outcomes from the schemes involved in the programme, and how that data was being utilised for



the purposes of future provision. Officers undertook to provide the Member in question with further information, if required.

Emphasis was also placed on the importance of Community Committees' continued involvement in this field at a local level, whilst also noting some examples of such involvement, as detailed within the submitted report.

Members also discussed the potential for widening the scope of the Asset Based Community Development (ABCD) approach, and considered how such innovative approaches could become more established. Officers also provided further information on the extent to which the funding received for the Time to Shine programme had attracted further investment into this area of work.

In conclusion, the Chair thanked those present, together with all those involved in the programme for the valuable work they undertook. The Chair also highlighted the huge potential of the programme and emphasised how tackling social isolation and loneliness continued to be a key priority for the Council.

#### **RESOLVED –**

- (a) That the submitted report, together with the presentations and film, updating the Board on the progress of the project, be noted;
- (b) That the progress made in the development and delivery of the 'Time to Shine' project, be welcomed;
- (c) That the positive impact that the work on tackling loneliness and social isolation will have, together with the contribution it will make towards the breakthrough project 'Making Leeds the Best City to Grow Old In', be recognised;
- (d) That the excellent work of the Leeds Older People's Forum in leading the project be commended;
- (e) That it be noted that the lead officers responsible for ensuring updates are brought are the Consultant in Public Health (Older People) and the Interim Chief Officer Commissioning, Adult Social Care;
- (f) That the added value and impact that this area of work has had in local communities be noted.

#### **EMPLOYMENT, SKILLS AND OPPORTUNITY**

##### **115 West Yorkshire Area Based Review of Post 16 Education and Training**

The Director of Children's Services submitted a report providing the background to the national framework and process of Area Based Reviews for Post 16 education and training. In addition, the report also presented information on the recommendations arising from the West Yorkshire Area

Based Review, with particular reference to the recommendations that relate to Leeds based providers.

In considering the report, Members noted the limited scope of the review which had taken place, and highlighted the need to continue the collaborative working at a local level in order to further develop a place based approach towards post 16 education and training, with the aim of ensuring that such provision was as effective as possible.

**RESOLVED** –That the outcome of the West Yorkshire Area Based Review of Post 16 education and training be noted.

### **RESOURCES AND STRATEGY**

#### **116 Financial Health Monitoring 2016/17 - Month 7**

The Deputy Chief Executive submitted a report setting out the Council's projected financial health position for 2016/17 as at month 7 of the financial year. The report also reviewed the position of the budget and highlighted any potential risks and variations after 7 months of the year.

**RESOLVED** –That the Council's projected financial position for 2016/17, at month 7 of the financial year, as detailed within the submitted report, be noted.

#### **117 Safeguarding in Taxi & Private Hire Licensing - 12 month review of progress to December 2016**

Further to Minute No. 109, 16<sup>th</sup> December 2015, the Assistant Chief Executive (Citizens and Communities) submitted a report outlining the progress which had been made in respect of safeguarding policies and improvements in the area of Taxi and Private Hire Licensing, and highlighted how this service was contributing towards public safety generally.

The Board received an update upon the work which continued to be undertaken at a West Yorkshire level in order to improve safeguarding arrangements in the field of taxi and private hire licensing. Also, responding to a Member's specific enquiry, the Board received further information on the actions being taken to work collaboratively with Local Authorities outside of the West Yorkshire boundary on such matters, and the progress which had been made as a result.

Members were provided with assurances around the consistency of approach taken in respect of driver checking processes, whilst the Board was also provided with further information and assurances on the actions which had been taken since the submission of the last update report in order to ensure that improved mechanisms had been put in place around Police disclosure of information.

In conclusion, the Board noted that the issue of safeguarding, together with ensuring the highest standards in terms of licensing remained a key priority of the Council, with emphasis being placed upon the robust and cross-party

approach which was taken by the Licensing Committee in dealing with such matters.

**RESOLVED** – That the direction which the relevant officers and Members of Licensing Committee have taken, be noted and endorsed, together with the progress which has been made towards beneficial safety improvements for safeguarding in the area of Taxi and Private Hire Licensing.

