



SCRUTINY BOARD (STRATEGY AND RESOURCES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Friday, 21st July, 2017 at 10.30 am

(A pre-meeting will take place for ALL Members of the Board at 10.00 a.m.)

MEMBERSHIP

Councillors

S Bentley Weetwood;
A Garthwaite Headingley;
P Grahame (Chair) Cross Gates and Whinmoor;
P Harrand Alwoodley;
J McKenna Armley;
D Nagle Rothwell;
A Smart Armley;
A Sobel Moortown;
E Tunnicliffe Roundhay;
T Wilford Farnley and Wortley;
R Wood Calverley and Farsley;

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

Principal Scrutiny Adviser:
Steven Courtney
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Produced on Recycled Paper

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</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>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</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>RESOLVED – 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>No exempt items have been identified.</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</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>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</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>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p>MINUTES - 22 JUNE 2017</p> <p>To confirm as a correct record, the minutes of the meeting held on 22 June 2017.</p>	1 - 6
7			<p>MINUTES OF EXECUTIVE BOARD MEETING - 21 JUNE 2017</p> <p>To receive, for information, the draft minutes of the Executive Board meeting held on 21 June 2017.</p>	7 - 22
8			<p>ANNUAL CORPORATE RISK MANAGEMENT REPORT</p> <p>To receive and consider a report from the Head of Governance and Scrutiny Support introducing the Annual Corporate Risk Management Report presented to the Executive Board at its meeting on 17 July 2017.</p>	23 - 72

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<p>BEST COUNCIL PLAN ANNUAL PERFORMANCE (2016/17) AND PERFORMANCE REPORTING</p> <p>To receive and consider a report from the Head of Governance and Scrutiny Support introducing the Best Council Plan Annual Performance report (2016/17), alongside proposals for future performance arrangements and reporting to the Scrutiny Board.</p>	73 - 104
10			<p>FINANCIAL HEALTH MONITORING</p> <p>To receive and consider a report from the Head of Governance and Scrutiny Support introducing the Medium Term Financial Strategy (2018/19 to 2020/21) and the Financial Health Monitoring 2017/18 – Quarter 1 reports, due to be considered by the Executive Board at its meeting on 17 July 2017.</p>	105 - 144
11			<p>WORK SCHEDULE</p> <p>To consider a report from the Head of Governance and Scrutiny Support introducing the Scrutiny Board’s work schedule for the 2017/18 municipal year.</p>	145 - 164
12			<p>DATE AND TIME OF NEXT MEETING</p> <p>Thursday, 14 September 2017 at 10:30am (pre-meeting for all Scrutiny Board members at 10:00am).</p>	

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			<p>THIRD PARTY RECORDING</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"> 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. 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. 	

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SCRUTINY BOARD (STRATEGY AND RESOURCES)

THURSDAY, 22ND JUNE, 2017

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, A Garthwaite,
R Grahame, P Harrand, J McKenna,
D Nagle, A Smart, C Towler, T Wilford and
R Wood

1 Chair's Opening Remarks

The Chair opened the meeting and welcomed all those present to the Scrutiny Board's first meeting of the new municipal year.

The Chair invited all those present to give a short introduction.

2 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared to the meeting.

3 Late Items

The Board received the following supplementary information in relation to the 'Financial Health Monitoring' item (minute 9 refers):

- (a) Treasury Management Outturn Report 2016/17
- (b) Financial Performance – Outturn Financial Year ended 21 March 2017
- (c) Financial Health Monitoring 2017/18 – Month 2 (May 2017)

It was confirmed that the supplementary information had been provided to all members of the Scrutiny Board and made available on the Council's website.

4 Apologies for Absence and Notification of Substitutes

Apologies for absence for the meeting had had been received as follows:

- Cllr A Sobel, with Cllr R Grahame attending as a substitute member.
- Cllr E Tunnicliffe, with Cllr C Towler attending as a substitute member.

5 Minutes - 22 May 2017

The Board considered the draft minutes of the meeting held on 22 May 2017. There were no matters arising identified and discussed at the meeting.

RESOLVED – The draft minutes of the meeting held on 22 May 2017 be agreed as an accurate record.

6 Scrutiny Board Terms of Reference

Draft minutes to be approved at the meeting
to be held on Friday, 21st July, 2017

The Head of Governance and Scrutiny Support submitted a report presenting the Board's terms of reference as agreed by Council in May 2017.

RESOLVED – That the Scrutiny Board's terms of reference be noted.

7 Co-opted Members

The Board received and considered a report from the Head of Governance and Scrutiny Support seeking the Board's formal consideration for the appointment of Co-opted members.

The Board was informed of the following options for the appointment of co-opted members:

- Up to five non-voting co-opted members for a term of office that does not go beyond the next Annual meeting of council; and/or
- Up to two non-voting co-opted members for a term of office that relates to the duration of a particular and specific scrutiny inquiry.

The Board discussed the options for appointing co-opted members, including that 'co-option would normally only be appropriate where the co-opted member has some specialist skill or knowledge, which would be of assistance to the Scrutiny Board'.

As part of this discussion, the Principal Scrutiny Adviser also outlined other options, including the use of 'expert witnesses', to broaden input into any of the Board's agreed areas of inquiry.

RESOLVED –

- (a) To note the information presented and options available for the appointment of co-opted members.
- (b) To consider the appointment of co-opted members on an ad-hoc basis for any inquiries where it was deemed appropriate.

8 Sources of Work

The Head of Governance and Scrutiny Support submitted a report which provided information and guidance on potential sources of work to be developed within the Board's work programme for 2017/18.

Appended to the report was a copy of the Vision for scrutiny at Leeds 2017/18, Best Council Plan update for 2017/18 and a draft work schedule for 2017/18.

The following were in attendance for this item:

- Cllr Mohammed Rafique (Executive Member for Employment, Skills and Opportunity);
- Neil Evans (Director – Strategy and Resources);

- Shaid Mahmood (Chief Officer - Communities);
- John Mulcahy (Head of Head of Elections, Licensing and Registration);
- Doug Meeson (Chief Officer – Financial Services)

Those in attendance gave a summary of their areas of responsibility, including priority areas and some of the financial and organisational issues facing the Council.

The Scrutiny Board considered the information presented with the agenda and the details outlined at the meeting. A number of specific issues were highlighted and discussed, including:

- Apprenticeships (for newly recruited and existing employees) and the apprenticeships levy – further details requested;
- Equalities – in particular work around ensuring Leeds City Council has a workforce that is representative of the population;
- A recent report, *LGBT: Inclusive City*;
- Emergency planning and business continuity – with specific reference to (a) building security and (b) recent events in Manchester (Manchester Arena) and London (Grenfell Tower);
- Specific service areas (Finance, ICT, Human Resources, Communications (including International Relations), Civic Enterprise and Projects, Programmes and Procurement Unit (PPPU));
- General application of Contract Procedural Rules and levels of ‘off-contract’ spending.
- Invest to save developments – and the specific application in relation to ICT developments;
- Matters in relation to the Prevent strategy and the Hate Crime Prevention Agenda – further details requested;
- Elections, voter registration rates and work targeting ‘hard to reach’ groups – further details requested;
- Licencing policy review (due January / February 2018) and monitoring;
- Business rate revenue and appeals;
- General overview of the Council’s financial health;
- Specific reference to Neighbourhood Networks, including whether or not services were the subject to grant funding or commissioned – further confirmation requested.

RESOLVED –

- (a) To request additional information in the areas identified at the meeting – specifically in relation to:
- The Apprenticeships Levy;
 - Hate crime prevention;
 - Voter registration rates and work targeting ‘hard to reach’ groups; and,
 - Funding arrangements for Neighbourhood Networks.

- (b) That the details discussed at the meeting be used to review the Board's draft work schedule to be represented at a future meeting.

9 Financial Health Monitoring

The Head of Governance and Scrutiny Support submitted a report introducing a suite of financial reports which was presented and considered by the Executive Board on 21 June 2017, as follows:

- Treasury Management Outturn Report 2016/17
- Financial Performance – Outturn Financial Year ended 21 March 2017
- Financial Health Monitoring 2017/18 – Month 2 (May 2017)

The Chief Officer (Financial Services) was present for consideration of this item and presented the reports to the Board.

Members of the Scrutiny Board raised and discussed a number of areas, including:

- Levels of Council reserves;
- Overspend in Children and Families Directorate
- Treasury Management;
- The Council's borrowing powers and the balance between long-term and short-term loans;
- Invest to save opportunities; and,
- Business rates – particularly in relation to the potential impact of outstanding appeals.

RESOLVED –

- (a) That the details presented be noted.
- (b) That the following areas identified in the discussion be considered as part of the Board's overall work schedule for 2017/18:
- i. Treasury Management.
 - ii. Business rates and the potential impact of outstanding appeals.

NB Councillor Nagle left the meeting at 11:30am during consideration of this item.

10 Work Schedule

The Head of Governance and Scrutiny Support submitted a report detailing a draft work schedule for the 2017/18 municipal year.

Reflecting on the various discussions during the meeting, the Chair highlighted the additional information identified to be sought and circulated to the membership of the Scrutiny Board and substitute members attending the

meeting. The Chair also highlighted Business Rates as a specific area of focus for the Scrutiny Board.

In addition, the Chair proposed an additional meeting to consider the Council's immediate emergency / contingency planning response to recent matters in relation to Grenfell Tower.

RESOLVED –

- (a) That plans be put in place for an additional meeting of the Board to consider the robustness of the Council's immediate emergency / contingency planning arrangements, with a specific focus on recent events in relation to Grenfell Tower.
- (b) That, reflecting the matters highlighted and discussed at the meeting, a revised work schedule be drafted in consultation with the Chair, and submitted to the July meeting of the Scrutiny Board.

11 Date and Time of Next Meeting

Friday, 21 July 2017 at 10.30am (pre-meeting for Board Members at 10.00am)

The meeting closed at 11:40am.

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Public Document Pack Agenda Item 7

EXECUTIVE BOARD

WEDNESDAY, 21ST JUNE, 2017

PRESENT: Councillor J Blake in the Chair

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

Apologies Councillor

1 **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.

2 **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 6 to the report entitled, 'East Leeds Orbital Road: Land Assembly and Financing', referred to in Minute No. 19 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 particular people, and of the Council. It is therefore considered that the release of such information would, or would be likely to prejudice the Council's commercial interests in relation to potential transactions.

3 **Declaration of Disclosable Pecuniary Interests**

There were no declarations of Disclosable Pecuniary Interests made at the meeting.

4 **Minutes**

RESOLVED – That the minutes of the previous meeting held on 19th April 2017 be approved as a correct record.

5 **Chair's Opening Comments**

The Chair welcomed all in attendance to the meeting and reflected upon the number of significant events which had occurred since the previous Board meeting on 19th April 2017, including the General Election.

Draft minutes to be approved at the meeting
to be held on Monday, 17th July, 2017

Specifically however, the Chair made reference to the atrocities which had occurred in London and Manchester in recent weeks, and also to the fire which had recently occurred at Grenfell Tower, London. On behalf of the Board, the Chair extended the Council's sympathies to all of those who had lost their lives and to all of those who had been affected by those terrible events.

With regard to the fire at Grenfell Tower, the Chair invited the Director of Resources and Housing to provide an update and also reassurance, as to the actions which the Council was taking in light of the Grenfell Tower fire.

The Board noted that checks had been undertaken on the cladding systems used in Leeds, with reassurance being provided that none of the systems used had been comparable to those at Grenfell Tower. It was also noted that as a precautionary measure, further testing would take place on the materials used in the city's high rise buildings. Reassurance was also provided on the 'compartmentation' system used in Leeds which had been established in order to contain fires within high rise buildings. Members also received an update on the installation of sprinkler systems which had occurred in a number of blocks in the city to date, and it was noted that this programme had prioritised those blocks which had been reserved for older residents. In light of the Grenfell Tower fire, emphasis was also placed upon the wish to continue to promote the importance of sprinkler systems in high rise buildings as a key fire safety measure on a national level.

Finally, the importance of the communication and engagement work with tenants was highlighted, and that this programme of engagement would continue.

Members welcomed the update and the reassurance provided, thanked the Executive Member for Communities for the lead which she had taken on such issues, and requested that Members be kept informed of developments in this area, as and when they occurred.

ENVIRONMENT AND SUSTAINABILITY

6 Waste Depot Development

The Director of Communities and Environment submitted a report outlining the current depot provision across the Council and the current operational and financial risks associated with this. The report also outlined the work that had been undertaken to develop options in order to mitigate such risks, including the costs, issues and benefits associated with these options, and which sought approval for capital funding in order to deliver a new depot for the use of Waste Management and other Council services.

In response to a Members' enquiries, the Board received assurances on the proposed development, specifically in respect of the service's efficiency levels and its impact upon carbon output levels. In addition, with regard to the issue

of continuity of service, it was acknowledged that a robust continuity plan would be established as part of this development.

Responding to an enquiry, assurances were provided in terms of keeping Elected Members informed of developments as they occurred in this area.

RESOLVED –

- (a) That the contents of the submitted report, be noted;
- (b) That the injection of £4.01m of unsupported borrowing into the capital programme, in order to fund the development of a new operational depot on Newmarket Approach, be authorised;
- (c) That authorisation be given to begin the process to tender for the construction of a new operational depot, on the land off Newmarket Approach behind the Refuse and Energy Recovery Facility (RERF), subject to necessary consultation and Planning permission;
- (d) That it be noted that the Chief Officer, Waste Management, will be responsible for the implementation of such matters.

CHILDREN AND FAMILIES

7 Outcome of consultation to change the age range of Hovingham Primary School from 3-11years to 2-11years.

The Director of Children and Families submitted a report regarding the outcome of consultation on a proposal to change the age range of Hovingham Primary School from 3-11 years to 2-11 years, and which sought approval to publish a statutory notice in respect of this proposal.

RESOLVED –

- (a) That the publication of a Statutory Notice to lower the age limit of Hovingham Primary School from 3 to 2, changing the school's age range from 3-11 years to 2-11 years, be approved, which would enable the school to deliver free early education entitlement for eligible 2 year olds;
- (b) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

8 Learning Places Programme - Capital Programme Update

Further to Minute No. 127, 14th December 2016, the Director of Children and Families, the Director of Resources and Housing and the Director of City Development submitted a joint report presenting an update on the 3 year strategy for providing sufficient school places in the city, on the progress of the projects currently forming part of the Learning Places Programme, outlining the revised programme of governance arrangements and which sought relevant approvals in order to progress the programme.

The Board acknowledged the complexities of the challenges being tackled by the Programme, and in response to an enquiry, Members highlighted the

need for the Council to continue to work in a cohesive cross-party manner in order to effectively address such challenges.

Also, the Board received further information on the actions which were being taken with the aim of ensuring that the planning process in this area operated as smoothly as possible, and discussed the process by which proposals were brought forward as part of the Learning Places Programme.

Members also considered the Community Infrastructure Levy (CIL), and how such monies could potentially be utilised to help address those issues being tackled by the Learning Places Programme, and it was noted that a report regarding CIL was scheduled to be submitted to the July meeting of the Board.

In conclusion, it was undertaken that should any specific Board Members require it, a briefing on such matters could be provided to them.

RESOLVED –

- (a) That the ‘authority to spend’ on the Learning Places Programme for the three schemes, as detailed in the submitted report, at a total value of £19.3m, be approved;
- (b) That approval be given for the balance of the programme capital risk fund to be reset from £6.13m to £10.771m, in order to facilitate effective risk management at programme level, with approval also being given on the ‘authority to spend’ on the increase of £4.641m;
- (c) That approval be given to the revision of the programme governance arrangements, which are proposed to maintain an appropriate level of check and challenge, which include:-
 - the delegation of the approval of design and cost reports for the schemes which form part of the programme, approved by Executive Board, to the Director of Children & Families, and that these approvals shall be subject to the agreement of the Director of City Development and the Director of Resources & Housing, in consultation with the appropriate Executive Member, and that these reports will be open to scrutiny by Members; and
 - the delegation of the management and use of the basic need risk capital fund to the Director of Children & Families, and that these decisions shall be subject to the agreement of the Director of City Development and the Director of Resources & Housing, in consultation with the appropriate Executive Member, and that decisions on these matters will be open to scrutiny by Members.
- (d) That the following be noted:-

- (i) The good progress made on this challenging programme of work, which is currently valued at £128.651m.
- (ii) That the following benefits have been delivered from the Projects commissioned via the programme from 2014 onwards. These have been called off through either the YORbuild arrangements and/or in conjunction with the Leeds Local Education Partnership (LLEP). The programme has in total supported **72 new and existing apprentices and 102 people into employment**. These figures relate to employees of both main contractors and their supply chains. These schemes have also **recycled or reused 99% of the waste generated** during the construction process with **only 1% going to landfill**.
- (iii) The projected funding deficit which currently stands at £71.20m based on Education Funding Agency rates, and that with this in mind, Executive Board support be given to the arrangement of a meeting between the Executive Member for Children's & Families and the Education Funding Agency.
- (iv) That in the current reporting period there has been one request to access the programme capital risk fund for Bramley Primary School totalling £0.57m, which was approved in accordance with the Executive Board governance arrangements.
- (v) That any savings made on applications on the programme capital risk fund are returned to the risk fund in order to support continued management of programme risks.

COMMUNITIES

9 Illegal Money Lending Team Progress Report

Further to Minute No. 23, 15th July 2015, the Director of Communities and Environment submitted a report which provided an update on the activities of the national Illegal Money Lending Team (IMLT) within Leeds, together with an updated action plan.

Members welcomed the submitted report, paid tribute to the vital work being undertaken in this area, and highlighted the need to ensure that such good work was communicated as effectively as possible.

RESOLVED – That the contents of the submitted report together with the Illegal Money Lending Team Action Plan, as set out within Appendix 1, be noted, and that the Director of Communities and Environment be requested to monitor the progress of the Illegal Money Lending Team against the plan, and prepare a further report in 12 months' time on the activities of the IMLT within Leeds.

ECONOMY AND CULTURE

10 Graduate retention and mobility and its impact on the Leeds economy

Draft minutes to be approved at the meeting
to be held on Monday, 17th July, 2017

The Director of City Development submitted a report which presented the main findings from recent and current research in respect of graduate mobility to and from Leeds, and which outlined Leeds' response as a city.

Responding to a Members' enquiries, the Board received further detail on the actions being taken to engage with graduates in order to identify and understand the issues that were important to them in making a city an attractive place to live and work.

RESOLVED –

- (a) That the need for more graduates in Leeds to cope with an increasing demand for skilled jobs in the city, be noted;
- (b) That the Chief Officer (Economy and Regeneration) be authorised to roll out a programme of initiatives, as outlined in section 3.18 of the submitted report, in order to attract more graduates to the city and to increase retention of graduates from the city's Universities.

EMPLOYMENT, SKILLS AND OPPORTUNITY

11 Delivering Social Value through Employment and Skills Obligations

The Director of City Development submitted a report which provided a summary of the employment and skills obligations which had been delivered through the Council's procurement and planning activity from September 2012 to March 2017. The report also highlighted the learning which had taken place from the implementation of the employment and skills obligations and the review work which had been undertaken by the 'More Jobs, Better Jobs' Partnership. Additionally, the report recommended a revised approach towards the targeting of opportunities for priority groups.

Members welcomed the contents of the submitted report, specifically the proposal to revise the existing approach in order to target priority groups. Responding to an enquiry, the Board received further information on how associated data was collected and monitored, with it also being highlighted that a key aspect of the new approach was to make it as streamlined as possible for participating businesses.

RESOLVED –

- (a) That the success of the approach achieved to date in delivering social value via the application of employment and skills planning obligations and through contracts, be noted;
- (b) That the proposed revised approach towards targeting the priority groups, as set out within paragraph 3.6.2 of the submitted report be agreed, which will aim to ensure that this approach continues to deliver Council policy objectives for inclusive growth;
- (c) That it be noted that the officer responsible for the further development of the revised approach and its implementation is the Head of Employment Access and Growth.

RESOURCES AND STRATEGY

12 Treasury Management Outturn Report 2016/17

The Chief Officer (Financial Services) submitted a report which provided a final update on Treasury Management Strategy and operations for 2016/17.

RESOLVED – That the Treasury Management outturn position for 2016/17 be noted, together with the fact that treasury activity has remained within the treasury management strategy and policy framework.

13 Financial Performance - Outturn Financial year ended 31st March 2017

The Chief Officer (Financial Services) submitted a report presenting the Council's financial outturn position for 2016/17 for both revenue and capital, and which also included details in respect of the Housing Revenue Account and spending on schools. The report also highlighted the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.

Members discussed the Council's final outturn position at the close of the 2016/17 financial year, considered the individual outturn position of several directorates, and discussed the proposed use of surpluses, as detailed within the submitted report.

RESOLVED –

- (a) That the outturn position for 2016/17 be noted, and that approval be given to the creation of earmarked reserves, as detailed in paragraphs 3.5 and 5.5 of the submitted report, and that authority to release such reserves be delegated to the Chief Officer (Financial Services).
- (b) That it be noted that the Chief Officer (Financial Services) will be responsible for the implementation of such actions, following the conclusion of the 'call in' period.

14 Financial Health Monitoring 2017/18 - Month 2 (May 2017)

The Chief Officer (Financial Services) submitted a report presenting the Council's projected financial health position for 2017/18, as at month 2. The report reviewed the position of the budget and highlighted any potential key risks and variations after the first two months of the financial year.

The Board highlighted the importance of the transparent approach which was being taken towards the presentation of budgetary information, and discussed how the presentation of such information could help to identify where specific budgetary pressures existed.

RESOLVED –

- (a) That the projected financial position of the authority, as detailed within the submitted report, be noted;

- (b) That the injection of £14.702m of additional Better Care funding into the Adults and Health 2017/18 revenue budget, be approved, with the proposals in respect of the use of the grant being submitted to a forthcoming Leeds Health and Wellbeing Board, and subsequently reported to a future Executive Board. With it also being noted that the Director of Adults and Health has the responsibility for the implementation of the decision;
- (c) That the injection of £1.636m of Flexible Homelessness Grant into the Resources and Housing 2017/18 revenue budget, be approved, with it being noted that the Director of Resources and Housing is responsible for implementing decisions as to the use of the grant.

15 Implementation of business rates relief measures announced at Spring Budget 2017, including the design of a local discount scheme

The Chief Officer (Financial Services) submitted a report which sought approval to implement the proposed locally administered West Yorkshire discretionary discount scheme, which had been designed in liaison with the other West Yorkshire authorities. In addition, the report also sought approval to implement two national rate relief schemes, which had been introduced by Government.

RESOLVED –

- (a) That the proposed locally administered West Yorkshire business rate discount scheme, which is intended to provide targeted support to businesses affected by the 2017 business rates revaluation, be approved;
- (b) That approval be given to the use of any remaining government funds in order to support large businesses, to be considered on a case by case basis;
- (c) That formal approval be given to the implementation of the two national business rate relief schemes, as announced by Government, namely: support for small businesses losing Small Business Rate Relief and a £1,000 business rate discount for public houses with a rateable value of up to £100,000;
- (d) That following approval of the local and national schemes (as detailed in the resolutions above), the intention to implement the three schemes at the earliest opportunity be noted, together with the fact that reliefs awarded will be backdated to 1st April 2017;
- (e) That it be noted that implementation of the local and national schemes will be undertaken by the Business Rates Manager.

16 Leeds Cycling Starts Here (CSH) Strategy

The Director of City Development submitted a report which provided an update on the progress made with regard to the promotion of cycling in the

city, and which presented for the Board's endorsement the Leeds 'Cycling Starts Here' Strategy.

In acknowledging the progress which had been made in recent years in Leeds with regard to cycling, Members discussed the role of the proposed strategy and how it would be used as a starting point to make further progress in this area. The Board acknowledged the multifaceted nature of cycling and how this would need to be reflected by the strategy, and discussed the role to be played by Scrutiny in the Strategy's development.

RESOLVED –

- (a) That the contribution of partners and stakeholders towards the production of the Leeds 'Cycling Starts Here' Strategy, be noted;
- (b) That the findings of the consultation process, as detailed within the submitted report, be noted;
- (c) That the Leeds 'Cycling Starts Here' Strategy be endorsed;
- (d) That the progress made on the Strategy and related matters be reported to Scrutiny Board annually;
- (e) That future updates on the 'Cycling Starts Here' Strategy be presented to Executive Board, as necessary;
- (f) That it be noted that the Chief Officers for Highways & Transportation and Culture & Sport will be responsible for the implementation of such matters.

REGENERATION, TRANSPORT AND PLANNING

17 Leeds Public Transport Investment Programme

The Director of City Development submitted a report which sought 'authority to spend' a total of up to £15.31m from the £173.5m funding which the Department for Transport had agreed in April 2017 for the Leeds Public Transport Investment Programme. Additionally, the report detailed the next steps for the delivery of the Programme.

Responding to a Member's enquiry, the Board received further information regarding when the proposed programme of works would need to be delivered by, together with further detail on the proposed new rail stations, and the current position with regard to Network Rail funding. The Board also noted that discussions were ongoing with bus companies, with Members highlighting the need for all residents of Leeds to benefit from improvements to bus transport, and not just those users of specific bus companies.

Responding to Members' comments regarding investment in different modes of transport, it was highlighted that the public transport network needed to become as seamless as possible, in order to ensure that the public benefit was maximised from the investment being made.

The Board discussed the cross-party working group, noted the comments made during the discussion, and reaffirmed the importance of cross-party working in this area.

Regarding the Council debate on public transport which had been scheduled for 17th May 2017, but had been subsequently cancelled following the Prime Minister's announcement to hold a General Election, it was highlighted that a comprehensive discussion on such matters was still a priority, and that further work and discussion on the scheduling of this would be undertaken.

RESOLVED –

- (a) That the Government approval of £173.5m funding towards public transport improvements in Leeds, together with the content of the related correspondence, as detailed at Appendix 1 to the submitted report, be noted;
- (b) That approval be given to inject the Department for Transport grant of up to £173.5m towards public transport improvements in Leeds, as set out within the contents of the approval letter (as appended to the submitted report), subject to the finalisation of a grant agreement with West Yorkshire Combined Authority (WYCA) in accordance with their assurance framework and those elements of the programme to be delivered directly by WYCA;
- (c) That expenditure of up to £15.31m from the £173.5m Government funding be approved in order to progress the Leeds Public Transport Improvement Programme, subject to finalising those elements to be directly delivered by WYCA;
- (d) That it be noted that officers will return to Executive Board in due course in order to seek approval to carry out detail design and construction on schemes as they are developed;
- (e) That negotiations with bus operators, developers and partners continue in order to leverage significant additional financial investments to support the Leeds Public Transport Investment Programme;
- (f) That the necessary authority be provided in order to enter into a Grant Agreement with the West Yorkshire Combined Authority for the expenditure of monies;
- (g) That it be noted that the Chief Officer (Highways and Transportation) is responsible for the delivery of the programme.

18 Design and Cost Report - Claypit Lane/ Woodhouse Lane Junction and Public Realm Improvements

The Director of City Development submitted a report which sought approval to carry out a major junction improvement at the Claypit Lane/Woodhouse Lane

junction, and sought approval for the necessary 'Authority to Spend', in order to facilitate such improvements.

RESOLVED –

- (a) That 'authority to spend' £2.526m from existing Capital Scheme Nos. 32214 and 16256 for the proposed highway and public realm improvement works at the junction of Clay Pit Lane and Woodhouse Lane, as detailed within the submitted report, be approved;
- (b) That the actions required to implement the decision, together with the proposed timescale to progress the project, as detailed in paragraph 3.1 and 3.2 of the submitted report, be noted;
- (c) That it be noted that the Chief Officer (Highways and Transportation) will be responsible for the implementation of such matters.

19 East Leeds Orbital Road - Land Assembly and Financing

Further to Minute No. 149, 8th February 2017, the Director of City Development submitted a report which sought approval for the Council to make a Compulsory Purchase Order and related Side Roads Order in order to assemble the land necessary for the construction and adoption of the East Leeds Orbital Road (ELOR). The report also sought agreement to a financing package for the ELOR scheme, and presented an update on the work undertaken on this project to date.

In considering the report, further to the Wards highlighted within the submitted report, it was highlighted that Alwoodley Ward would also be affected by the initiative, specifically the advanced junctions work.

Responding to a Member's enquiry, it was confirmed that although there was no provision for a bus lane on the East Leeds Orbital Road itself, there were a number of public transport improvements proposed to be undertaken as part of the overall East Leeds Extension programme.

Following consideration of Appendix 6 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 Director of City Development be authorised to make the Leeds City Council (East Leeds Orbital Road) Compulsory Purchase Order 2017 ("the CPO") under sections 239, 240, 246, 249, 250 and 260 of the Highways Act 1980, the Acquisition of Land Act 1981 and all other enabling powers, as per the details set out in paragraphs 3.5 – 3.8 of the submitted report, and the plan at Appendix 3 (subject to any final amendments the Director of City Development considers necessary);
- (b) That the Director of City Development be authorised to make the Leeds City Council (A6120 (East Leeds Orbital Road Classified Road) Side

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to be held on Monday, 17th July, 2017

Roads and Other Works) Order 2017 ("the SRO") under sections 14 and 125 of the Highways Act 1980 and all other enabling powers, as per the details set out in paragraphs 3.5 – 3.8 of the submitted report and the plan at Appendix 4, (subject to any final amendments the Director of City Development considers necessary);

- (c) That the Director of City Development be authorised to take all necessary steps to proceed with, and secure confirmation of the CPO and SRO, including the service of all requisite notices on affected parties in connection with the making, confirmation and implementation of the CPO and SRO and making of agreements and undertakings with landowners and other affected parties necessary in order to secure removal of any objections made to the CPO and SRO (where such agreements and undertakings are appropriate), and subject to the confirmation of the CPO, the making of one or more general vesting declarations under the Compulsory Purchase (Vesting Declarations) Act 1981 or the service of Notice to Treat and Notice of Entry under the Compulsory Purchase Act 1965, and if necessary presenting the Council's case at any public inquiry or other proceedings;
- (d) That approval be given to the provisional financing package for the East Leeds Orbital Road, as set out within section 4.4 of the submitted report, and as detailed within exempt Appendix 6, and that approval be delegated to the Director of City Development: to enter into a funding agreement with the West Yorkshire Combined Authority for an initial grant from the West Yorkshire Transport Fund of £11.81m and to draw down the full amount of an £82.95m grant allocation; and also for the approval of a provisional borrowing requirement of £43.68m;
- (e) That approval be given for the Council to underwrite all land assembly costs and compensation costs arising from the making and implementation of the CPO and SRO in the event that these exceed the available WYTF grant available, and on the basis that such costs will be fully recoverable through roof tax payments, as set out in section 4 of the submitted report;
- (f) That approval be given for the scheme to be injected into the Council's Capital Programme, and subject to confirmation of the WYTF Grant, that 'Authority to Spend' be delegated to the Director of City Development, in consultation with the Chief Officer (Financial Services), to procure and let the construction contract or contracts for the East Leeds Transport Package;
- (g) That in the event that the Council will need to acquire additional land or interests in order to ensure that ELOR is delivered, the Director of City Development, in consultation with the Chief Officer (Financial Services) and Executive Member for Regeneration, Transport and Planning be authorised to inject relevant schemes to the capital programme and be provided with the necessary delegated authority to agree 'authority to

spend' for such schemes, with it also being noted that such additional costs will be recovered through the East Leeds Extension roof tax;

- (h) That approval be given for the estimated cost of land assembly for interests that include land outside the direct route of ELOR (as set out in exempt Appendix 6 to the submitted report), to be injected into the Capital Programme, and that the Director of City Development be authorised to agree appropriate terms and acquire such land or interests in land that may be necessary in order to enable the delivery of the ELOR scheme;
- (i) That it be agreed that the information as contained within Appendix 6 to the submitted report be treated as exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3), and that the recommendations, as detailed within the exempt Appendix 6 (considered in private at the conclusion of the meeting), be approved.

20 City Centre Vehicle Access Management Scheme

The Director of City Development submitted a report which sought authority to progress the detailed design and implementation of an automated vehicle access system to manage and control vehicular access within the pedestrianised core of Leeds city centre, together with an injection of £1,400,000 into the 2017/18 Capital Programme necessary to develop the scheme. In addition, the report also sought authority to progress the more detailed investigation and option appraisal for four measures at four other locations in the city centre where access by vehicles is prohibited or restricted.

RESOLVED –

- (a) That the injection and expenditure of £1,400,000 into the 2017/18 Capital Budget be approved.
- (b) That the detailed design and implementation of an automated vehicle access system to control vehicle access within the central pedestrianised core of Leeds city centre, be authorised.
- (c) That the detailed evaluation of a manually operated access control system at four other key locations within the city centre, as identified in section 3.4.6 of the submitted report, where vehicle access is restricted, be authorised.
- (d) That approval be given for the invitation of tenders, and that subject to the tender sums being within the tendered budget, agreement be given to approve and authorise the award of the Contract to undertake the construction of the scheme;
- (e) That the Director of City Development be instructed to expedite the implementation of all reasonable measures in the most timely manner as possible, and that the necessary authority be delegated to the Director of City Development in order to approve, consult and

implement such measures as should be identified at the four key locations identified in section 3.4.6 of the submitted report;

- (f) That it be noted that the Chief Officer (Highways & Transportation) will be responsible for the implementation of such matters.

21 Approval for the Construction of a Flood Alleviation Scheme at Westfield, Allerton Bywater

The Director of City Development submitted a report regarding the flooding issues which existed within the Westfield area in Allerton Bywater, with the report also seeking approval to implement the Westfield Flood Alleviation Scheme, and to give authority to incur expenditure on the proposed works.

In considering the submitted report, assurances were provided that the proposed scheme would not create negative impact in other areas, either upstream or downstream of this site.

RESOLVED –

- (a) That the implementation of Westfield Flood Alleviation scheme at Westfield , as shown within Appendix A to the submitted report (on drawing FRM/253271/001 rev B), be approved;
- (b) That authority be given to incur expenditure of £472,000 on the Westfield Flood Alleviation scheme, funded by Leeds City Council Capital resources (£177,000) and Environment Agency grant (£295,000);
- (c) That it be noted that the Chief Officer (Highways & Transportation) will be responsible for the delivery of the scheme.

22 Street Lighting Energy Saving Programme

The Director of City Development submitted a report which presented an update on the progress made with regard to street lighting energy saving, which explored options for further energy saving measures, and which sought approval to undertake public consultation on further energy saving measures.

In considering the submitted report, a Board Member highlighted his objection to the Street Lighting Energy Saving Programme, and in acknowledging the comments made, Members discussed the effect of the programme to date and the proposal to undertake public consultation regarding options for further energy saving measures.

With regard to the public consultation exercise which was proposed, it was suggested that a view from West Yorkshire Police and/or Safer Leeds regarding the street lighting energy saving programme could potentially be incorporated into such consultation.

RESOLVED –

- (a) That the progress of the selective part-night street lighting contribution towards energy savings, be noted;

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to be held on Monday, 17th July, 2017

- (b) That the proposal to undertake public consultation in order to explore options for further energy saving measures, be approved;
- (c) That it be noted that the Chief Officer (Highways and Transportation) will be responsible for the implementation of such matters.

(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)

HEALTH, WELLBEING AND ADULTS

23 Leeds Commitment to Carers

The Director of Adults and Health submitted a report which presented the 'Leeds Commitment to Carers', and which invited Leeds City Council to sign up to the commitment, requesting that each directorate undertook to complete its own commitment and action plan.

Further to the introduction provided by the Executive Member for 'Health, Wellbeing and Adults', Val Hewison, Chief Executive of the 'Carers Leeds' organisation was in attendance and provided the Board with an update and further information on the crucial role played by the many carers throughout the city, the range of support which needed to be provided to carers and the partnership and multi-agency approach which needed to be taken in order to do this.

Members welcomed the information provided, confirmed the Board's support for the Council to sign up to the 'Leeds Commitment to Carers', and requested that a further report be submitted to a future Board meeting which detailed the actions being taken by each directorate in response to the 'Commitment'.

RESOLVED –

- (a) That each directorate of Leeds City Council be requested to consider their contribution towards making Leeds the best city for carers, and for each directorate to complete a 'Leeds Commitment to Carers' action plan.
- (b) That approval be given for Leeds City Council as an organisation to sign up to the 'Leeds Commitment to Carers'.
- (c) That a further report be submitted to a future meeting of the Board which details the actions being taken by each directorate in response to the Council signing up to the 'Leeds Commitment to Carers'.

24 Adult Social Care Use of Resources Peer Challenge September 2016

The Director of Adults and Health submitted a report which presented the results from the recent Local Government Association (LGA) peer challenge of the Adult Social Care directorate's use of resources. In addition, the report outlined the actions being taken in response to the review.

Members welcomed the contents of the submitted report, with specific reference being made to the actions that the directorate was taking in response to the key messages arising from the review.