**118 Health, Safety and Wellbeing Performance and Assurance Report**

The Deputy Chief Executive submitted a report which provided a review on the Council's performance throughout 2015/16 with regard to health, safety and wellbeing matters. In addition, the report detailed the improvements that had been made during this period and also highlighted priorities, together with any potential future challenges.

Emphasis was placed upon the importance of this area of work, whilst Members noted a number of key priorities for the coming year.

**RESOLVED** – That the contents of the submitted report be noted, with the recognition that a sensible approach towards the management of health and safety risk will continue to be applied.

**119 Vision for Leisure and Wellbeing Centres 2016**

The Director of City Development submitted a report outlining the current challenges faced in terms of investment in leisure centres and proposed a revised "Vision for Leisure and Wellbeing Centres" for 2016 onwards, which together with an accompanying set of proposals, aimed to take the service forward by meeting wider Council outcomes, meeting austerity challenges whilst also responding to future demands.

In presenting the report, the Executive Member for Resources and Strategy proposed the establishment of a cross-party working group in order to ensure that moving forward all political groups were involved in the development of the vision.

Members welcomed the proposals detailed, and discussed the nature of the fitness market, and the future role that the Council could play in that market.

In conclusion, the Chair took the opportunity to pay tribute to the City of Leeds Diving Club based at the Council's John Charles Centre for Sport, highlighting the extraordinary sporting success and recognition that the club had brought to the city.

**RESOLVED** –

- (a) That a long term vision to secure a network of high quality, affordable, accessible and financially sustainable leisure and wellbeing centres (in particular public swimming pools) for the benefit of all the people of Leeds, be endorsed;

- (b) That the principles for determining the location of leisure and wellbeing centres be agreed, as follows:-
  - (a) on a main arterial route;
  - (b) in a town or district centre; and
  - (c) co-located and in partnerships with schools, health services, day centres, libraries or other complementary community facilities;
- (c) That the Director of City Development be requested to bring forward detailed proposals in 2017 for two new Wellbeing Centres to be built: one in Inner East Leeds and one in Rothwell, and that approval be given for the provision of £100k to be made within the Capital Programme in order to support the feasibility studies to this end;
- (d) That approval be given for the hours of operation at Kippax Leisure Centre to be reduced to approximately 58 hours, to commence from April 1st 2017, and that the Director of City Development be requested to bring forward a feasibility report into the re-provision of a swimming pool within the catchment area.
- (e) That the realising of the capital receipt from the sale of the existing Kippax Leisure Centre be approved, and that approval also be given to bringing forward new investment proposals in line with the overall strategy, as set out within the submitted report;
- (f) That the need to support continued prioritised investment in the other existing leisure centres, in order to maximise income and usage, as set out within section 4 of the submitted report, be noted;
- (g) That approval be given to extend the existing capital provision for sport maintenance of £500k per annum for a further 3 years from 2017/18;
- (h) That a cross-party working group be established in order to ensure that moving forward all political groups are involved in the development of the vision.

## **120 Best Council Plan Refresh for 2017/18 - Initial Proposals**

The Deputy Chief Executive submitted a report which set out an approach for the refresh of the Best Council Plan, which was aligned to the Initial Budget Proposals for 2017/18.

Members welcomed the proposed refresh of the Plan, together with the proposal to incorporate into this process any findings from the planned refresh of the Commission on the Future of Local Government.

**RESOLVED** – That the following be approved:-

- (a) Engagement with Scrutiny Boards on the emerging Best Council Plan, in accordance with the Budget & Policy Framework Procedure Rules;

- (b) That the revision of the longer-term contextual narrative section of the Best Council Plan be brought forward to next year as part of the 2018/19 refresh;
- (c) The approach, as set out in the submitted report, to update the annual section of the Best Council Plan for 2017/18 which balances continuity of the Best City (Strong Economy and Compassionate City) / Best Council (Efficient and Enterprising Organisation) vision and ambitions with further refinement of the Council's priorities;
- (d) That the Deputy Chief Executive will be responsible for developing the Best Council Plan for 2017/18 for its consideration by this Board and Full Council alongside the supporting 2017/18 Budget.