RESOLVED – That the contents of the submitted report be noted.

DATE OF PUBLICATION: FRIDAY, 23RD JUNE 2017

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00 P.M., FRIDAY, 30TH JUNE 2017



Report author: Steven Courtney
Tel: (0113) 37 88666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date 21 July 2017

Subject: Annual Corporate Risk Management Report

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. At its meeting in June 2017, the Scrutiny Board considered a range of information and potential areas for inclusion on its work schedule for 2017/18. One of the specific areas identified was consideration of the robustness of the Council's immediate emergency / contingency planning arrangements, with a specific focus on recent events in relation to Grenfell Tower.
2. To assist this process, the Annual Corporate Risk Management report – due to be considered by the Executive Board on 17 July 2017 – is appended to this report.
3. The attached report provides an update on the most significant risks currently on the corporate risk register, including: what they are; an assessment of their level of risk; the accountable director and portfolio member risk owners; and, current and planned arrangements to proactively manage them. The following risks are included:
 - Safeguarding children
 - Safeguarding adults
 - Health and safety
 - City resilience
 - Council resilience
 - Financial management (both the risk to the in-year budget and longer-term financial sustainability)
 - Information safeguarding
 - Major cyber incident

4. The attached Executive Board report identifies and provides commentary on recent incidents which have attracted high public concern and national responses, including the Grenfell Tower incident; the terror events at Manchester Arena; and the recent 'WannaCry' cyber security incident. Further details of current or planned arrangements are detailed in the following areas: (a) City resilience; (b) Council resilience and (c) Major cyber incident.
5. However, with the exception of (a) Safeguarding children and (b) Safeguarding adults, all other areas of identified corporate risk fall within the remit of the Scrutiny Board (Strategy and Resources) and may also be worthy of more detailed consideration by the Board.

Recommendations

6. That the Scrutiny Board considers the details presented in the attached Annual Corporate Risk Management report and agrees any specific scrutiny actions that may be appropriate.

Background documents¹

7. None used.

¹ 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 Director of Resources and Housing

Report to the Executive Board

Date: 17th July 2017

Subject: Annual Corporate Risk Management Report

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

- Our vision as set out in the Best Council Plan is for Leeds to be the best city with the best council in the UK: a city that is compassionate with a strong economy, tackling poverty and inequalities; a council that is efficient and enterprising. A corporate risk is something that, if it occurred, could impact on this vision and our Best City/Best Council ambitions. It is essential that we understand, manage and communicate the range of risks that could threaten the city and the vital services provided by the council, so that we're better placed to prevent them from happening and to reduce the impact on communities, individuals, services, organisations and infrastructure.
- This annual report updates the Executive Board on the most significant risks currently on the corporate risk register: what they are, assessment of their level of risk, the accountable director and portfolio member risk owners and current and planned arrangements to proactively manage them. The following risks are included:
 - Safeguarding children
 - Safeguarding adults
 - Health and safety
 - City resilience
 - Council resilience
 - Financial management (both the risk to the in-year budget and longer-term financial sustainability)
 - Information safeguarding
 - Major cyber incident

Recommendations

Executive Board is asked to note the annual risk management report and the assurances given on the council's most significant corporate risks in line with the authority's Risk Management Policy and the Board's overarching responsibility for their management.

1 Purpose of this report

- 1.1 This annual report updates the Executive Board on the council's most significant corporate risks and the arrangements both in place and further activity planned during 2017/18 to manage them.
- 1.2 The assurances provided are an important source of evidence for the council's Annual Governance Statement: a statutory requirement for all local authorities to conduct a review at least once in each financial year of the effectiveness of the system of internal control and to include a statement reporting on the review with its Statement of Accounts. Leeds' 2016/17 Annual Governance Statement was approved by the Corporate Governance and Audit Committee on 23rd June 2017.

2 Background information

- 2.1 The previous annual corporate risk management report was provided to Executive Board on 27 July 2016. Since then, the corporate risk register has continued to be reviewed and updated in accordance with the council's Risk Management Policy and in line with the Best Council Plan outcomes and priorities. The remainder of this report focuses on the management of the most significant risks currently on the corporate risk register.
- 2.2 It is supplemented by the annual assurance report on the authority's risk management arrangements considered on 23 June 2017 by the council's Corporate Governance and Audit Committee. The Audit Committee report is publicly available and focuses on the policies, procedures, systems and processes in place to manage risks at corporate, directorate, service and project levels. No issues were identified.
- 2.3 Informing the Audit Committee report is an internal audit review of the council's corporate risk management arrangements carried out in 2016/17 using CIPFA's risk maturity assessment guidance. Each of the review's eight objectives were graded using a scale from 1 (risk naïve) to 5 (risk enabled). Best practice identifies that public services should attain at least level 3 in order to contribute to the overall control framework, and this was either met or exceeded in all but one area which related to partnership risk management. The recommendations made will be considered and implemented as appropriate as part of a wider review of risk management later this year.

3 Main issues

- 3.1 The council's risks stem from a variety of sources, many of which are out of our direct control: for example, global events such as an economic downturn, major conflicts or significant environmental events. Closer to home, more localised incidents can impact on communities, individuals, services, organisations and infrastructure. We also often have to respond quickly to changes in government policy and funding and must recognise and meet the evolving needs of our communities, particularly those of vulnerable people. Such changes, and the uncertainties they may bring, can pose threats that we need to address but also bring opportunities to exploit. Both aspects of risk management rely on the council working effectively with partners across the public, private and third sectors and with communities and individuals.
- 3.2 All council risks are managed via a continuous process of identification, assessment, evaluation, action planning and review, embedded at strategic and operational levels and for programmes and projects. All staff and elected members

have responsibility for managing risks relevant to their areas, including Scrutiny Boards, Community Committees and partnership boards.

- 3.3 This annual report considers the strategic level: the arrangements in place to manage the council's corporate risks. Corporate risks are those of significant, cross-cutting importance that require the attention of the council's most senior managers and elected members. Each of the corporate risks has one or more named 'risk owner(s)': a member of the Corporate Leadership Team and a lead portfolio member who are accountable for their management. The Executive Board as a whole retains ultimate responsibility.
- 3.4 The nature of risks is that they come and go as the environment changes. However, there are a set of 'standing' corporate risks that will always face the council:
- Safeguarding Children
 - Safeguarding Adults
 - Health and Safety
 - City Resilience (external emergency / incident management)
 - Council Resilience (internal business continuity management)
 - Financial Management (both the risk to the in-year budget and longer-term financial sustainability¹)
 - Information Safeguarding
- 3.5 The annual report at Appendix 1 discusses these 'standing' corporate risks plus an additional risk increasingly of high significance: a major cyber incident. The report contains:
- An introduction that explains the council's risk management framework and how corporate risks are assessed and managed;
 - The latest corporate risk map (as at May 2017);
 - Detailed assurances on each of the eight risk areas outlined above: an overview, description of the risks, the latest risk assessment, the current arrangements in place to manage them and additional activity planned for 2017/18; and
 - An annexe explaining how all council risks are evaluated in terms of probability and impact.
- 3.6 Additional, more operational assurances for a number of these risk areas are considered each year by a number of committees and boards. These include the council's Corporate Governance and Audit Committee which receives assurance reports on the council's business continuity management arrangements, information governance and financial planning and management (all most recently reported to the Audit Committee on 7th April 2017); safeguarding reports considered by the Leeds Safeguarding Children Board, Leeds Safeguarding Adults Board and Safer Leeds; the Executive Board considered the 'Health, Safety and Wellbeing Performance Assurance report' at its December 2016 meeting. In addition, the council's report template includes a section on 'Risk management', requiring the report authors to detail any key risks and their management – this information then helps inform decisions made, including investment decisions; this applies to all reports to this Board.

¹ Please also refer to the report on today's Executive Board agenda updating the Medium-Term Financial Strategy for the period 2018/19 – 2020/21.

- 3.7 The importance of the council having good risk management arrangements in place has been highlighted by a number of recent events: the devastating fire in the Grenfell high rise flats in London; the terrorist incidents in Manchester and London; cyber-attacks including May's 'WannaCry' global ransomware incident which in the UK particularly affected health organisations, another global attack six weeks later dubbed 'Goldeneye' or 'Petya', causing disruption to major organisations, many in the Ukraine, and a sustained attack at the end of June attempting to gain access to UK parliamentary e-mail accounts protected by weak passwords. These incidents have tested the resilience of organisations, communities and citizens across the country and heightened awareness of the threats.
- 3.8 Within the council, a range of controls are in place to manage and mitigate these risks with additional measures put into effect in response to the recent incidents.
- Following the Grenfell Tower fire, the council immediately acted to ensure the safety of council tenants living in multi-storey flats. We have assured government and our tenants that no Aluminium Composite Material (ACM) cladding similar to that used on Grenfell Tower has been used on our blocks; however, to provide additional reassurance, we will proactively test some of the cladding. We are holding drop-in events on all estates with multi-storey blocks to discuss and listen to tenants' concerns about fire safety measures and providing safety advice and other regular updates to individual tenants and representative groups by letter and online. We are also working with the fire service to make sure that all owners, landlords or managers of high-rise buildings in Leeds check the safety of cladding on their buildings and review their fire risk assessments. We are regularly updating our webpage, 'Fire safety in high rise buildings' (available [here](#)) with information on what we are doing to make sure that high rise buildings are safe in the event of a fire. This information is for tenants of multi-storey-council flats, tenants and users of privately owned high rise buildings and owners, landlords and managers of high rise buildings.
 - Following the terrorist incidents, the council worked with community leaders focusing on reassurance, resilience and solidarity. Work was also undertaken with colleagues in government, emergency services and other partners in a multi-agency approach to implement plans and offer practical support. The council is supporting Leeds businesses and partners to put their own plans in place and encouraging organisations to sign up to the Leeds Alert messaging system so they can be aware and informed about any action required in the event of an emergency. As the city hosts a number of big events, work has also been done to enhance event security and to modify event management plans to ensure increased safety for members of the public.
 - Following 'WannaCry', cyber security was tightened by undertaking screening of all council devices and assessing their 'patch' levels to ensure that the latest patches have been applied. Council staff were asked to be extra vigilant when opening emails with attachments and links and not to open anything that looked suspicious.
- 3.9 Further details on these high profile risks, how the council is managing them and what more needs to be done can be seen in the risk assurances at Appendix 1.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The corporate risk assurances at Appendix 1 have been subject to consultation with key officers, the Corporate Leadership Team. The arrangements in place to manage the council's risks are embedded and therefore subject to consultation and engagement on an ongoing basis.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This is an assurance report with no decision required. Due regard is therefore not directly relevant.

4.3 Council policies and the Best Council Plan

4.3.1 The risk management arrangements in place support compliance with the council's Risk Management Policy and Code of Corporate Governance, through which, under Principle 4, the authority should take 'informed and transparent decisions which are subject to effective scrutiny and risk management'.

4.3.2 Effective management of the range of risks that could impact upon the city and the council supports the delivery of all Best Council Plan outcomes and priorities.

4.4 Resources and value for money

4.4.1 All council risks are managed proportionately, factoring in the value for money use of resources.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The council's risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2011 to have 'a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.'

4.5.2 The latest corporate risk map is made publicly available via the leeds.gov website, the Leeds Observatory and is also published on the council's Intranet risk management webpage. The annual assurance report considered by the Corporate Governance and Audit Committee on the council's risk management arrangements is publicly available on the leeds.gov website.

4.5.3 This report is subject to call in.

4.6 Risk Management

4.6.1 This report supports the council's Risk Management Policy in providing assurances on the management of the authority's most significant risks.

5 Conclusions

5.1 The corporate risk register describes the council's most significant risks that could impact upon our Best Council Plan ambitions, outcomes and priorities. Robust and proportionate arrangements are in place to mitigate the risks, considering both the probability of each risk materialising and the consequences if it did.

5.2 Assurances on the most significant risks, including the council's 'standing risks,' are given through this annual corporate risk management report and provide an

open, comprehensive and important source of evidence for the authority's Annual Governance Statement.

6 Recommendations

- 6.1 Executive Board is asked to note the annual risk management report and the assurances given on the council's most significant corporate risks in line with the authority's Risk Management Policy and the Board's overarching responsibility for their management.

7 Background documents²

- 7.1 There are no background documents.

² 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.

Leeds City Council’s 2017 Corporate Risk Assurance Report

Introduction

To achieve the ambitions, outcome and priorities set out in our [Best Council Plan](#), it is essential that we understand, manage and communicate the range of risks that could threaten the organisation and vital council services

The council’s risks stem from a variety of sources, many of which are out of our direct control: for example, global events such as an economic downturn, major conflicts or significant environmental events. Closer to home, more localised incidents can impact on communities, individuals, services, organisations and infrastructure. We also often have to respond quickly to changes in government policy and funding and must recognise and meet the evolving needs of our communities, particularly those of vulnerable people. Such changes, and the uncertainties they may bring, can pose threats that we need to address but also bring opportunities to exploit. Both aspects of risk management rely on the council working effectively with partners across the public, private and third sectors and with communities and individuals

Risk Management Framework

The council’s risks are identified, assessed and managed using six steps:



These iterative steps enable us to:

- Understand the nature and scale of the risks we face.
- Identify the level of risk that we are willing to accept.
- Recognise our ability to control and reduce risk.
- Recognise where we cannot control the risk.
- Take action where we can and when it would be the best use of resources. This helps us make better decisions and deliver better outcomes for our staff and the people of Leeds.

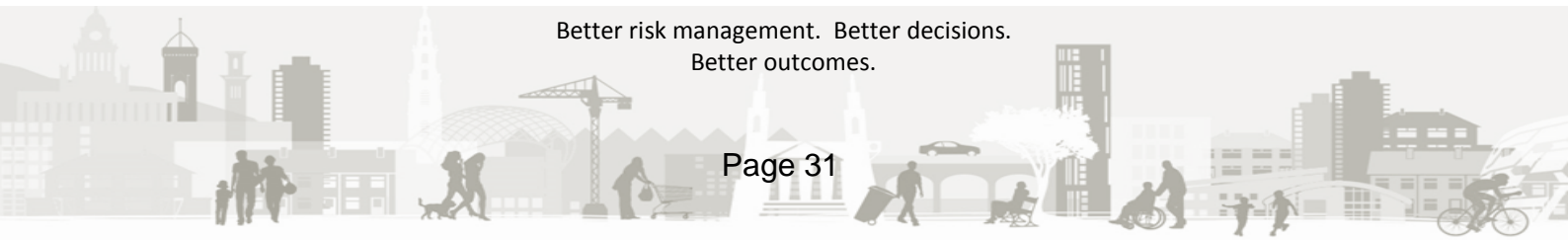
The steps are applied across the organisation through the Leeds Risk Management Framework: at strategic and operational levels and for programmes and projects. The adoption of the framework and compliance with it has helped embedded a risk management culture within the organisation. This report considers the strategic level: the arrangements in place to manage the council’s corporate risks.

Corporate Risks

Defining a corporate risk

Corporate risks are those of significant, cross-cutting strategic importance that require the attention of the council’s most senior managers and elected members. While all members of staff have responsibility for managing risks in their services, each of the corporate risks has one or more named ‘risk owner(s)’,

Better risk management. Better decisions.
Better outcomes.



members of the Corporate Leadership Team and a lead portfolio member who are accountable for their management. The Executive Board as a whole retains ultimate responsibility.

Corporate risks can be roughly split into two types: those that could principally affect the city and people of Leeds and others that relate more to the way we run our organisation internally. An example of a 'city' risk includes a major disruptive incident in Leeds or breach in the safeguarding arrangements that help protect vulnerable people; these are often managed in partnership with a range of other organisations. An example of a more internal 'council' risk is a major, prolonged failure of the ICT network.

How corporate risks are assessed and managed

Each corporate risk has a current rating based on a combined assessment of how likely the risk is to occur – its probability - and its potential impact after considering the controls already put in place. When evaluating the impact of a risk we consider the range of consequences that could result: effects on the local community, staff, the services we provide, any cost implications and whether the risk could prevent us meeting our statutory and legal requirements.

A consistent '5x5' scoring mechanism – included here at Annexe 1 - is used to carry out this assessment of probability and impact which ensures that the risks are rated in the same way. Target ratings are also applied for each risk based on the lowest probability and impact scores deemed viable to manage the risk to an acceptable level. These are used to compare the gap between 'where the risk is now' to 'how low do we aim for the risk to go' and so help determine whether additional actions are needed to manage the risk down to the target level.

The greater the risk, the more we try to do to manage it if it is in our control and if that would be the best use of resources. The council recognises that the cost and time involved in managing the risk down to nothing may not always be the best use of public money and we factor this in when establishing the target rating and developing our risk management action plans.

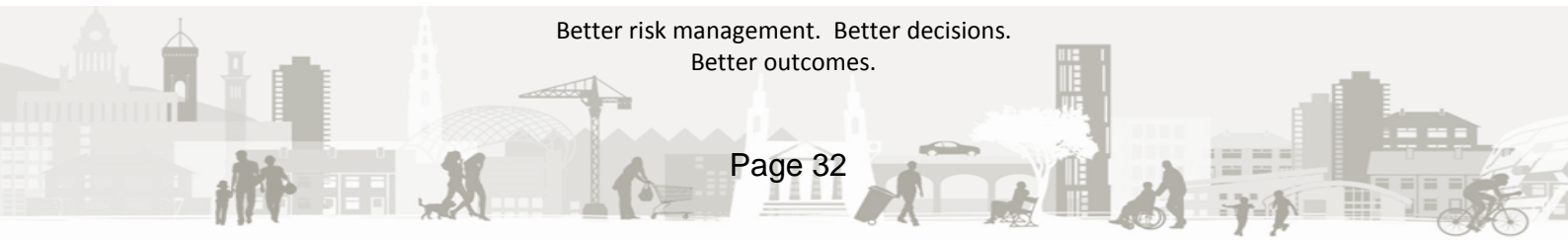
Risks are reviewed and updated regularly through horizon scanning, benchmarking and in response to findings from inspections and audits, government policy changes and engagement with staff and the public.