## **REGENERATION, TRANSPORT AND PLANNING**

### **121 Transport Conversation update and Leeds Public Transport Investment Programme**

The Director of City Development submitted a report which set out the strategic case and emerging proposals for the Leeds Public Transport Investment Programme. The report also provided an update on the progress in taking forward the city's longer term transport strategy which would be developed next year, including a clear ambition to consider again the case for mass transit provision in order to meet the future needs of the city. Furthermore, the report also set out the results so far from the 'Transport Conversation' and showed how this process had guided the approach for scheme selection within the Leeds Public Transport Investment Programme.

Given the significant nature of this matter, it was requested that consideration be given to a period of time being designated at full Council in order to provide Political Group Leaders with an opportunity to discuss key issues arising from the Transport Conversation and the Leeds Public Transport Investment Programme. In response, it was undertaken that liaison would take place with Political Group Leaders in order to discuss this matter further.

Responding to a Member's enquiry, the Board discussed the actions and approach to be taken with bus operators in the city with a view to ensuring that improved service provision was achieved in Leeds.

Members discussed how the proposals, amongst other things, aimed to significantly improve air quality and reduce carbon emissions, whilst also reducing congestion.

The Board received further information on the associated wide ranging consultation and communications process which had taken place to date in terms of getting to the current position regarding the Leeds Public Transport Investment Programme, with the restricted timescales associated with this process being noted. Assurances were also provided in respect of the inclusive consultation exercise which would continue as part of the Transport

Conversation, which would play a key role in developing a long term transport strategy for the city, and which would help to maintain and develop strong relationships with partners, which would be key to the successful delivery of the strategy.

**RESOLVED –**

- (a) That the programme of schemes to be included in the Leeds Public Transport Investment Programme (as detailed within the submitted report), which will utilise the £173.5m of Department for Transport funding and bring in significant complementary private sector investment, be agreed;
- (b) That the submission of an Outline Strategic Case to the Department for Transport for spending the £173.5m allocated to Leeds, be approved;
- (c) That the feedback from the 'Transport Conversation' and how this has shaped the proposed Leeds Public Transport Investment Programme, be noted;
- (d) That approval be given for officers to return to Executive Board in Autumn 2017 with a further update on the 'Transport Conversation' and the draft 20 year Transport Strategy, including commentary on the progress on development of mass rapid transit options;
- (e) That approval be given for £8.8m of Leeds City Council capital monies earmarked for NGT to be included in this programme, excluding an allowance for NGT funding which is committed to the Clay Pit Lane junction scheme;
- (f) That approval be given for the monies identified in resolution (e) (above) be made available immediately in order to commence work on the preliminary designs of some of the schemes identified in resolution (a) (above);
- (g) That approval be given for negotiations to continue with bus operators, developers and partners in order to leverage significant additional financial investments to support the Leeds Public Transport Investment Programme;
- (h) That it be noted that the Chief Officer Highways and Transportation is responsible for the delivery of the programme.

(Under the provisions of Council Procedure Rule 16.5, Councillor Golton required it to be recorded that he abstained from voting on the decisions referred to within this minute. Also, in relation to such matters, as Councillor B Anderson was in attendance as a non-voting Member, he drew the Board's attention to the fact that if he were able to, he would abstain from voting on the decisions referred to within this minute)

**122 Supporting the delivery of housing mix: Outcome of marketing of Council owned sites**

The Director of City Development submitted a report presenting the outcomes from a marketing exercise undertaken in respect of five Council owned sites. The report detailed the range of offers received, invited the Board to consider those offers and made recommendations in respect of progressing the matter.

Members welcomed the proposals detailed within the submitted report, including those to help deliver extra care housing. Also, responding to a Member's comment, it was undertaken that consideration would be given to alternative ways in which brownfield sites could potentially be marketed in the future.

Following consideration of Appendix 2 to the submitted report, designated as exempt from publication under the provisions of 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 contents of the submitted report be noted;
- (b) That the recommended offers, as contained within exempt appendix 2 to the submitted report, be approved;
- (c) That the Director of City Development, in consultation with the Executive Member for Regeneration, Transport and Planning, be requested to progress the scheme proposals and the disposal of the Council sites, as set out within the submitted report;
- (d) That a further report be submitted to the Executive Board outlining the Council's strategy to facilitate and support the delivery of housing with care.

**123 Design and Cost Report for Acquisition of a Property for the Council's Investment Portfolio**

The Director of City Development and the Deputy Chief Executive submitted a joint report which sought approval for the purchase of an investment property that had been offered to the Council which would generate additional income in order to support the revenue requirements of the Council, as set out in the Initial Budget Strategy.

Following consideration of Appendix 1 to the submitted report, designated as exempt from publication under the provisions of 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 acquisition of the property, on the terms outlined within exempt appendix 1 to the submitted report, be approved;

- (b) That the injection into the Capital Programme of the sums detailed within exempt appendix 1 be approved, with the 'authority to spend' such sums also being approved;
- (c) That the Director of City Development, under the scheme of delegation, be authorised to approve any changes to the recommended terms which may be necessary prior to completion, and that the Director of City Development also be authorised to complete the acquisition;
- (d) That the submitted report, together with the resolutions above, be designated as exempt from the Call In process for those reasons as set out in paragraph 4.5.3 of the submitted report (detailed below).

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from Call In by the decision taker if it is considered that any delay would seriously prejudice the Council's, or the public's interests. In line with resolution (d) above, the resolutions contained within this minute were exempted from the Call In process, given that the terms provisionally agreed for the property (detailed in the exempt appendix to the submitted report) have been concluded on the basis that contracts are exchanged before the end of December 2016. In addition, this particular property was put to the Council very recently. Should the Council seek to delay the consideration of the acquisition to next year it is likely that the seller will offer the property to other parties. Also should the sale not complete within the above timescale, then the Council would be at risk of the sale and the purchase price being re-opened for negotiation in open competition with other parties)

#### **124 Renewing Planning Applications for City Centre Commuter Car Parks**

The Director of City Development submitted a report presenting a proposed approach towards dealing with those planning applications which may be expected to be received by the Council in order to extend the temporary planning permissions which had been given in 2012 for 12 cleared sites in the city centre to be used for commuter car parking provision, contrary to planning policy. The report noted that the temporary permissions were due to come to an end in 2017, and as such, the report also sought endorsement of this approach as a material consideration for determining the renewal planning applications.

In noting that the expectation was for these sites to be gradually developed, Members discussed the process by which the overall level of city centre car parking provision would be managed in the longer term.

**RESOLVED** – That approval be given to the following approach, as set out below, as a material consideration in the determination of any renewal planning applications for the 12 temporary City Centre commuter car parks approved in 2012:-

- i. Subject to the full range of planning considerations appropriate for each site, renewals of consent on the sites previously granted temporary



planning permission will be favourably considered in principle for a further period of up to 5 years from April 2017;

- ii. In each case there will be an expectation that developers will continue to bring forward the sites for development as soon as possible and that as a result car parking will remain a temporary and diminishing use of the site;
- iii. Each consent will include conditions and/or be subject to a S106 agreement to set out a phased programme of reducing long stay commuter spaces as improvements in public transport come forward and in light of landowner's own development plans during the life of the extended permission;
- iv. The Council will reserve the right to take enforcement action if appropriate phasing reductions are not met, and to refuse to grant further renewals in due course if it considers that development is not progressing as expected.

## **CHILDREN AND FAMILIES**

### **125 Regionalisation of Adoption**

The Director of Children's Services submitted a report providing information on the progress made in respect of the regionalisation of adoption services and which sought a formal decision regarding the arrangements for the delegation of the adoption service to a Regional Adoption Agency (RAA).