Current corporate risks

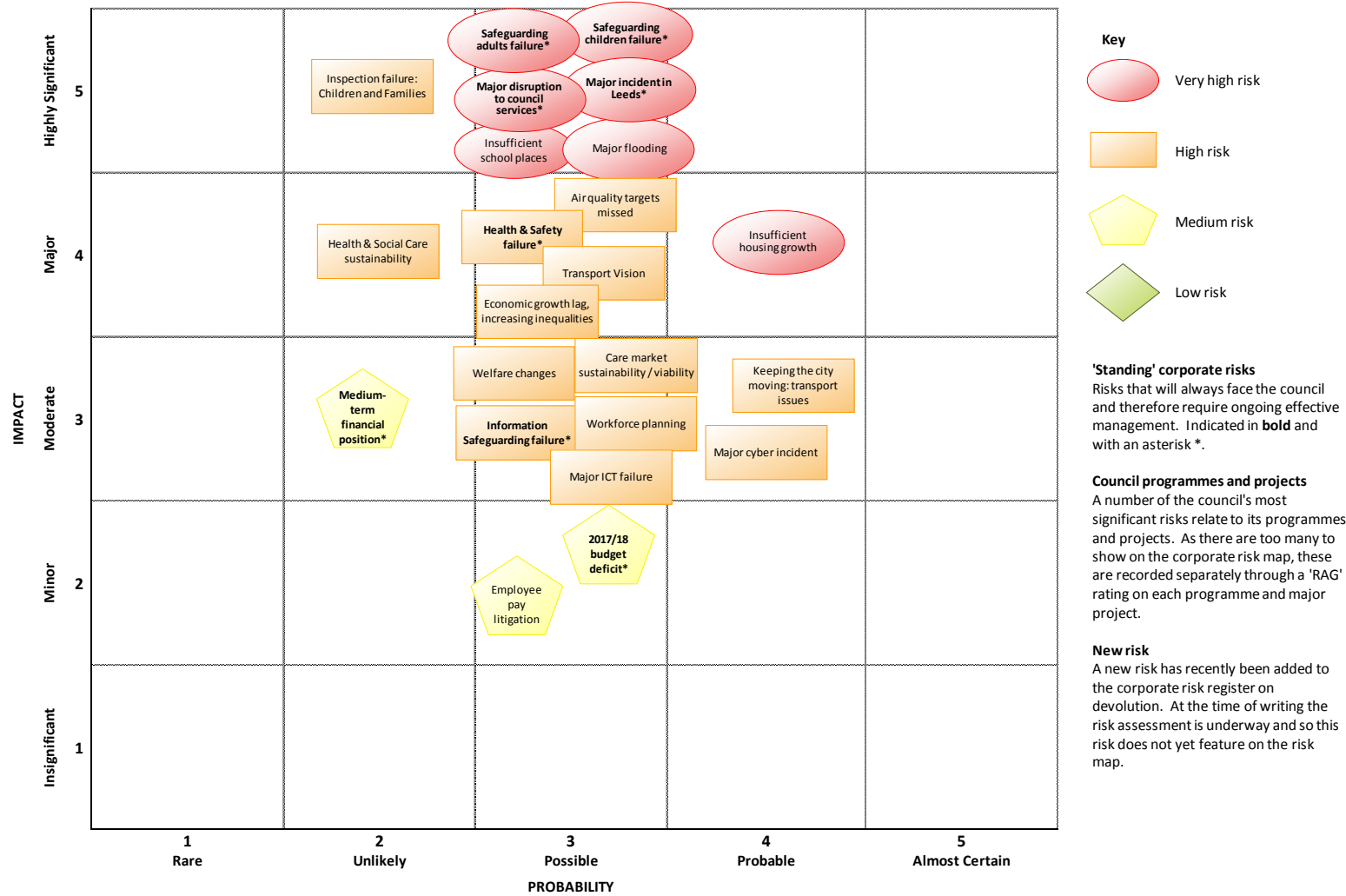
The risk map overleaf at Figure 1 summarises the risks on the corporate risk register as at May 2017 and also their ratings based on probability and impact scores. The majority of the risks shown on the risk map will come and go as the environment changes, eliminating the risk or reducing it to a very low level. However, there are a set of 'standing' corporate risks that will always face the council and which are the focus of this report:

- Safeguarding Children
- Safeguarding Adults
- Health and Safety
- City Resilience
- Council Resilience
- Financial Management (in-year and the medium-term)
- Information Safeguarding

The remainder of this document discusses these 'standing' corporate risks in more detail plus an additional risk increasingly of high significance – a major cyber-incident -, providing assurance on how the council, often in partnership, is managing them.



Leeds City Council's Corporate Risk Map as at June 2017
Supporting our Best City / Best Council ambitions



Safeguarding Children Corporate Risk Assurance

Overview

Leeds City Council has a legal duty to safeguard and promote the welfare of children. The potential consequence of a significant failure in safeguarding is that a child or young person could be seriously harmed, abused or die. Secondary effects of this include reputational damage, legal and financial costs and management and staffing time. The council is strongly committed to improving the safeguarding of children and young people, contributing directly to our Best Council Plan outcomes for everyone in Leeds to be safe and feel safe; for people to enjoy happy, healthy, active lives and to doing well at all levels of learning with the skills they need for life; also for the council to continue being an efficient and enterprising organisation.

Corporate risk: Safeguarding children				
Risk description	Risk of harm, accident or death to a child linked to failure of the council to act appropriately according to safeguarding arrangements			
Accountability (Risk owners)	<i>Officer</i>	Director of Children and Families		
	<i>Member</i>	Councillor Mulherin - Executive Member for Children and Families		
Evaluation		<i>Probability</i>	<i>Impact</i>	<i>Overall rating</i>
	<i>Current</i>	3 (possible)	5 (highly significant)	Very high (red)
	<i>Target</i>	3 (possible)	5 (highly significant)	Very high (red)

Introduction

What are the risks?

The consequences of a significant failure in safeguarding is that a child or young person will be harmed, abused or will die. This tragic outcome poses significant risks to the authority, including: a very high reputational cost; possible financial costs in compensation; management and staff costs in time and possible restructures; and, finally, depending on the seriousness of failure, possible intervention by Ofsted and/or government.

The causes of safeguarding failures are, sadly, well-established both locally and nationally. High profile cases such as Victoria Climbié, Peter Connelly, and Khyra Ishaq all re-emphasise similar lessons, and identify the same risks for children and young people. Key risks include:

- Poor quality practice or lapses in professional standards by front line workers
- Failures in communication and information sharing between professionals both within the council and across partner agencies
- Failure to identify and manage safeguarding risks
- Delay and drift within and between professionals and services
- Lack of clarity of roles and responsibilities
- A failure to listen properly to the views of the child or young person

Risk management

How the council is managing the risks

The council is strongly committed to improving the safeguarding of children and young people. Safeguarding is a clear priority in corporate and partnership strategic plans and the authority has backed this up with a high level of investment in children's safeguarding, even in the challenging budget context.

The most thorough assurance for this risk is external inspection by Ofsted. Leeds was inspected in early 2015 and was rated good overall, with the leadership and management sub-judgement receiving an outstanding rating.

Leeds was also subject to a joint local area SEND (special educational needs and disabilities) inspection by Ofsted and the Care Quality Commission in December 2016, which judges the effectiveness of the area in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014. This inspection is not rated but rather provides a narrative covering the main findings¹. The findings of the inspection were positive, with the inspection team finding that children and young people with SEND are 'proud to be citizens of Leeds and have a real voice in shaping their education, health and care plans.' The inspection highlighted some areas for further development, which are now being considered and implemented.

The LSCB (Leeds Safeguarding Children Board) is a statutory body established under the Children Act 2004. It is independently chaired and consists of senior representatives of all the principal agencies and organisations working together to safeguard and promote the welfare of children and young people in the city. Its statutory objectives are to co-ordinate local work undertaken by all agencies and individuals to safeguard and promote the welfare of children and young people; and to ensure the effectiveness of that work. The LSCB received a 'good' rating as part of Ofsted's 2015 review.

Section 11 of the Children Act 2004 places duties on a range of organisations and individuals to ensure their functions, and any services that they contract out to others, have due regard to the need to safeguard and promote the welfare of children. Contracted providers are required to complete the online Section 11 audit toolkit for the LSCB. Providers are monitored in terms of safeguarding practice through contract monitoring arrangements.

Whilst there are specific responsibilities for the safeguarding of children and young people under the Children Act 2004, all council staff have a moral and legal obligation to protect children and young people (and adults). The cross-council safeguarding policy helps employees to understand, recognise, and report a safeguarding concern. The cross-council safeguarding group contains representatives from all directorates, including Children and Families, who discharge the activities required to ensure a cross-council approach to safeguarding is achieved and sustained, including offering training to staff and elected members. Training is tailored for specific roles and responsibilities and is co-ordinated between different services to ensure the training is appropriate for the audience. The cross-council safeguarding people policy and procedure states that, "It is essential everyone recognises that safeguarding is best addressed in partnership with all the appropriate agencies, particularly the Leeds Safeguarding Children's Board, Leeds Safeguarding Adults Board and Safer Leeds. The cross-council group will promote this".

Safer Leeds is the city's statutory Community Safety Partnership involving the council and key partners from the Police, Fire & Rescue Service, NHS Clinical Commissioning Groups and the National Probation Trust. Safer Leeds has responsibility for tackling crime, disorder and substance misuse and undertaking Domestic Homicide Reviews (DHRs). A total of 13 DHRs have been undertaken to date, of which five are currently active. All our reviews are informed by the LSCB and the LSAB in that either of one or both are represented through review panel membership and/or close liaison, regarding responses to Adults at Risk and Safeguarding Children's issues. One of the five active

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/592610/Joint_local_area_SEND_inspection_in_Leeds.pdf

reviews is a Joint Strategic Review involving all three boards with Safer Leeds taking a lead in co-ordinating. The resulting report will be signed off by the chairs of the three boards before being submitted to the Home Office DHR Quality Assurance Panel.

In relation to the safeguarding of children, the council's work within the Safer Leeds partnership also involves helping co-ordinate a response to reducing anti-social behaviour and offending amongst young people, as well as sharing vital intelligence on young people at risk of child sexual exploitation (CSE). Some children are particularly vulnerable to CSE, such as disabled children, children looked after, care leavers, migrant children and unaccompanied asylum seeking children.

The Integrated Safeguarding Unit provides an independent oversight from case management teams, offering challenge to those cases where children are most vulnerable, for example children subject to a child protection plan.

Frameworki, the Children's Social Work Service's case management system, has been upgraded to Mosaic, the latest version from Corelogic, the software suppliers. Mosaic offers a transparent view of the child through social care processes, which further strengthens safeguarding for the most vulnerable children. The upgrade enhances the experience for frontline workers, offering a clearer view of decision making; practitioners have to follow a defined workflow centred on best practice principles, and it is easier and quicker to locate appropriate information. More information on vulnerable children and young people is available in one central location, from which reporting and monitoring is readily available.

Leeds is part of the CP-IS (Child Protection - Information Sharing) project. CP-IS, a secure system with clear rules governing access, connects local authority children's social care systems with those used by NHS unscheduled care settings, such as Accident and Emergency, walk-in centres and maternity units. Medical staff are alerted if a child who is receiving treatment is subject to a child protection plan, or is a child looked after, with the system automatically providing contact details for the social care team responsible for them. Social care teams are alerted when a child they are working with attends an unscheduled care setting, and Mosaic updates the child's record to indicate that the process has been triggered.

In 2015, Leeds successfully bid for funding from the Department for Education's Innovation Fund, resulting in £4.6 million coming in to underpin the Family Valued programme: a programme to embed wide-scale culture and practice change, creating a much more family support oriented model. We are doing this by enabling practitioners to use restorative techniques that work with children, young people and families to help them safely and appropriately find their own solutions to the difficulties they face before the need for more significant social care intervention.

A further bid to the Fund was made in 2016/17 and has resulted in £9.6 million being allocated to Leeds over the next three years. The monies will allow restorative early support teams to be established initially in eight high need clusters before being extended to all neighbourhoods of the city; will be used to recruit experts to work with children and young people with social, emotional, and mental health issues (the MindMate resource and other initiatives); and will fund a centre of excellence, which will focus on areas where Leeds is leading the way nationally (leadership, restorative practice, the Front Door Safeguarding Hub) that are to be shared with other local authorities across the country.

Where young people will remain supported by the council as they move into adulthood (for example young people with disabilities), an action plan is developed with their current and future social worker. This will cover support, vulnerabilities, and any safeguarding issues that will need to be covered after the young person turns 18.

What more do we need to do?

The council maintains an ongoing commitment to practice improvement, to ensure that staff have the right tools and support to deliver exceptional service to children and young people to improve their outcomes. Staff are encouraged to do “the simple things well”, and are supported to deliver outstanding social work practice. The council uses national experts; benefits from peer working through the Association of Directors of Children’s Services (ADCS) and other arrangements; workforce development; working restoratively with families; and more evidenced-based and integrated work with partners to both intervene early in the life of problems and to effectively identify and prioritise where there are high risk cases. The centre of excellence will allow greater sharing with local authorities across the country.

Whilst continuing this, the council also needs to continue to identify and apply for external funding sources such as the DfE’s Innovation Fund. We are on an improvement journey (‘from good to great’) to improve the outcomes for all children and young people in Leeds, particularly those who are in vulnerable situations. The increasing budget pressures due to government cuts place this strategy at risk, although a successful bid will allow Leeds to sustain and secure improvements, and to build on the successful strategy to hasten the pace of systemic change within Leeds.

Further information

Further information is available through these web links:

- [Leeds Safeguarding Children Board](#)
- [Safer Leeds](#)
- [One minutes guides](#) on a range of topics relevant to Children’s and Families: bullying, Families First, and Child Friendly Leeds
- [Leeds' Ofsted Report 27/3/15](#)
- [Leeds joint local area SEND outcomes letter 9/2/17](#)

Safeguarding Adults Corporate Risk Assurance

Overview

The council is committed to ensuring that adults whose circumstances make them vulnerable are given the safeguarding and support they need. Safeguarding is a clear priority in corporate and partnership strategic plans. The potential consequence of a significant failure in safeguarding is that an adult at risk could be seriously harmed, abused or die. Knock-on effects of this include reputational damage, legal and financial costs and also management and staffing time. The council works closely with partner organisations, including the NHS and the Police, to manage this risk through the Safeguarding Adults Board, directly contributing to our Best Council Plan outcomes for everyone in Leeds to be safe and feel safe; around people enjoying happy, healthy, active lives and living with dignity and staying independent for as long as possible; also for the council to continue being an efficient and enterprising organisation.

Corporate risk: Safeguarding adults				
Risk description	Failure of (a) staff in any council directorate to recognise and report a risk of abuse or neglect facing an adult with care and support needs in Leeds; (b) staff in adult social care to respond appropriately, in line with national legislation and safeguarding adults procedures			
Accountability (Risk owners)	<i>Officer</i>	Director of Adults and Health		
	<i>Member</i>	Councillor Charlwood, Executive Member for Health, Wellbeing & Adults		
Evaluation		<i>Probability</i>	<i>Impact</i>	<i>Overall rating</i>
	<i>Current</i>	3 (possible)	5 (highly significant)	Very high (red)
	<i>Target</i>	3 (possible)	5 (highly significant)	Very high (red)

Introduction

The Care Act 2014 and the Care and Support Statutory Guidance (revised March 2016) require each local authority to establish a Safeguarding Adults Board (SAB) with three core statutory partners: the local authority, the NHS Clinical Commissioning Groups (CCGs) and the Police. The Care Act 2014 states that the role of the Safeguarding Adults Board is as follows: *‘The main objective of a SAB is to assure itself that local safeguarding arrangements and partners act to help and protect adults in its area who have care and support needs and are at risk of abuse and neglect’.*

The Care Act 2014 also states that the local authority must make enquiries (or cause others to do so) if an adult in its area is at risk of abuse or neglect, has care and support needs, and because of those needs, cannot protect themselves from the risk of abuse or neglect they face. The purpose of such enquiries is to establish whether any action is needed to safeguard the adult, and if so, by whom.

The safeguarding duty that the local authority has for adults in its area includes both safeguarding adults at risk and making enquiries about allegations of abuse and neglect. Both these duties are carried out in partnership with other statutory Leeds SAB members, including the Police (in the case of criminal abuse or neglect) and the NHS, Housing and Safer Leeds colleagues.

In each local authority area the Director of Adult Social Services (DASS) has a statutory role to lead partnership arrangements for safeguarding adults.

What are the risks?

The main consequence of a significant failure in safeguarding is that an adult at risk suffers violent abuse, serious harm and/or ultimately death. Such a tragic outcome would be a failure in the local authority's legal and ethical duty in safeguarding its citizens. The consequences that could impact on the city council and/or the city if safeguarding processes are not followed include reputational damage, legal and financial costs (such as the payment of compensation) and also management and staffing time.

Reputational damage could materialise when individuals at risk or their families are not identified as being so and suffer harm or are dissatisfied with either the protection or the thoroughness of the enquiries undertaken. At the other end of the spectrum, people or organisations alleged to have caused harm can challenge the fairness and the thoroughness of the process.

Parties in both situations can make complaints, which can result in associated press coverage, ombudsman enquiries and even judicial review. Where a council employee is the person alleged to have caused harm, the way its services are run and the implementation of internal HR policies can be questioned. The potential risk consequences include the use of resources to support the council through legal action, and the cost of compensation to individuals who have been unfairly dealt with.

Safeguarding Adults Reviews

The Care Act 2014 requires SABs to undertake Safeguarding Adults Reviews when:

'An adult in its area with needs for care and support (whether or not the local authority has been meeting any of those needs) if:-

- a.) There is reasonable cause for concern about how the SAB, members of it or persons with relevant functions worked together to safeguard the adult; and*
- b.) The adult has died, and the SAB knows or suspects that the death resulted from abuse or neglect (whether or not it knew about or suspected the abuse or neglect before the adult died); or*
- c.) The adult is still alive, and the SAB knows or suspects that the adult has experienced serious abuse or neglect'.*

The main risk associated with Safeguarding Adults Reviews is failing to highlight areas of practice that could be improved, and this could result in both legal claims and/or reputational damage to the council.

In summary key potential adult safeguarding risks for the council are:

- Failure of front line staff to correctly identify and deal with an actual or potential safeguarding episode under the terms of the Multi-Agency safeguarding procedures and statutory requirements of the Care Act 2014.
- Staff in any agency fail to follow their own safeguarding procedures in managing actual or potential safeguarding episodes, resulting in the local authority failing in its own statutory duty under S42 of the Care Act 2014.
- Poor quality practice or lapses in professional standards by front line workers.
- Failures in communication and information sharing between professionals both within the council and across partner agencies.
- Failure to identify and manage safeguarding risks.
- Delay and drift within and between professionals and services.
- Lack of clarity of roles and responsibilities.
- A failure to listen properly to the views of the child, young person or adult.