#### **RESOLVED –**

- (a) That the arrangements for the new Regional Adoption Agency, as detailed within the submitted report, be endorsed, and that, contingent upon all the other partner authorities also agreeing these recommendations, the following be agreed:-
  - (i) With effect from 10th January 2017:
    - o Formally appoint the West Yorkshire Adoption Joint Committee ('the Joint Committee');
    - o Approve and delegate to the Joint Committee the functions, as set out in the Terms of Reference document, as detailed at Appendix 1C to the submitted report;
    - o Approve the Constitution and Procedure Rules of the Joint Committee, as detailed at Appendices 1A and 1B to the submitted report;
  - (ii) Formally agree that Leeds City Council hosts the West Yorkshire Adoption Agency that is a shared service and that the name of the Agency is 'One Adoption West Yorkshire';
  - (iii) Authorise the Director of Children's Services to progress this matter with the other local authorities in order to implement the Regional Adoption Agency;

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- (b) That the following be noted:-
- (i) That the Leader will appoint the Executive Member for Children and Families as a principal Elected Member to the Joint Committee, and the Deputy Executive Members for Children and Families as substitutes;
  - (ii) The principles of the partnership agreement, as set out in Section 4.5 of the submitted report, together with the process for setting the budget, as set out in section 3.21 of the submitted report. It also be noted that the Director of Children's Services has the authority to approve the Regional Adoption Agency funding formula, terms and signature of the partnership agreement through their existing delegated powers;
  - (iii) That the Joint Committee will be invited to delegate responsibility to the Director of Children's Services for adoption services including:
    - the recruitment and approval of potential adopters;
    - identification of potential matches between children and adopters;
    - provision of adoption panels; and
    - provision of adoption support services to adopters, adoptees, birth families and relevant professionals;
  - (iv) The transfer of staff via TUPE from other Local Authorities into the employment of Leeds City Council to work within the RAA;
  - (v) The creation of an organisational unit within Leeds City Council for the West Yorkshire Adoption Agency. The lead officer for this will be the Director of Children's Services (DCS) and the unit will sit within Children's Services;
- (c) That it be noted that the submitted report discusses further work required regarding non agency adoption and support for special guardians, and therefore, agreement be provided that the DCS can make further arrangements for extending the breadth of the delegation to this aspect of the function following agreement by the management board and the Joint Committee, as the project develops.

**126 Outcome of Statutory Notices on proposals to increase primary learning places in Hunslet, Kirkstall and Gipton & Harehills**

The Director of Children's Services submitted a report detailing proposals brought forward in order to meet the Local Authority's duty to ensure sufficiency of school places. Specifically, this report was divided into sections in order to describe the outcome of each of the statutory notices published in respect of proposals to expand: Hunslet St Mary's Church of England (Voluntary Aided) Primary School; Beecroft (Community) Primary School and Hovingham (Community) Primary School. The report sought final decisions on each of those proposals.

**RESOLVED –**

- (a) That the proposal to expand Hunslet St Mary's Church of England (Voluntary Aided) Primary School by increasing its capacity from 210 pupils to 315 pupils, which would increase the admission number from 30 to 45, with effect from September 2017, be approved;
- (b) That the proposal to expand Beecroft (Community) Primary School by increasing its capacity from 210 pupils to 315 pupils, which would increase the admission number from 30 to 45, with effect from September 2017, be approved;
- (c) That the proposal to expand Hovingham (Community) Primary School by increasing its capacity from 420 pupils to 630 pupils, which would increase the admission number from 60 to 90, with effect from September 2017, be approved;
- (d) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

**127 Learning Places Programme - Capital Programme Update**

Further to Minute No. 9, 22<sup>nd</sup> June 2016, the Director of Children's Services, the Deputy Chief Executive and the Director of City Development submitted a joint report presenting an update on the three year strategy for the provision of sufficient school places in the city. The report also provided an update on the progress of those projects currently forming part of the Learning Places Programme and the Social, Emotional & Mental Health (SEMH) Programme; and sought approval for further authority to spend, and also to reset the capital risk fund.

In presenting the report, the Executive Member for Children and Families highlighted the overall deficit in funding which existed in this area.