Risk management

How the council is managing the risks

Cross-council safeguarding

Whilst there are specific responsibilities for the safeguarding of children and young people under the Children Act 2004, all council staff have a moral and legal obligation to protect children and young people (and adults). The cross-council safeguarding policy helps employees to understand, recognise, and report a safeguarding concern. The cross-council safeguarding group contains representatives from all directorates who discharge the activities required to ensure a cross-council approach to safeguarding is achieved and sustained, including offering training to staff and elected members. Training is tailored for specific roles and responsibilities and is co-ordinated between different services to ensure the training is appropriate for the audience. The cross-council safeguarding people policy and procedure states that, "It is essential everyone recognises that safeguarding is best addressed in partnership with all the appropriate agencies, particularly the Leeds Safeguarding Children's Board, Leeds Safeguarding Adults Board and Safer Leeds. The cross-council group will promote this".

The Leeds Safeguarding Adults Board (SAB)

The Leeds SAB was constituted in in 2009, with a robust Memorandum of Understanding, which has been reviewed regularly. In line with many other areas, the Leeds SAB has an independent chair, with the current incumbent, Richard Jones CBE, appointed in September 2015. The chair is accountable to the council's Chief Executive and the DASS reviews their contract annually. The Board has recently been refreshed in line with the Care Act, which brought together a number of different care and support laws under one new act.

The Board is required to have an annual strategic plan, describing how each member will contribute to its strategy, and to produce an annual report of the activity of the Board and its members which is presented annually to the council's executive members.

The Board's work is supported by a Partnership Support Unit, part funded by the NHS CCGs and Leeds City Council. The Unit provides training and manages the work of the Board.

The DASS is actively involved in the running of the Board, with scheduled meetings with the Independent Board Chair and these meetings also extend to regular meetings between the DASS, the Independent Board Chair and the Executive Member for Health, Wellbeing and Adults. The Independent Chair also meets periodically with the Leader of the council and attends Scrutiny Board and Executive Board annually. This arrangement ensures that senior officers in the council and elected members are aware of and able to influence the work of the Leeds SAB.

When safeguarding adults reviews are undertaken by the Leeds SAB, the DASS has a personal involvement in signing off the Overview Reports, along with the independent chair of the Board and the chair of the Safeguarding Adults Review sub-group prior to them being presented to the Leeds SAB for approval. The overview reports are written at the conclusion of the SAR, setting out the areas of development that have been identified across all agencies, and detailing where things went wrong in the case. In addition, the DASS has a role in deciding whether or not the Overview Report should be published. A senior lawyer from the council's Legal Services provides legal advice for the Leeds SAB in relation to the content of Overview Reports.

The council's contribution to the Board membership includes senior officers from Adult Social Care, Housing, Safer Leeds, Legal Services and Public Health. There is close working across a number of strategic partnerships, specifically the Local Safeguarding Children's Board (LSCB), Health and Wellbeing Board and the Safer Leeds Executive. In addition the council's Cross-Council Safeguarding Group, chaired by the Director of Communities and Environment, ensures that the whole council takes its safeguarding duties seriously.

Management of Risk for Individuals

Leeds has worked with other local authorities in the development of the North and West Yorkshire Multi-Agency Safeguarding Adults policy and procedures. These were revised in 2015 to ensure they are compatible with the requirements of the Care Act 2014.

Services in the council's Adults and Health Directorate work within a Quality Assurance Framework that enables the directorate to audit compliance with those procedures and support individuals to manage risk. Ten Safeguarding and Risk Managers (SRMs) are employed who are highly experienced in dealing with safeguarding and risk recording and management. They operate across all areas of Adult Social Care services, linking with the full range of appropriate partner agencies. The Adult Social Care Commissioning Team can, and does, suspend admissions to services in cases where this is deemed necessary due to an identified risk of harm, maintaining such suspension until improvements have been fully evidenced. A similar process is applied to the council's in-house provision, with service managers, SRMs and colleagues from partner agencies working closely together.

Adult Social Care Quality Assurance colleagues oversee an independent quality and risk audit process which provides independent assurance, in addition to management audits against the quality assurance framework in place for in-house provision. A further check is made of information required by CQC (the Care Quality Commission), the independent regulator of health and social care in England. To ensure robust high quality risk management in protection plans, risk is central to the safeguarding process, with promotion of a positive approach, rather than one of risk avoidance.

The council has participated in several Leeds Domestic Homicide Reviews (DHRs), as required under Section 9 of the Domestic Violence, Crime and Victims Act (2004). Learning from those reviews conducted before 2015 showed that Adult Social Care services could do more to train its staff in this area. In response, significant resources were invested in developing a training and workforce development programme and in early 2016 the Adult Social Care directorate (now Adults and Health from April 2017) was awarded the Domestic Violence Quality Mark in recognition, a quality assurance standard for responding to domestic violence.

Safer Leeds is the city's statutory Community Safety Partnership involving the council and key partners from the Police, Fire & Rescue Service, Clinical Commissioning Groups and the National Probation Trust. Safer Leeds has responsibility for tackling crime, disorder and substance misuse and undertaking Domestic Homicide Reviews (DHRs). Safeguarding runs through all the work and priorities of the partnership including:

- Anti-social behaviour
- Domestic violence and abuse
- Youth crime and on-street violence
- Organised offending
- Local drug markets
- Hate Crime (Community Cohesion, Prevent/ Radicalisation)

Safer Leeds provides additional focussed support to other partnership boards and delivery groups on the following cross-cutting issues:

- Safeguarding (Sexual Exploitation, Modern Slavery, Human Trafficking, Honour Based Abuse)
- Complex needs (Mental Health, Alcohol and Drugs)
- Road Safety/ Safer Travel

Since April 2011, Safer Leeds has a statutory duty to undertake DHRs. A total of 13 DHRs have been undertaken to date, of which five are currently active. All our reviews are informed by the LSCB and the LSAB in that either of one or both are represented through review panel membership and/or close liaison, regarding responses to Adults at Risk

and Safeguarding Children's issues. One of the five active reviews is a Joint Strategic Review involving all three boards with Safer Leeds taking a lead in co-ordinating. The resulting report will be signed off by the chairs of the three boards before being submitted to the Home Office DHR Quality Assurance Panel.

The SAB has done extensive work around learning lessons from DHRs that apply to adults with care and support needs. Lesson learned are disseminated widely and in a number of ways including via the LSCB Lite Bites and integrated into Domestic Violence training to relevant council staff. Eight learning workshops have also been scheduled for September 2017 to disseminate the learning from reviews across the safeguarding partnership. It is intended that the workshops will include learning from DHRs that have concerned adults with care and support needs that will be facilitated on behalf of the Board. Work is also undertaken with the Leeds Domestic Violence Team to co-deliver training around domestic violence to staff.

What more do we need to do?

The cross-council safeguarding group is currently auditing its own approach to safeguarding adults and children in all council directorates and plans to use the findings to inform its approach to learning and development and content of guidance documents. The group is also seeking to strengthen its links with the statutory Safeguarding Adults Board, Community Safety Partnership and Safeguarding Children's Board. This will enable the city to improve its strategic approach to safeguarding.

The council plans to:

- Review its model of safeguarding adults to ensure continued best practice, developing operational guidance for frontline practitioners;
- Continue joint work with CCGs and the Care Quality Commission, to ensure that quality concerns in regulated care services are picked up early and prevented from developing into safeguarding concerns;
- Learn from practice and embed this learning into its training and workforce development delivery.
- Incorporate Strength-Based Social Work within Safeguarding Policy and Practice
- Ensure training is fit for purpose and quality assured
- Ensure that the priorities of the Leeds Safeguarding Adults Board are met

Further information

Further information, including all procedures and forms is available on the Leeds SAB website: www.leedssafeguardingadults.org.uk

Please also refer to the [Safer Leeds](http://www.saferleeds.org.uk) website

Health and Safety Corporate Risk Assurance

Overview

The council has wide-ranging responsibilities to prevent the risk of health and safety failures that could result in death, injury, legal challenge and significant reputational damage. A range of health and safety controls are in place to manage this risk including adoption of performance standards, employee accountability, audit reviews and an annual action plan which sets out priorities for the year. Health and safety is about saving lives, not stopping people living. Therefore the council continues to support the Health and Safety Executive’s (HSE) campaign for sensible risk management, one that is based on practical steps to protect people from harm and suffering – not bureaucracy. This cross-cutting management of the risk contributes in particular to our Best Council Plan ambition for everyone in Leeds to be safe and feel safe and for the council to continue being an efficient and enterprising organisation.

It is increasingly recognised that ‘health’ rather than ‘safety’ hazards in the workplace have the potential to cause most harm in the modern working environment. As well as preventing and reducing exposure to harmful substances which cause chronic health conditions such as asbestos, wood dust and silica, the impact of work on mental wellbeing is also important. A more holistic approach to health, safety and wellbeing in the workplace can not only protect the workforce but contribute to the wider public health of the city and beyond.

Corporate risk: Health and safety				
Risk description	Risk of an health and safety failure resulting in death, injury, damage or legal challenge (either criminal or civil)			
Accountability (Risk owners)	Officers	Chief Executive and Director of Resources and Housing		
	Member	Councillor J Lewis, Deputy Leader and Executive Member for Resources & Strategy		
Evaluation		Probability	Impact	Overall rating
	Current	3 (possible)	4 (major)	High (amber)
	Target	2 (unlikely)	4 (major)	High (amber)

Introduction

The council believes that ensuring the safety, health and well-being of employees, contractors and service users, including school pupils, is essential to achieving our Best City / Best Council ambitions. We are committed to being an exemplar for good practice by ensuring that work does not contribute to poor health and, by being one of the city’s largest employers, we can enhance Leeds’ overall public health through the workplace setting. Proactively managing health, safety and wellbeing can also deliver and secure good business and organisational performance, in addition to enhancing the accessibility of working environments and improving inclusion and diversity. This is achieved through a corporate health and safety management system and the Employee Wellbeing Strategy – which work alongside other employment policies.

Under the Health and Safety at Work etc Act (1974), the council has a responsibility to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all its employees and those affected by the work that we do. These responsibilities cover the authority:

- As a duty holder with large numbers of employees;
- As a service provider with large numbers of clients, visitors, pupils etc;
- As a landlord with a large portfolio of buildings and land;
- As a regulator through Environmental Health; and
- As a large scale procurer of goods and services which can influence safety and health through the supply chain.

The main duties of any employer can be summarised as providing: safe systems of work; safe plant, equipment and substances; safe workplaces; risk assessments and training/instruction/supervision.

What are the risks?

- That a serious incident occurs, causing death or injury to employees, clients or service users arising from the many services that the council provides or commissions.
- Lengthy investigations by the Police and other enforcing authorities such as the HSE or West Yorkshire Fire and Rescue Service (WYF&RS) that may require suspension of services and/or buildings during the investigation. HSE inspectors normally enforce health and safety standards by giving advice on how to comply with the law. Sometimes the HSE have to issue enforcement notices to companies or individuals for breaches of health and safety law. These notices require improvements to be made: either to allow time for the recipient to comply, or the prohibition of an activity until satisfactory remedial action has been taken. If necessary, the HSE may prosecute recipients for non-compliance with a notice. During the past 12 months, and for the third consecutive year, the council received no formal Improvement or Prohibition Notices from the HSE or Fire Service. One 'Notification of Contravention' was received from the HSE in relation to refurbishment activities, but this was resolved to the satisfaction of all parties.
- Repercussions where the council is deemed at fault may be unlimited fines, adverse publicity, public enquiry or possible negligence manslaughter charges. These could be brought against individual officers or elected members and involve custodial sentences or could entail corporate manslaughter charges being brought against a council leadership team. Changes to the sentencing guidelines for health and safety offences 14 months ago, have in more recent months resulted in various organisations, including local authorities, being fined much more significant amounts of money than was previously the case.
- Civil claims for compensation could also be brought against the council by employees or members of the public injured due to the council's work activities.

The consequences of the risks above include a loss of public confidence in the council and adverse publicity resulting in significant reputational damage.

Risk management

How the council is managing the risks

Priorities

Eight key priorities for health, safety and wellbeing for the next 3 years were agreed by the council's Executive Board on the 14th December 2016, after consultation with key stakeholders, including services and Trade Unions. These are: Stress and mental health; Building/staff security; Risk management; Managing safety in the council's vehicle fleet; fire safety (especially in council-owned housing stock); Musculo-skeletal disorders; Violence and aggression; and Health-related matters. A copy of the report detailing the key priorities and also they key achievements can be seen [here](#).

HSE Policy compliance

Health and safety management in the council is based on an approach advocated by the HSE. This is realised through our own Health and Safety Policy which sets out the roles and responsibilities of staff, and a series of Health and Safety Performance Standards, jointly agreed with the trade unions. Compliance with the Policy is checked via internal and external audits and reviews by management teams across the council. Health and safety performance improved in most areas in 2015/16 compared with the previous year.

A wide range of guidance and information on health & safety matters is available to council staff on the internal Intranet system including:

- Contact details for competent health and safety advice
- Accidents and incidents in the workplace
- Fire Safety
- Personal protective equipment
- Risk assessments
- Mental Wellbeing

Accountability and performance

The Chief Executive is ultimately accountable for the health and safety of council employees and service users. To assist him to undertake this role he has nominated the Director of Resources and Housing as the CLT member with responsibility for apprising him of health and safety performance. In turn, the Director of Resources and Housing is supported by a team of professionally qualified Health and Safety Advisers and Occupational Health Practitioners, led by the Head of Health and Safety.

In addition to these specific roles, the council's Health and Safety Policy details individual accountabilities for every level of employee. The Leader of the council also has a responsibility to ensure that decisions taken by elected members do not compromise the health and safety of staff or service users.

The Head of Health and Safety meets monthly with the Director of Resources and Housing to provide health and safety assurance and performance and assurance reports are also submitted to CLT and Executive Board. A 'High Hazard Group' has also been established to share best practice across the council. This is chaired by the Director of Resources and Housing and attended by senior leaders from high hazardous services and supported by Human Resources (including health and safety).

Staffing and consultation (safety committees)

Co-operation and consultation with the workforce on health and safety matters is extremely positive. There are corporate, directorate and service level Health and Safety Committees in place. An elected member chairs the Corporate Health and Safety Committee: a method of employee consultation made up of managers and employee representatives who meet regularly to discuss issues of mutual concern. In addition, working groups for asbestos and construction/contractor management have continued to improve these areas across the authority and good progress is being made.

In 2015, the Chief Executive requested that health and safety becomes a specific objective in staff appraisals, starting at director level and cascading down to management teams and staff. Health and safety is now part of each director's objective, 'Leading culture change in LCC'; taking a personal lead to embed a culture of compliance with regard to health and safety, information governance and statutory responsibilities. All appraising managers have completed a health & safety e-learning package hosted via the council's online performance & learning system.

Asbestos Management

Good progress continues to be made on the management of asbestos in council buildings and in schools, through regular surveys, development of Management Plans and training. Any work involving asbestos which is carried out is undertaken by competent people, licensed by the HSE (where this is required).

Fire safety

Leeds City Council has taken a pro-active approach to fire safety for many years. Our ambition to continually improve in this area was recognised by the West Yorkshire Fire and Rescue Authority in 2013 when they entered into a Fire Safety Concordat agreement with the council. The concordat provides a framework to ensure that the roles and responsibilities of the two organisations are effectively translated into practical working arrangements. To that end we work closely with the Fire Authority to agree our priorities and action plans, which ensures we are always acting pro-actively to improve rather than as a response to any issues found during Fire Service inspections. Both parties have found this to be an extremely beneficial arrangement. The concordat also includes a four-year plan on how the council and schools will improve fire safety across all services and builds on the good progress achieved since the previous concordat. Regular meetings take place with WYF&RS to ensure the council meets its objectives in this area. Since this agreement was reached, no Enforcement Notices have been received by the council.

Following the fire at Grenfell Tower in London in June 2017, the council immediately acted to ensure the safety of council tenants living in our 116 multi-storey flats. We have been in frequent contact with tenants and their representative groups, started a rolling programme of fire safety and reassurance drop-in events at all tower blocks, are partway through an already-planned programme installing sprinklers in eight blocks of flats for vulnerable older people and will keep this issue under review. We have also reviewed fire safety strategies at all our blocks and are satisfied with these. We continue our policy of extensive annual reviews and of daily fire hazard checks in all high-rise blocks; where possible, these have been increased to twice daily in the short-term to allay residents' current concerns. For additional reassurance, we have proactively decided to test some of the cladding used in our blocks (none of which is the Aluminium Composite Material (ACM) type involved in Grenfell Tower).

In terms of the private sector, a joint task group has been established between the council and the fire service with senior experts from all relevant disciplines. The group is completing an inventory of all buildings in the city that are potentially in scope for government's cladding testing programme and writing to the owners of all these buildings, urging them to check the cladding and to take up the government-sponsored free testing. The letter will strongly recommend all building owners carry out an urgent review of their fire risk assessments. The response from the private sector has been positive, with many owners already proactively testing cladding and reviewing fire safety. We are carrying out checks on multi-storey school buildings and, where there are PFI contracts involving regular review of fire strategies, we are ensuring these are robustly delivered. As a contingency, the task group is also addressing the issue of preparation for any emergency evacuation and temporary rehousing of people, should this ever become necessary. We will make sure that West Yorkshire Fire and Rescue Services' fire safety advice and reassurance that we have communicated to our own tenants is easily available to people in private sector high-rise accommodation.

We are regularly updating our webpage, 'Fire safety in high rise buildings' (available [here](#)) with information on what we are doing to make sure that high rise buildings are safe in the event of a fire. This information is for tenants of multi-storey-council flats, tenants and users of privately owned high rise buildings and owners, landlords and managers of high rise buildings.

Building Security Policy

During 2015/16 the council's Building Security Policy and its associated arrangements (including health and safety aspects) were reviewed to ensure they are robust and up-to-date. The review covered the different types of threat level that could face the council and the controls in place to manage and mitigate against these threats: for example, access restrictions, use of CCTV and the need to 'challenge' visitors. Building safety and security audits are undertaken across council occupied workplaces by the health and safety team. Work has also been undertaken with

partners across the region to develop guidance and deliver training to schools about security and responding to an incident. This has included other local authorities, the Police, Fire Service and schools staff.

The council's Building Security Policy was developed to ensure that appropriate measures can be quickly implemented in response to changes to the national threat levels. In May 2017 following the Manchester Arena terrorist attack, the national threat level was increased from 'substantial/severe' to 'critical'. Additional building security measures were quickly put in place including bag searches at key council buildings and visitors required to produce photo identification. Although the increase to 'critical' was effectively implemented, it did identify some learning which was used to inform further revision of the policy and security arrangements which will provide an improved transition during any future increase to 'critical'.