**RESOLVED –**

- (a) That 'Authority to Spend' on the Learning Places Programme for the ten schemes, as detailed within the submitted report, at a total value of £40.5m, be approved;
- (b) That approval be given for the balance of the programme capital risk fund to be reset from £4.068m to £6.7m, in order to facilitate effective risk management at programme level, whilst approval also be given for the 'Authority to Spend' on the increase of £2.632m;
- (c) That it be noted that Children's Services Projects in 2014 onwards and called off through YORbuild have supported 69 new and existing apprentices and 92 people into employment;
- (d) That the projected funding deficit which currently stands at £84.6m, based on Education Funding Agency rates, be noted, with Members

also noting that this is likely to increase due to a number of factors, as set out within the submitted report;

- (e) That it be noted that in the current reporting period there has been one request to access the programme capital risk fund for Hovingham Primary School, totalling £287,868, which was approved in accordance with the Executive Board governance arrangements;
- (f) That it be noted that any savings made from applications on the programme capital risk fund are returned to the risk fund in order to support continued management of programme risks;
- (g) That it be noted that the Head of Learning Systems is responsible for capacity and sufficiency planning of school places and delivery of the Bulge Cohort programme, and that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for the delivery of permanent Learning Places expansion projects once the viability and scope has been agreed between the Schools and Children's Services.

## **COMMUNITIES**

### **128 Consultation outcomes on Local Council Tax Support scheme 2017/18**

Further to Minute No. 16, 22<sup>nd</sup> June 2016, the Assistant Chief Executive (Citizens and Communities) submitted a report providing the Board with information to recommend a local Council Tax Support Scheme for adoption by Full Council by 31st January 2017, which looked to reflect both the consultation feedback received together with the budget position facing the Council. In addition, the report also set out a series of scheme options which had been considered as part of the process to develop a recommended scheme.

The Board thanked the Scrutiny Board (Citizens and Communities) for the comprehensive and valued work which it had undertaken as part of the review into the Council Tax Support Scheme.

### **RESOLVED –**

- (a) That in considering the work of the Scrutiny Board (Citizens and Communities):
  - (i) the support of the Scrutiny Board (Citizens and Communities) to the proposed new changes to the Council Tax Support scheme, as presented as part of its review, be acknowledged;
  - (ii) agreement be given to undertake a further review of the new Council Tax Support Scheme during the summer of 2018, when the number of Universal Credit claimants is expected to be more significant in Leeds and the Council will be in a good position to gauge the extent to which the new scheme is achieving its overall aim;

- (iii) agreement be given to explore other potential scheme saving options when undertaking a wider review of the new Council Tax Support scheme during 2018.
- (b) That in considering recommendation 3 of the Scrutiny Board Inquiry Report (as detailed at Appendix D to the submitted report), and in noting the comments of the Assistant Chief Executive (Citizens and Communities) in paragraphs 3.14 to 3.18 of the submitted report, approval be given not to support the removal of protections for all customers on 1 April 2017;
- (c) That in taking into account the consultation process undertaken, including the work of the Scrutiny Board (Citizens and Communities), and in light of the above resolutions, approval be given for the Board to recommend to Full Council the adoption of a new Local Council Tax Support Scheme that:
  - a) Replaces the current Council Tax Support scheme with a Council Tax Support that is aligned with Universal credit, as set out in appendix B to the submitted report;
  - b) Moves customers onto the new scheme when they are due to transfer to Universal Credit and maintains the current scheme in the meantime;
  - c) Replaces the scheme of automatic protections with a discretionary hardship scheme with the exception of customers in receipt of Armed Forces Compensation Payments;
  - d) Moves eligible customers off the scheme of automatic protections when they are due to transfer to Universal Credit;
  - e) Delegates the design and value of the discretionary hardship scheme to the Assistant Chief Executive (Citizens and Communities) with a requirement that the hardship scheme is taken to Scrutiny Board;
  - f) Aligns the treatment of changes in Council Tax Support with the treatment of changes in Housing Benefit; and
  - g) Delegates the development of an operational policy for the treatment of fluctuating income to the Assistant Chief Executive (Citizens and Communities).
- (d) That if Full Council supports the adoption of the proposed scheme, the decision will be implemented by the Assistant Chief Executive (Citizens and Communities) and will take effect from 1st April 2017, with implementation commencing as part of the 2017/18 annual billing process in order for the new scheme to be effective from 1st April 2017.