Managing Occupational Road Risk

The council's Head of Health and Safety works closely with the Head of Fleet Services to ensure the correct policies, guidance and training are in place to protect council drivers and members of the public. It was particularly important to ensure we learned any lessons from the tragic incident in Glasgow in 2014 involving a refuse vehicle.

Audits

Health and safety audits take place across the council's service areas. These are a good indicator of compliance with the Health & Safety Management Standards (HSMS). Where audits identify compliance levels as being low or moderate, action plans are drawn up with the service areas to ensure progress.

What more do we need to do?

- An initial business case for the development of an Incident Database / Electronic Health & Safety Management System was agreed in 2015/16. This will be used to monitor and report on health and safety incidents as well providing useful management information to drive future best practice. A suitable system will be procured during 2017/18.
- We will undertake regular audits focusing on the eight agreed priorities and other service-specific priorities.
- Work is underway to standardise, simplify and share the current Health & Safety Performance Standards to make them more 'user-friendly' for council staff. These will all be re-named Health and Safety Policies and a template has been agreed with the Trade Unions.
- Building Safety and Security audits will continue to take place, especially concentrating on public-facing buildings.
- Violence and aggression – council staff can face abuse from a wide variety of sources, whether this is service-users with challenging behaviour in schools, social care or passenger transport or from unhappy members of the public whilst staff are carrying out their duties. In addition to verbal and physical threats, abuse is now increasingly taking place via social media and emails. Elected members can also receive abuse as they go about their work in constituencies. This topic remains a high priority and we will continue to deliver training, increase skills and awareness and consider how service/office design can help to defuse situations.
- Inclusion and Diversity – health and safety will continue to support other colleagues to help ensure buildings are as accessible for all staff and service users as possible. In addition we will help services with job design and reasonable adjustments to ensure every employee can be their best at work.
- Mental wellbeing – key actions have been agreed to help promote our role as a Mindful Employer and improve mental wellbeing at work and across the city. Actions include: the development of a new Mental

Wellbeing Policy and guidance, mandatory blended awareness training for all staff, supporting the staff network – the Healthy Minds Group, awareness campaigns and targeting specific groups e.g. men.

- Health surveillance – the health surveillance programme will be reviewed for all relevant employees, following the appointment of an Occupational Health Technician, who will work closely with Health and Safety and services. This will include regular checks in relation to hearing, skin, lung function, asbestos and hand-arm vibration.
- Changing the Workplace – helping to create a modern, more flexible working environment, as this programme continues and evolves, we will ensure that health, safety, wellbeing, inclusion and diversity are considered in the design and execution of new ways of working.

Further information

A copy of the council's Health and Safety Policy can be accessed by staff and members on the council's Intranet Site under the 'Policies and procedures' section. Other Performance Standards and Guidance can be accessed through the Health, Safety and Wellbeing Toolkit on the council's Intranet Site.

Members of the public can obtain a copy by contacting Chris Ingham (Head of Health and Safety) at chris.ingham@leeds.gov.uk or by calling (0113) 3789304.

General information on health and safety can be found on the Health and Safety Executive website www.hse.gov.uk

As noted above, we are regularly updating our webpage 'Fire safety in high rise buildings' (available [here](#))

City Resilience Corporate Risk Assurance

Overview

All local authorities, along with the emergency services, have a legal duty to assess the risk of, and plan for, emergencies. This includes warning and informing the public in relation to emergencies. The council works with partner organisations through groups such as the West Yorkshire Local Resilience Forum and the Leeds Resilience Group to plan, manage and respond to emergencies that could significantly disrupt the city and impact upon communities and individuals. Recent incidents in Leeds include a tent city homeless protest, mass motorcycle ride-out and several suspect packages while the council and partners must also respond to incidents elsewhere that may directly impact upon Leeds’ residents, raise the threat level or contain lessons to be learned (for example, recent terrorist attacks in London and Manchester and the Grenfell Tower fire). Effective management of this risk contributes to the delivery of all the Best Council Plan outcomes, particularly for everyone in Leeds to be safe and feel safe, earn enough to support themselves and their families and move around a well-planned city easily; also to the council’s aim to continue to be an efficient and enterprising organisation.

Corporate risk: City resilience				
Risk description	Risk of significant disruption in Leeds			
Accountability (Risk owners)	Officer	Director of Resources & Housing		
	Member	Councillor J Lewis, Deputy Leader and Executive Member for Resources & Strategy		
Evaluation		Probability	Impact	Overall rating
	Current	3 (possible)	5 (highly significant)	Very high (red)
	Target	2 (unlikely)	4 (major)	High (amber)

Introduction

Under the Civil Contingencies Act (2004) the council has both a statutory duty and a community leadership role to ensure that the city collectively does all it can to enhance its resilience and manage its vulnerabilities. This involves partnership working undertaken at a West Yorkshire and Leeds level to identify, assess, prevent, prepare, respond to and recover from emergencies and disruptions captured within this corporate risk.

The West Yorkshire Local Resilience Forum (WYLRF) is the council’s key partner organisation for city resilience. The aim of the WYLRF is to co-ordinate the actions and arrangements between responding services in the area to provide the most effective and efficient response to civil emergencies when they occur.

Other significant partners include:

- Leeds Counter Terrorist Strategy (CONTEST) Group
- Leeds Resilience Group
- Leeds City Council groups (including Directorate Resilience Groups)
- West Yorkshire Local Resilience Forum Sub-Groups

What are the risks?

The risk of significant disruption in Leeds is a combination of two factors: the causative event and the way in which Leeds as a city responds to this event. Disruptive events include civil unrest, adverse weather and problems with keeping transport networks operational. Examples in Leeds over the last 12 months include: disruption caused by

suspicious packages requiring action by Explosive Ordnance Disposal (EOD); deliberate flooding at council high rise flats; fractured water mains in the city centre causing significant disruption to key road infrastructure; major road traffic accidents; major fires and homeless protests in the city centre. Disruption can also be caused by planned events, for example major sporting events such as the Tour de Yorkshire, Half Marathon and the World Triathlon Series and major music events such as Leeds Festival all having an impact on the road network. Disruption can be inconvenient and frustrating to the city and can contribute towards community and business outrage or anxiety.

The assurance focuses on the adequacy of the council's arrangements to deal with the impact of the risk and also on playing an effective contribution in the overall city response to a disruptive event.

As a result of recent terrorist attacks both in the UK and abroad, there may be implications for the city resilience risk. Protecting those who live and work in the city and those who visit for business or leisure is paramount for the success of the city. As Leeds increasingly attracts major events, both sporting and cultural, the city and its crowded places becomes a potential target for terrorists and other extremist activities. The council and partner organisations are working closely together to make the city safe for all; both in planning for such events as well as developing a multi-agency response to incidents should they occur.

The Police have contingency plans, known as Operation Temperer, which involves the deployment of troops to support police officers in key locations following a major terrorist attack. This operation was put into effect for the first time on 23rd May 2017 following the Manchester Arena incident, however, the operation was focused on Manchester and London rather than Leeds.

Risk management

How the council is managing the risks

Management of this risk seeks to ensure a secure and resilient Leeds, protecting our people, economy, environment, infrastructure, territory and way of life from all major risks that could affect us directly.

The recent terrorist incident at the Manchester Arena brought the terrorist threat much closer to West Yorkshire with fatalities, casualties and a number of witnesses coming from Leeds. In response to the incident, a Leeds City Council Incident Group was quickly established, chaired by the Director of Communities & Environment. It focused on a range of areas including: greater readiness to deal with the move to critical and the subsequent implementation of additional security arrangements when the threat level was raised; messages of awareness and reassurance to staff and businesses; and a review of all upcoming events in the area to re-assess risk. The National 14 Day Plan informed the work of the group in responding to the public reaction experienced in Leeds. There was extensive activity in communities, particularly in relation to social media. The Prevent partnership undertook significant work to understand the impact of the incident regarding both reactive and proactive workload. There was council gold attendance at Multi-agency Strategic Coordination Group Meetings which reviewed gold strategy and the stance of West Yorkshire in relation to the Manchester incident. Any learning from this will inform the council's preparedness to respond should a terrorist incident occur in Leeds.

During the recent period of increased threat level, where attendance at events in Leeds was estimated to be over 3,000, the events were classed as a 'crowded place' and were subject to a risk assessment by the Police and Counter Terrorism Unit with support from the council. Over 70 events were risk assessed during this period.

West Yorkshire level

The council manages its contribution to the city resilience risks taking into account both national and regional considerations. Risk management at a West Yorkshire level is informed by the National Risk Assessment and

National Resilience Planning Assumptions: the former assesses the major threats and hazards the UK could face; the latter distils the main consequences of the risks and provides guidance to inform the activities of emergency planners such as the council. The National Risk Assessment 2016 has been published and is being used to inform a review of the West Yorkshire Community Risk Register.

The West Yorkshire Community Risk Register is key to identifying resilience risks that may impact on the city. This register forms the basis of multi-agency emergency planning and is used by the WYLRF and its partner organisations to review the risks to ensure that they are being appropriately managed. Identified and assessed risks are channelled into work programmes undertaken by the WYLRF and its partner agencies (including the council) to determine the most effective means of managing the risk. The risk register is used to inform this corporate risk on City Resilience.

Planned events

For planned events in Leeds (local galas, sporting or music events), arrangements to mitigate any issues are considered through the Safety Advisory Group. This more formal approach to event safety that has been developed facilitates a multi-agency and partner organisation assessment of event management plans and associated arrangements offering advice to event organisers to support them in delivering a safe and successful event. The Safety Advisory Group has been meeting on a regular basis for over 12 months and fully supports the Best Council Plan breakthrough project 'world class events and a vibrant city centre that all can benefit from'.

If the risks cannot be mitigated through prevention, the focus shifts to development of more formal response arrangements. Such arrangements include development of documented response plans and procedures, securing response-based equipment, provision of training and exercising and advance notification of events to partners, businesses and the public to inform local business continuity planning.

Directorate Resilience Groups

Within the council, each directorate has a Directorate Resilience Group which meets regularly. The overall aim of each group is to raise awareness of emergency and business continuity planning across the directorate and to further their ownership of and contribution to the council's emergency response. The Directorate Resilience Groups undertake the following activities:

- Reviewing risks and progressing new areas of emergency planning work, particularly in the areas and communities that are relevant to the respective directorate.
- Contributing to testing and exercising using scenarios that relate to the directorate.
- Bi-annual reporting of progress and issues with their respective directors who have accountability for emergency planning.

Leeds Alert

The council uses Leeds Alert, a warning and informing system to which businesses and organisations can register. The system, launched in 2012, has over 1,200 registrations. Messages are issued via SMS text and/or e-mail and provide advance warning of planned events and emergency incidents in the Leeds area which have the potential to cause disruption. The Leeds Alert Twitter account @leedsemergency has over 6,400 followers and is used to communicate more public facing warning and informing messages.

What more do we need to do?

Work is continuing to strengthen our joint, multi-agency working arrangements with responder organisations in the city. This is being driven by the Joint Emergency Services Interoperability Principles (JESIP) which has been expanded to all Category 1¹ responders (which includes local authorities). There are regular training and exercising opportunities to support a greater understanding of each agencies capability and to develop a multi-agency response. The West Yorkshire Local Resilience Forum is leading on facilitating such joined-up working and it remains important that any opportunities continue to be exploited.

Evidence of the council's commitment to joint working continues to be evidenced via the council's attendance at and contribution to West Yorkshire Local Resilience Forum groups and sub-groups. Attendance at and input into meetings ensures that the council continues to play a constructive and shaping role in the West Yorkshire Local Resilience Forum.

The lessons to be learned from recent incidents and exercises continue to inform development of both the council's planning and response capabilities and that of partner organisations. Ongoing developments to enhance city resilience include:

- Review and revision of the council's Emergencies Handbook. This is now identified as the Leeds City Council Emergency Management Plan and contains a suite of templates including roles and responsibilities, action cards, checklists and example agendas for each tier of command. The plan includes a greater focus on a multi-agency response. The review was informed using the lessons to be learned from December 2015's Storm Eva.
- Piloting access to the Emergency Management Plan via mobile devices. A small pilot to test the technical solution has been successfully completed – a wider pilot is to be arranged.
- Development of Resilience Direct is making good progress and is the government preferred system for sharing information between responder organisations. This will support a multi-agency response through use of a common set of report templates and access to files and mapping created by other responders.
- Reviewing the impact of the Contact Centre reducing its out of hours cover and the arrangements required to ensure that out of hours on-call arrangements remain adequate and sustainable to be able to continue to respond to major and other incidents.
- Further development of the Safety Advisory Group Web pages containing good practice guidance for event organisers.
- Development of the Leeds Outbreak Plan for infectious disease outbreaks is currently in early draft awaiting the publication of national guidance to inform final development.
- Delivery of counter terrorism 'Stay Safe' briefings to organisations and business partners in Leeds continues.
- Improving the environment in the city centre is progressing with the City Centre Vehicle Access Scheme Phase 1 aiming to be delivered by Christmas 2017 subject to funding and final design. This will enforce existing vehicular access regulations improving the environment and safety for the public in the main commercial areas of the city.
- A generator is being procured for the Emergency Control Centre located beneath the Town Hall. This is being driven by the lessons learned from Storm Eva when a power outage added extra challenge to the council's response to the flooding. The generator will also provide additional resilience when the Emergency Control Centre is used as a control centre for major events in Leeds such as the World Triathlon Series.

¹ The Civil Contingencies Act (2004) divides local responders into 2 categories, imposing a different set of duties on each. Those in Category 1 are organisations at the core of the response to most emergencies: the emergency services, NHS bodies and local authorities.

The lessons to be learned identified from recent incidents and planned events show that developing greater city resilience is a continuous process informed through experience of dealing with incidents and events in conjunction with partner organisations. For example recent events such as the motorcycle 'ride-out' and 'tent-city' protests both creating disruption to varying degrees in the city have provided partner agencies with the learning to be better prepared to deal with similar events in the future. It is important that these lessons continue to be learned and actions plans developed as needed so that citizens and businesses in Leeds can be assured of an effective council and partner response in the event of a significant incident occurring.

Further information

Please click [here](#) to view the range of city resilience information for businesses and the public available on the council's website.

The West Yorkshire Police website contains details of the [West Yorkshire Resilience Forum](#) and also the [West Yorkshire Community Risk Register](#)

Council Resilience Corporate Risk Assurance

Overview

Leeds City Council has a legal responsibility under the Civil Contingencies Act 2004 to have arrangements in place to maintain critical services in the event of an emergency, particularly those functions that are important to the health, welfare and security of the community. The council does this through an organisational-wide Business Continuity Programme. Given the cross-cutting nature of this risk and its potential impact on every council service, managing this risk supports the delivery of all our Best Council Plan outcomes and priorities.

Corporate risk: Council resilience				
Risk description	Risk of significant disruption to council services			
Accountability (Risk owners)	Officer	Director of Resources & Housing		
	Member	Councillor J Lewis, Deputy Leader and Executive Member for Resources & Strategy		
Evaluation		Probability	Impact	Overall rating
	Current	3 (possible)	5 (highly significant)	Very high (red)
	Target	2 (unlikely)	4 (major)	High (amber)

The Civil Contingencies Act 2004 made it a statutory duty for all councils to have in place arrangements to be able to:

- Continue to deliver critical aspects of their day-to-day functions in the event of an emergency if the impact on the community is to be kept to a minimum;
- Continue to perform ordinary functions that are important to the human welfare and security of the community and its environment; and
- Assess the resilience of organisations that the council relies on, or delivers services through.

To help the council achieve and maintain compliance with the Civil Contingencies Act 2004 and its statutory duties, a centrally managed Business Continuity Management (BCM) Programme was established. The programme co-ordinated development of plans for the response and recovery of council services in relation to disruptive events and was aligned to the good practice guidance contained within ISO 22301 ‘Business Continuity Management System Requirements’. The Business Continuity Programme was successfully delivered in September 2015. The programme was fully supported by the council’s Corporate Leadership Team and reported through the Corporate Governance & Audit Committee. Since completion of the programme, business continuity (including the annual review process) is centrally co-ordinated by the Resilience & Emergencies Team.

What are the risks?

The corporate risk relates to significant disruption to council services and failure to effectively manage emergency incidents. The risks or threats to council services come from a wide range of sources including severe weather, industrial action, pandemic outbreak, flooding, fire, utility failure, ICT outage and supply chain failure. However, regardless of the source, the impact will generally be on the council’s people, premises, ICT and suppliers and providers of goods and services. By focussing on the impact, the consequences of the disruption on critical services can be assessed and business continuity plans developed to document what needs to be done to protect the service should a disruptive or emergency incident occur.

Risk management

How the council is managing the risks

The corporate risk focuses on the following 4 key areas:

1. The first relates to business continuity and the risk that our arrangements for council resilience prove inadequate.
2. The second specifically relates to industrial action because of its potential to cause wide-spread disruption to council services and the city.
3. The third specifically relates to ICT due to the high dependency of all council services on the ICT infrastructure.
4. The fourth relates to the risk that emergency/contingency planning arrangements across the authority are inadequate.

Underpinning the four risk areas is senior management level support and directorate engagement. The Corporate Governance & Audit Committee and the Corporate Leadership Team provide support from the top by promoting and progressing emergency and business continuity planning across the council. Specific arrangements to manage each of the four risk areas are set out below.

1. Business Continuity Management (BCM)

Business continuity management covers arrangements to maintain or recover council services to 'business as usual' following a disruptive event. Council services requiring Business Continuity Plans are those assessed as being most critical and are identified through completion of a Business Impact Analysis. There are currently 78 services identified as most critical.

Business Continuity Plans are subject to an annual management review which ensures that the content remains up to date. Development of Business Continuity Plans is also informed by the experiences and lessons to be learned from incidents and exercises. Directorate Resilience Groups oversee and contribute to the implementation of business continuity and emergency planning arrangements and have an important role to play in ensuring that Business Continuity Plans are maintained and exercised.

Exercising is key to testing business continuity and emergency plans. Business Continuity Plans are exercised locally (responsibility of local management) to test whether the desired result can be achieved when the plan is put into effect.

Exercises can be completed on individual service plans, or covering several service plans simultaneously through scenario-based exercising. This provides the opportunity for managers to consider how the council's critical services might respond as well as checking that services can be maintained during an incident. An example of an individual service area exercise during 2016 was to test the Assisted Living Leeds Business Continuity Plan which had been completely reviewed and revised post Storm Eva. Exercises covering several services are co-ordinated by the Directorate Resilience Groups (DRGs).