## **ENVIRONMENT AND SUSTAINABILITY**

### **129 Cutting Carbon Breakthrough Project Annual Report**

Further to Minute No. 109, 16<sup>th</sup> November 2016, the Director of Environment and Housing submitted a report outlining future carbon reduction priorities, strategy and targets for the period up to 2030. In addition, the report also presented information on the creation of the university-led Leeds Committee on Climate Change (LCCC), outlined the progress which the Council had made in reducing carbon emissions through the schemes in the Cutting Carbon Breakthrough Project and provided some insight into the progress made across the city as a whole. Furthermore, the report presented the updated Affordable Warmth Strategy 2017-30 for the purposes of adoption.

Responding to a Member's enquiry, the Board received further information on the range of actions that the Council was taking as part of the Cutting Carbon Breakthrough Project, with the leading role it played in this field being highlighted.

Members also highlighted the importance of collaborative, cross-party working in this area and emphasised the importance of effective communications processes to accompany the delivery of those initiatives which formed part of this breakthrough project.

#### **RESOLVED –**

- (a) That the Board continue to support the delivery of the carbon reduction schemes within Cutting Carbon and Improving Air Quality Breakthrough Project, and that the progress made to date in this area, be noted;
- (b) That approval be given to supplement the city's Climate Change Strategy with an interim target to reduce citywide CO2 emissions by 60% by 2030 from a 2005 baseline;
- (c) That the creation of the university-led Leeds Committee on Climate Change be supported, with the Council working with the LCCC and partners in order to advise on how the city's carbon reduction targets can be achieved;
- (d) That the updated Affordable Warmth Strategy 2017-30, as appended to the submitted report, be adopted;
- (e) That it be noted that all of the resolutions (above) will be delivered from 2017 onwards by the Sustainable Energy & Climate Change team, led by the Executive Programme Manager, within the Projects, Programmes & Procurement Unit.

## **ECONOMY AND CULTURE**

### **130 Initial Budget Proposals for 2017/18**

The Deputy Chief Executive submitted a report which sought the Board's agreement to the Council's initial budget proposals for 2017/18, as detailed within the submitted paper. The report sought approval for those proposals to be submitted to Scrutiny and also used as a basis for wider consultation with stakeholders.

In presenting the submitted report, the Chair highlighted the scale of the financial challenge which the Council continued to face. It was noted that whilst the 2017/18 Local Government Finance Settlement was still to be received, the Board received an update on a Government announcement regarding proposals to enable local authorities to increase the 'Adult Social Care precept' from 2% to 3%, and it was noted that all such matters, when confirmed, would be taken into consideration when developing the final budget proposals, which were scheduled to be submitted to Executive Board and Council in February 2017, following the associated consultation exercise.

**RESOLVED** – That the initial budget proposals, as set out within the submitted report, be agreed, and that approval be given for the proposals to be submitted to scrutiny and also used as a basis for wider consultation with stakeholders.

(In accordance with the Council's Budget and Policy Framework Procedure Rules, decisions as to the Council's budget are reserved to full Council. As such, the resolution above is not subject to call in, as the budget is a matter that will ultimately be determined by full Council, and the submitted report is in compliance with the relevant Procedure Rules as to the publication of initial budget proposals two months prior to adoption).

(Under the provisions of Council Procedure Rule 16.5, Councillor Golton required it to be recorded that he abstained from voting on the decisions referred to within this minute)

**DATE OF PUBLICATION:** FRIDAY, 16<sup>TH</sup> DECEMBER 2016

**LAST DATE FOR CALL IN  
OF ELIGIBLE DECISIONS:** 5.00 P.M. ON FRIDAY, 23<sup>RD</sup> DECEMBER  
2016

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