Opportunities also exist for council services to test local plans and arrangements by participation in multi-agency 'themed' testing. Multi-agency exercises are arranged through the West Yorkshire Local Resilience Forum, or by individual partner agencies. Multi-agency exercises during 2016 include Exercise Tempus (a scenario relating to a wide area response to flood alerts and warnings), Exercise Leyland (a CBRN ¹mass casualties scenario) and Exercise Linus (a chemical contamination scenario all of which had representation from the council) playing into the exercise. There are further exercises scheduled throughout 2017.

¹ Chemical, biological, radiological and nuclear

Some council services have a key dependency on external suppliers or commissioned service providers to deliver front line services. It is important to obtain assurance that the commissioned service providers are sufficiently resilient. Adult Social Care services complete this through assessment of commissioned provider business continuity plans. Other service areas obtain assurance in line with the council's procurement contract terms and conditions.

Under the requirements of the Civil Contingencies Act 2004, local authorities are required to provide BCM advice and guidance to business and voluntary organisations. This is achieved by the council's hosting of the Leeds Alert/Business Continuity Network Events. The events, held twice a year, invite representatives from businesses and organisations in the Leeds area registered with Leeds Alert to attend and hear presentations from a range of guest speakers. Recent events have had a focus on cyber security but have also included a range of diverse presentations including stress in the workplace and environmental resilience (waste/recycling).

2. Industrial Action

The council's HR service manages a documented procedure for council-wide multi-discipline response to industrial action. The procedure provides a joined-up approach for all council services involved in managing the impact of industrial action and has been developed using documentation and learning captured from previous industrial action events.

Where industrial action is planned by external organisations, the impact on the council's services and functions is assessed and the council's most critical services are notified, advising them to plan for any disruption that might occur - a recent example is the Northern Rail train conductors' strike which would have impacted on some council staff travel arrangements to and from their place of work.

Senior management teams are also updated to ensure all potential implications are considered and to cascade communication to staff making them aware of the situation. Manager guidance is issued to ensure that a consistent approach is taken.

3. Digital & Information Service (formerly ICT Services)

The service has a suite of business continuity plans which as a minimum address:

- Invocation of the required response/recovery and deployment of resource;
- Accessing back-up data;
- Restoration of data, information services, communications and support; and
- Recovery of the council's ICT infrastructure, for example in the event of a major cyber-attack (the recent 'global' cyber-attack affecting mainly health services in the UK in May 2017 did not have any impact on the council's systems).

Collaboration is encouraged between council services developing business continuity arrangements and the Digital & Information Service to ensure that recovery timescales meet the needs of the service. When developing Business Continuity Plans, council services are always advised to consider how they would maintain a service without access to any ICT over a prolonged period.

The Digital & Information Service maintains a schedule for regular testing of key council applications and systems. The schedule is managed via a calendar of testing and includes the outcomes of the test completed.

The Digital & Information Service has appointed a Cyber Assurance & Compliance Manager. A new corporate risk 'Major Cyber Incident' has recently been approved by CLT and will be discussed with DRGs to reinforce the need to develop robust arrangements for loss of ICT in Business Continuity Plans. (More information on the management of cyber risk is further below in this report.)

4. Inadequate Emergency/Contingency Planning Arrangements

The council has a strong commitment to developing and implementing emergency and business continuity planning arrangements. This council commitment is demonstrated in the following ways:

- A corporately agreed Emergencies and Business Continuity Policy and accountability structure;
- A ready supply of response-based equipment and ability to use council assets to respond to an incident;
- Strong governance arrangements across all identified capabilities;
- Work programmes at national, sub-regional, local and internal level;
- A range of emergency and business continuity plans maintained and validated through annual review and/or exercising; and
- Mechanisms in place to meet statutory duties and demonstrate compliance.

What more do we need to do?

Work is continuing to strengthen council resilience, whether emergency planning, or business continuity. Key to strengthening council resilience is the work of the Directorate Resilience Groups who know and understand the directorates' response capabilities and how best to deploy resources in the event of an emergency or major disruption.

Lessons to be learned from recent incidents and exercises continue to inform development of council preparedness and resilience whilst sharing of experiences and knowledge through working closely with partner organisations provides important learning. Ongoing developments to enhance council resilience include:

- Directorate Resilience Groups continuing to improve their role in developing, maintaining and taking ownership of council resilience and business continuity arrangements. This includes the development of their own work plans and the implementation of lessons to be learned from incidents and exercises.
- Directorate Resilience Groups continuing to identify new threats and risks and to prepare and plan directorate capabilities to be able to respond in the event that such threats and risks are realised.
- The council continuing to develop and participate in exercises (both council and multi-agency) to support learning. Exercises provide a safe opportunity to develop competencies and awareness and identify areas for improvement.
- Continuing to roll out alternative fuel/electric powered vehicles into the council's fleet, providing new contingencies in the event of a disruption to fuel supplies. Alternative fuel/electric vehicles can be deployed to maintain critical services in the event of a fuel shortage.
- Continuing to deliver counter terrorism 'Stay Safe' briefings, helping to keep staff alert, aware of and how to report suspicious activity as well as being able to react in the event of a terrorist attack. Development of 'Stay Safe' pages on InSite, the council's Intranet site, is to be progressed.

Further information

The Business Continuity Management Toolkit developed for use by council services can be accessed by staff on the Intranet site: Toolkits – Managing a service.

The Business Continuity Institute's website provides further details and can be accessed [here](#)

Financial Management Corporate Risk Assurance

Overview

The ongoing challenge of reshaping and delivering council services within significantly reduced funding levels remains a significant risk in both the short- and medium-term and so we have two corporate risks on this: one that considers the in-year risk, and another around the medium term-budget. A key priority for the authority is to deliver our financial strategy, without which, delivery of all the Best Council Plan outcomes and priorities could be threatened.

From 2013/14 the government has made major significant changes to the funding arrangements for local authorities, moving from a needs-based system that recognised demands and resources to a primarily incentive-based system where funding has become increasingly dependent upon the capacity to achieve housing and business rates growth. At the same time, the national council tax benefit scheme has been replaced by a system which gives greater local discretion but for which funding from government has been reduced.

Corporate risks: financial management				
Accountability (Risk owners)	<i>Officer</i>	Director of Resources and Housing		
	<i>Member</i>	Councillor J Lewis, Deputy Leader and Executive Member for Resources and Strategy		
Corporate risk: in-year budget				
Risk description	Council's financial position goes 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			
Evaluation		<i>Probability</i>	<i>Impact</i>	<i>Overall rating</i>
	<i>Current</i>	3 (possible)	2 (minor)	Medium (yellow)
	<i>Target</i>	1 (rare)	2 (minor)	Low (green)
Corporate risk: Medium-term budget				
Risk description	Failure to address medium term financial pressures in a sustainable way			
Evaluation		<i>Probability</i>	<i>Impact</i>	<i>Overall rating</i>
	<i>Current</i>	2 (unlikely)	3 (moderate)	Medium (yellow)
	<i>Target</i>	2 (unlikely)	3 (moderate)	Medium (yellow)

Introduction

The 2017/18 financial year is the second 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 since 2010 but the budget for 2017/18 requires the council to deliver a further £82m of savings.

The council continues to make every effort possible to protect the front line delivery of services, and whilst we have been able to successfully respond to the financial challenge so far, 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.

The report to Council in February 2016 'Best Council Plan 2016/17 proposals' - explains how this will be done: that, while continuing its programme of efficiencies, the council needs to work differently, to keep evolving and innovating in terms of what it does and how it does it, exploring different service models and greater integration with other organisations and skilling up staff to grow their commercial and business acumen.

Although councils have a legal duty to set a balanced budget (taking account of any use of reserves; they cannot budget for a deficit position), there are clearly strong organisational reasons for ensuring that we have in place sound arrangements for financial planning and management. The budget, as well as a means of controlling spending within the available resources, is also a financial expression of the council's policies and priorities. Whilst this can simply be seen as an annual exercise, there is a recognition that this needs to be set within a context of a medium-term financial strategy. This is all the more critical given the financial challenges that we are facing.

What are the risks?

Failure to adequately plan, both longer term and annually and to manage the budget in-year carries a number of specific risks:

- Not able to set a legal budget by the due date;
- That the budget does not reflect council priorities and objectives;
- That the budget does not adequately resource pressures and increases in demand;
- That the budget includes savings which are not deliverable;
- That unplanned or reactive measures would be needed in-year to deliver savings;
- That the council falls into negative reserves or that reserves are used impacting upon the medium-term financial strategy;
- That the Section 151 officer¹ exercises statutory powers and restricts or stops all spending;
- Should the audit of the council's Statement of Accounts contain damaging comments, this could potentially result in increased audit and government inspections;
- That there may be an adverse impact on staff morale if working in a challenging budget climate; and
- That the council's reputation may be damaged.

As a result of the UK's 2016 EU referendum, the country faces a period of political, fiscal and economic uncertainty. There are likely to be implications for the national and local economy with consequent impact on the council's financial risks. Whilst it is too early to assess potentially wide-ranging implications, the following risks² need to be considered:

- The potential for increased cuts in core government funding alongside possible increase in demand for council services.
- Rising inflation could lead to increased costs.
- Uncertainties around the cost of financing the council's debt.
- Economic uncertainty impact on business rates and housing growth, with knock-ons to council tax, new homes bonus and business rate income.
- The general uncertainty affecting the financial markets could lead to another recession.
- An uncertain economic outlook potentially impacting on levels of trade and investment.

¹ The Local Government Act 1972 (Section 151) requires that an employee of the council is recognised as the responsible financial officer. In Leeds City Council that officer is the Chief Officer Financial Services.

² Please also refer to the Brexit update report for consideration by Executive Board 17th July 2017.

- Interest rate volatility impacting on the council's debt costs.

The ongoing management of the council's financial risks will need to take these – and possible impacts on partner organisations' funding - into account. Our service and financial strategies will be continually kept under review to keep track of developments with these risks.

Risk management

How the council is managing the risks

The duties of the council's Section 151 officer are crucial in how we manage these risks. These duties include:

- To report to Council on the robustness of the estimates and the adequacy of financial reserves;
- Certifying that the accounts are a true and fair view of the council's financial position; and
- Ensuring that the council's financial systems accurately record the financial transactions; enable the prevention and detection of inaccuracies and fraud and ensure risk is appropriately managed.

Financial management within the council, both corporately and within directorates, is delivered by colleagues who are professionally and managerially responsible to the Chief Officer Financial Services (the Section 151 Officer).

Financial risks are managed through key duties including strategic financial planning, budget preparation and setting, in-year budget monitoring, closure of accounts and audit inspections. A summary of each is provided below.

1. Strategic Financial Planning

As part of the 2016/17 financial settlement, government set out an offer of a four-year funding settlement for the period 2016/17 to 2019/20 to any council that wished to take it up. Government states that as part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and to support strategic collaboration with local partners; local authorities should also use their multi-year settlements to strengthen financial management and efficiency. Government is making a commitment to provide central funding allocations for each year of the Spending Review period, should councils choose to accept the offer and on the proviso that councils have published an efficiency plan. In September 2016 a report recommending acceptance of the Government's offer of a four year settlement was agreed at Executive Board.

This, in turn, not only informed the 2017/18 budget that was agreed at full Council in February 2017 but it will also be in the determination of the Medium-Term Financial Strategy 2018/19 – 2020/21 (reported to Executive Board July 2017).

2. Budget Preparation and Setting

The process of compiling the revenue (day-to-day) budget starts soon after the budget-setting of the previous year and runs through to the approval of the budget by Council. There are numerous tasks, checks and approvals involved in setting the budget and these include:

- Review of budget proposals by finance staff, CLT (Corporate Leadership Team – the council's senior management team) and Executive Board (the principal decision-making body of the council).
- Agreement of initial budget proposals by Executive Board and submission to Scrutiny.
- With limited resources, it is inevitable that elements of the budget will depend upon actions which have yet to happen, or upon assumptions that in reality may vary from those assumed at budget setting. As such, an

important element of the budget process is an assessment of the adequacy of general reserves which takes into account an assessment of the risks related to the budget estimates.

In terms of the capital (spending on assets) budget a five-year programme is prepared. The programme is constrained by the same funding reductions as the revenue (day-to-day spending) programme as ultimately where capital schemes are funded from borrowing, this needs to be repaid from revenue. The level and type of borrowing is determined before the start of the year and a limit set in accordance with CIPFA's (Chartered Institute of Public Finance & Accountancy) Prudential Code. Any in-year revisions need to be approved by Council.

3. In-Year Budget Monitoring

Revenue budget monitoring is a continuous process which operates at all levels throughout the council. Although directors are ultimately responsible for the delivery of their directorate budget, operationally these responsibilities are devolved to budget holders across the various services. A new Budget Accountability Framework was launched in May 2015 that brings together budget information into a central source, with clear articulation of roles and responsibilities.

Financial monitoring, facilitated by the council's Financial Management System (FMS), is 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. Financial monitoring operates on a hierarchical basis, whereby the monthly projections are aggregated upwards to be reviewed by Chief Officers and Directors. The projections for the strategic accounts and for each directorate are submitted to the Chief Officer Financial Services and the Corporate Leadership Team and are reviewed and challenged by the corporate Finance Performance Group. The projections are then reported monthly to the Executive Board and quarterly to relevant Scrutiny Boards.

The Capital Programme is closely monitored and quarterly updates are presented to Executive Board. In order to ensure that schemes meet council priorities and are value for money the following processes are in place:

- New schemes will only take place following approval of a full business case and identification of required resources;
- Promotion of best practice in capital planning and estimates to ensure that they are realistic;
- The use of unsupported borrowing is based on individual business cases and the source of revenue resources to meet the borrowing costs is clearly set out.

One of the main risks in developing and managing the capital programme is that there are insufficient resources available to fund the programme. A number of measures are in place to ensure that this risk can be managed effectively:

- Monthly updates of capital receipt forecasts are prepared, using a risk-based approach, by the Director of City Development;
- Monthly monitoring of overall capital expenditure and resources forecasts alongside actual contractual commitments;
- Quarterly monitoring of the council's VAT partial exemption position to ensure that full eligibility to VAT reclaimed can be maintained;
- Provision of a contingency within the capital programme to deal with unforeseen circumstances.

Budget risks are reviewed each month, with key risks included within the Financial Health Monitoring reports to Executive Board and overarching strategic risks included in the corporate risk register.

4. Closure of Accounts

Getting our accounts produced on time and without audit qualification is important to ensure that we can properly account for the resources we have used during the year and that we understand the council's financial standing. The Chief Officer Financial Services is responsible for the closedown process, reviewing both the accounts themselves and the processes used to compile them, before certifying signing them as a true and fair view. Alongside the budget monitoring process, significant accounting decisions are referred to the external auditors (currently KPMG) for review by their technical accounting team to ensure compliance with applicable accounting standards.

5. Audit and Inspection

The council's external auditors provide members with independent assurance that, in their opinion, the accounts reflect a true and fair view of the council's financial position, that they comply with proper accounting practice and that the council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Internal audit also undertakes a number of reviews of our financial planning and monitoring arrangements.

At their meeting of the 24th June 2016, the council's Corporate Governance and Audit Committee (CGAC) received the Internal Audit Annual Report and Opinion for 2016/17 which is of relevance to the financial risks. The report provided an overall conclusion that, on the basis of the audit work undertaken during the 2016/17 financial year the internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice. There are no outstanding significant issues arising from the work undertaken by internal audit.

What more do we need to do?

The scale of the financial challenge for 2018/19 and 2019/20 were detailed in the Medium Term Financial Strategy that was received at Executive Board in September 2016. This strategy is currently being refreshed to encompass the financial year 2020/21 which is significant not only because this is the first year after the Government's four year settlement but it could also be the first year in which the Council retains 100% of all business rates collected.

The updated Medium Term Financial Strategy will be considered by the Executive Board in July 2017. Key risks that will have to be taken account of include economic uncertainty, demography and demand, business rate receipts, interest rate volatility and the ability to generate capital receipts.

Details are still emerging about how and when the implementation of 100% business rate retention will be implemented and the General Election called for June 2017 could delay this process.

The current and future financial climate represents a significant risk to the council's priorities and ambitions, and whilst we have been able to successfully respond to the challenge to date, it is recognised that we do need to continue to develop our approach to medium-term financial planning beyond just identifying likely budget gaps to encompass a greater recognition of priorities and areas for disinvestment. This work is already underway through our medium-term financial planning, but given the scale of the challenge, it is clear that it will need to be subject to regular review as to progress, and to ensure that it remains dynamic whilst aligned to our Best Council Plan priorities.

Further information

Additional information is available on the council's website through the following pages:

- [Our financial plans](#)
- [Our financial performance](#)

Information Safeguarding Corporate Risk Assurance

Overview

Information is an asset like any other; we need it to do business and without it, business would stop. We need to manage information just as we do our other assets: our people, buildings and relationships with partners, which means that we can effectively manage the risks to our information assets whilst also maximising opportunity and value from them. Getting things right with information produces better quality information and delivers it to the right people at the right time. This allows service quality to be maintained or improved and assists in the identification of opportunities. However, the most significant risk associated with a failure in information safeguarding is death or serious harm that could have been prevented if data and information had been properly managed and disclosed.

All our services depend upon effective management of data and information and so, as with the wider risk on Council Resilience and other cross-cutting risks, managing the risks relating to information safeguarding supports the delivery of all our Best Council Plan outcomes and priorities.

Corporate risk: Information safeguarding				
Risk description	Risk of harm to people, partners or the council from wrongful disclosure, theft or damage to information held.			
Accountability (Risk owners)	<i>Officer</i>	Director of Resources and Housing		
	<i>Member</i>	Councillor J Lewis, Deputy Leader and Executive Member for Resources and Strategy		
Evaluation		<i>Probability</i>	<i>Impact</i>	<i>Overall rating</i>
	<i>Current</i>	3 (possible)	3 (moderate)	High (amber)
	<i>Target</i>	2 (unlikely)	2 (minor)	Low (green)

Introduction

The main characteristics of information held by the council are summarised below:

- Personal information relating to individuals – name, address, phone number etc.
- Personal sensitive information relating to individuals – racial or ethnic origins, physical or mental health etc.
- Commercially sensitive information such as legal and financial details
- Internal information on council employees, services and operations
- External information relating to the citizens and business users of Leeds

The format of information held by the council covers both electronic and hard copy files, including social care files, legal and contractual documents, invoices, council tax and business rates records and correspondence.

What are the risks?

Failure to manage personal information properly could ultimately cause death, harm or significant distress to individuals. Along with not managing commercially sensitive information properly, the implications for the council could include reputational damage, loss of public confidence and fines. Due to the wide ranging nature of the information safeguarding risk, it is closely linked to other corporate risks managed by the council around Council Resilience, Major ICT failure and Cyber Security.

Failing to manage its information properly can also be a root cause of non-compliance with the council's legal duties, including human rights law, confidentiality, service specific legislation (adoptions law, children's law, Council Tax law, etc.) and access to information.

Risk management

How the council is managing the risks

The existing arrangements in place to manage the information safeguarding risk include:

- Policies and procedures for council staff including the Information Governance Policy
- A wide range of guidance about managing information available to council staff on the internal Intranet site
- Mandatory training for council staff on information management
- Staffing roles and responsibilities reflecting information management
- Reporting to Boards e.g. the Corporate Leadership Team, the Information Management Board and directorate management teams
- Reviews and inspections (internal and external)

The range of activities undertaken by the council to manage the information risks in 2016/17 and beyond includes:

Overall arrangements for Information Management and Governance Assurance

The council has a newly appointed Senior Information Risk Owner (SIRO), from the 1st April 2017 when management arrangements in the council changed at the senior level: the SIRO is now the Director of Resources and Housing. The SIRO is supported by the Chief Digital and Information Officer who has delegated decision-making powers for information governance. The Chief Digital and Information Officer chairs the council's Information Management Board which ensures good standard information management practice is embedded into business processes, and information standards and policy are fit for purpose and kept up to date. Decisions made at the Information Management Board are effectively communicated across the council through the Information Management and Governance Team.

The Director of Adults and Health is the council's Caldicott Guardian. This is a strategic role responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information sharing across Health and Social Care.

Over the last 12 months the provision for how information governance is managed across the council has been re-structured. The new role of Head of Information Management and Governance has been established to oversee the effective underpinning of the Council's operations in the following areas:

- Compliance and Cyber assurance³
- Information Risk Management
- Information Quality
- Information Access Law, including Request Management
- Arrangements for lawful disclosure of none public information
- Open Data

This role also directly provides line management and leadership to four Information Governance leads and Information Governance teams across the Council.

³ Please refer to the section on Cyber risk management further below in this report.

Information Access and Compliance

Information legislation provides rights for citizens to access information held by the council. The need to be able to locate and retrieve information is essential, both to enable the council to operate effectively and efficiently and to respond to information requests within the statutory timescales prescribed.

A team of Information Practitioners ensure that all requests for information to the council are processed and dealt with according to respective legislation and within statutory timescales, and handle complaints from citizens and enquiries from the Information Commissioner's Office (ICO). The ICO monitors the performance of all public authorities to ensure that they are compliant with legislation. The ICO's monitoring threshold for Freedom of Information (FOI) requests is that an organisation should be processing 85% of its requests within the statutory 20 working day time limit. The monitoring threshold for Subject Access Requests (SARs) is that an organisation should be processing 90% of its requests within the statutory 40 calendar day time limit. The council is currently meeting both of these thresholds.

The council has established a strategic working group which is in the process of conducting a personal data audit across the council to fully understand how services handle personal data and where there might be an impact. Existing resources such as the Information Asset Register and Applications Portfolio will be used to support other ongoing work streams.

Reporting arrangements

The Corporate Governance and Audit Committee receive detailed annual reports on information governance (most recently at its 7 April 2017 meeting; the report is publicly available on the council's website).

What more do we need to do?

Overall arrangements for Information Management and Governance Assurance

The General Data Protection Regulation (GDPR) will replace the current Data Protection Act 1998, and will pass directly into EU Member State law taking effect from 25th May 2018. The rules are designed to give citizens across the EU control of their personal data and to create a high, uniform level of data protection across the 28 member states, fit for the digital era. The Regulation imposes new and significantly more stringent requirements for the handling of personal data on all organisations which use personal data.

Many of the GDPR's main concepts and principles are much the same as those in the current Data Protection Act so much of the council's current approach to compliance will remain valid under the GDPR and can be the starting point to build from. However, there are new elements and requirements so there will be some significant work to deliver to ensure the council is compliant with the new Regulation. These requirements will affect all parts of the council which handle personal or personal sensitive data.

Information Access and Compliance

There is an embedded Information Security Incident Management and Reporting process across the council, which is coordinated by Information Compliance Officers. Since the ICO's audit in 2013, the council has a continued improved record and not experienced any incidents which have required involvement by the Information Commissioner. The Information Security Incident Management and Reporting procedure is currently being reviewed as one of the work streams under the GDPR Strategic Working Group's agenda, as GDPR will require changes to process; including the reporting of a breach to the ICO within 72 hours if there is a risk to an individual.

Staff awareness and training on information governance remains an important and integral part of the council's information strategy and is delivered through a series of training programmes. The Level One training is mandatory

to all staff and is provided every two years. The latest version was launched in June 2016 (92% of council staff so far have accessed it) and the next version which will be delivered in 2018, incorporating any changes under the new GDPR. An Information Governance training and awareness programme for elected members is also currently being delivered to ensure councillors understand basic information governance practice around information security and information sharing.

Records Management

Following the ICO audit in 2013 the council prepared and is delivering against a project plan to implement an Information Asset Register (IAR) and appoint Information Asset Owners (IAO's). The project plan has been approved by the council's Information Management Board, and is set out in a number of phases.

- Phase one of the plan was completed in December 2016 and has ensured that all directorates have identified their assets and nominated IAOs at a Head of Service level. This information is published on the IAR.
- Phase two will strengthen existing arrangements and will embed the role of IAO further. By consolidating all the information in relation to each asset into one single source, this will enable IAO's to ascertain any risks associated with their information assets. Throughout this phase of the project training materials will be reviewed and refreshed and delivered to all IAO's via a training programme to embed the role and ensure awareness about information risk management.

In conjunction with phase two, preparation work is underway to revise the procedure for reporting risks to information assets and notifying the SIRO about serious risks to the council.

Further information

- Additional information can be found on the [Information Commissioner's Officer \(ICO\)](#) website. The ICO is the UK's independent authority set up to [uphold information rights in the public interest](#), promoting openness by public bodies and data privacy for individuals.
- The council's Information Governance Policy can be accessed [here](#).
- Council staff can also find a range of information and guidance through the Managing Information Toolkit on Insite, our Intranet site, [here](#).

Major Cyber Incident

Overview

The Government has identified cyber-attacks as one of the biggest threats to UK security, along with war, terrorism and natural disaster (which are covered within our City Resilience risk). The creation of a top tier of those four risks puts information and system security at the heart of Government efforts to protect the UK's interests.

The council depends heavily upon its digital infrastructure to deliver its services via the use of data and information held within it. As with the Information Safeguarding risk (of which a cyber-incident is a source), there are a number of threats that need to be identified and managed. The digital infrastructure is under constant attack from accidental and malicious sources, from both inside and outside the boundary of our network. These attacks attempt to disrupt the confidentiality, availability and integrity of our information and could also bring our systems and applications to a standstill. Failure to prepare for and manage the risk of a major cyber-incident leaves the council exposed when under attack. Should a major cyber-incident occur (such as the global ransomware attack, 'WannaCry' that started on the 12th May 2017 followed by another global attack six weeks later dubbed 'Goldeneye' or 'Petya' and then an attack on UK parliamentary e-mail accounts) it could severely impact on the council's ability to deliver its services.

Corporate risk: Major cyber incident				
Risk description	Risk to citizens, the council and the city as a result of digital crime, process failure or peoples actions			
Accountability (Risk owners)	<i>Officer</i>	Director of Resources and Housing		
	<i>Member</i>	Councillor J Lewis, Deputy Leader and Executive Member for Resources and Strategy		
Evaluation		<i>Probability</i>	<i>Impact</i>	<i>Overall rating</i>
	<i>Current</i>	4 (probable)	3 (moderate)	High (amber)
	<i>Target</i>	2 (unlikely)	2 (minor)	Low (green)

Introduction

What are the risks?

The main risk to the council from a cyber-attack is the medium-long term unavailability of the council's electronic ICT systems required to deliver essential services. Depending upon the type of attack, the risks could range from inconvenience through loss of systems to theft of personal, health related or financial data. Specific risks and threats from a major cyber incident include:

- Theft, loss or unavailability of data.
- Deterioration of service delivery, ranging from slow internet connectivity to being unable to deliver services, or access any LCC ICT functionality.
- Inability to deliver our core services.
- Inability to access key networks such as the Public Services Network and Health and Social Care Network (N3) that are required to deliver services.
- Resource implications of corrective measures e.g. deployment of business continuity plans, high cost of staff time and the cost of significant IT upgrades in dealing with a cyber-incident. These will impact on the council's budget.

- Loss of systems will require activation of Business Continuity plans and a return to paper exercises which would increase costs and decrease agility and efficiency.
- The loss of data could result in fines from the Information Commissioner and lead to a greater level of scrutiny and regulation from the Government.
- Reputational damage, adverse publicity and the loss of stakeholder confidence in the council.

Risk management

How the council is managing the risks

The risk is managed through a wide range of controls covering both the human and systems aspects of the risk. The council owned controls include staff training and awareness; technical support from the Digital & Information Service; configuration of devices; compliance with industry standards and best practice and the use of firewalls and virus detection software in the network. However, as cyber-attack threats become more sophisticated, the council faces a constant challenge to keep its controls up to date and operating as intended. The council's preparedness against this risk is documented in a number of mandated standards which are shared with our partners.

A recent example of a major cyber-incident and how the council responded to it is detailed below:

- A global cyber-attack which started on the 12th May, only serves to highlight the delicate balance in which all organisations find themselves with regards to information security. The attack, described as 'the most devastating cyber-attack on British infrastructure ever', was made possible by a flaw in the 15-year-old Windows XP operating system, still operated by many organisations. Microsoft stopped routinely updating XP in 2014, and those still using it have to pay for custom support to receive any further 'patches'. Once the Microsoft became aware of the flaw (called 'WannaCry', they were quick to release a patch. However, because many customers were still using unsupported versions of XP, WannaCry rapidly infected a large number of systems when it first emerged. Microsoft then made its patch available to all XP users but many of those who didn't update immediately were caught out. The NHS was badly affected through its N3 network which connects all NHS sites. The virus also affected thousands of other organisations across the world, from telecoms, to banking and industry.
- The security arrangements and controls in Leeds City Council are of a significantly higher level than required in the NHS and as such, the council was relatively unaffected by the attack. Over the weekend that the attack took place, it was determined that 61 servers (out of 1,500) and 515 (out of 13,500) council user devices were in need of the corrective patch and emergency action was taken immediately to rectify this.

What more do we need to do?

Cyber-attack threats are becoming more sophisticated; the controls in place to manage the threats can quickly become outdated and ineffective. The council faces a constant challenge to keep its controls up to date and operating as intended.

The council is working towards becoming compliant with the Public Services Network (PSN) Code of Connection, a basic standard of information security. Work being undertaken by the council to achieve compliance is focused around these main areas.

- **Vulnerability management:** Operational ICT will form a virtual team to actively seek threat information and act upon them together to ensure vulnerabilities are closed or mitigated on the council's ICT estate. Change control will be tightened to prevent unauthorised alterations to live services. Downtime will be arranged with service areas to ensure timely patching of devices.

- **Access control:** The controls that allow a person on to the council's network will be enhanced. The technical password policy will be altered to mandate the use of a lengthy password, which need never be changed to discourage writing it down, but also encourage it not to be shared across other accounts. Accounts with special abilities will be reduced. The network will become 'intelligent' only allowing our own council devices to gain access. A second factor of authentication will be implemented across all our systems.
- **Network Segregation:** Our network is currently 'flat', meaning our users can access more servers than they should be able to. Should a similar attack as WannaCry infect our network, it would be difficult to prevent it from propagating. We will separate systems from each other and from the users by creating a boundary around the data centres.
- **'VPN always on':** Council devices are currently able to log on to some insecure networks, including home-networks, meaning that browsing may not be protected by council boundary controls. We will implement 'VPN always on' to ensure connections are always protected by encryption and prevent unauthorised and accidental infection from malicious code.
- **Unsupported software:** we will continue to work across council services and with third party vendors to drive out the use of unsupported and outdated devices and software.

Once the council has obtained compliance with the PSN Code of Connection, further work will be undertaken to achieve compliance with additional standards to ensure a high level of information security can be maintained, these include:

- Cyber Essentials - a government-backed, industry supported scheme to help organisations protect themselves against common cyber-attacks.
- The UK Government's Security Policy Framework - the standards, best practice guidelines and approaches that are required to protect UK government assets.

Further information

- The website of the National Cyber Security Centre (NCSC), helping to make the UK the safest place to live and do business online: [ncsc.gov.uk](https://www.ncsc.gov.uk)
- Useful infographics from the NCSC covering a range of cyber-topics including: Managing Information Risk, Password Guidance, 10 Steps to Cyber Security and Common Cyber Attacks: [NCSC Infographics](#)

Annexe 1: Leeds City Council’s Risk Evaluation Matrices

The tables below give guidance to risk owners on assessing risks on a scale of 1 to 5 in terms of their probability and impact, based on the current controls in place. Together, the two scores combine to give a risk rating. Additional notes to help make an assessment and the risk map used to determine the rating are provided below the tables.

Qualitative and quantitative descriptions are included to help evaluate a broad range of risks and give a level of consistency across the council’s risk registers. However, there may be additional criteria that risk owners want to consider when carrying out their risk assessments or it may be that the thresholds need to be adjusted up or down in an impact area such as finance / cost so the tables below should be treated as a starting point. As the risks will change (e.g. new information becomes available; the environment changes), risk owners will need to review their risk assessments frequently and adjust them as necessary.

Probability

Probability score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Probable	Almost certain
Frequency <i>How often might it / does it happen</i>	This will probably never happen / recur	Not expected to happen / recur	Might happen or recur occasionally	Will probably happen / recur but it is not a persisting issue	Will undoubtedly happen / recur, possibly frequently
Likelihood <i>Will it happen or not over the risk timescale</i>	Less than 5% chance	Around 10% chance	Around 25% chance	Around 60% chance	Around 90% chance

Impact

Impact score	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Major	Highly significant
Health & Safety <i>Impact on the safety and wellbeing of the public and staff</i>	No ill effects.	Short-lived / minor injury or illness that may require First Aid or medication. Small number of work days lost.	Moderate injury / ill-effects requiring hospitalisation. Risk of prosecution from enforcement agencies.	Single fatality and/or long-term illness or multiple serious injuries.	Multiple fatalities and / or multiple incidences of permanent disability or ill-health.
Environment / community	No effect on local infrastructure, communities or the environment.	Superficial damage to local infrastructure (e.g. minor road) but little disruption caused.	Medium damage to local infrastructure (e.g. minor road) causing some disruption.	Key elements of local infrastructure (e.g. school, major road) damaged causing major disruption.	Extensive damage to critical elements of local infrastructure (e.g. school, hospital, trunk road) causing prolonged disruption.
Service interruption¹	Negligible. No impact on services.	Minor inconvenience for service users and staff. Services quickly restored.	Some client dissatisfaction but services restored before any major impacts.	Major disruption to service delivery. This could be through a single event or a series of outages.	Massive disruption to services. Recovery difficult or even impossible.

¹ No timescales for interruptions have been given as the impact will vary from service to service and across the year. For example, a service interruption or outage of 1 day might be inconvenient for some services but critical for others. Equally, an outage of 1 day during the Christmas holidays might have no impact on many services but if this came at a particularly important time of the business cycle, it could cause significant issues. Services, particularly those deemed as ‘critical’ Council services, should consider their business impact analyses and business continuity plans when making this assessment.

Impact score cont.	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Major	Highly significant
Staff	No impact on staff or service delivery.	Short-term low staffing level that temporarily reduces service quality. No impact on staff morale.	Medium-term low staffing level / insufficient experienced staff to deliver quality service. Some minor staff dissatisfaction.	Late delivery of key objective / service due to lack of experienced staff. Low staff morale.	Non-delivery of key objective / service due to lack of experienced staff. Very low staff morale.
Finance / cost <i>Impact on relevant budget (e.g. service, project). Includes risk of claims/ fines.</i>	No or minimal financial cost. Financial value: £0 - £499k	Losses / costs incurred of 1-2% of budget. Financial value: £500 - £999k	Losses / costs incurred of 3-5% of budget. Financial value: £1000k - £1,499k	Losses / costs incurred of 6-10% of budget. Financial value: £1500k - £1999k	Losses / costs incurred of more than 10% of budget. Not covered by insurance. Financial value: Over £2m
Projects / Programmes <i>(Time / Cost / Quality – for Cost impacts see ‘Finance / cost’ above)</i>	Little or no schedule slippage. No threat to anticipated benefits & outcomes.	Minor delays but can be brought back on schedule within this project stage. No threat to anticipated benefits & outcomes.	Slippage causes delay to delivery of key project milestone but no threat to anticipated benefits / outcomes.	Slippage causes significant delay to delivery of key project milestone(s). Major threat to achievement of one or more benefits / outcomes.	Significant issues threaten entire project. Could lead to project being cancelled or put on hold.
Reputation <i>Adverse publicity</i>	No adverse publicity. Rumours.	Single adverse article in local media or specific professional journal that is not recirculated (e.g. through social media). Leeds City Council one of a number of agencies referred to.	A number of adverse articles in regional / social media mentioning Leeds City Council. Some recirculation via social media. Single request for senior officer / member to be interviewed on local TV or radio. Adverse reaction by Leeds residents in YEP / social media / online forums. Short-term reduction in public confidence.	Series of adverse front page / news headlines in regional or national media. Wider recirculation via social media. Sustained adverse reaction by Leeds residents in YEP / social media etc. Repeated requests for senior officer / member to be interviewed on local TV or radio. Long-term reduction in public confidence.	Sustained adverse publicity in regional media and / or national media coverage. Extensive / prolonged recirculation via social media channels. Repeated requests for Council Leader / Chief Exec. to be interviewed on national TV or radio. Possible resignation of senior officers and / or elected members. Total loss of public confidence.
Statutory duties / inspections	No or minimal impact or breach of guidance / statutory duty.	Minor breach of statutory legislation / regulation. Reduced performance rating if unresolved.	Single breach in statutory duty. Challenging external recommendations / improvement notice.	Several breaches in statutory duty. Enforcement action and improvement notices. Critical report. Low performance rating.	Multiple breaches in statutory duty. Prosecution. Complete systems / service change required. Severely critical report. Zero performance rating.

Additional notes

Probability

If the risk owner is not sure about the percentage chance of a risk happening over a given timescale and they don't have the data to assess its frequency, they should use the probability descriptors (i.e. 'Unlikely', 'Almost certain' etc.) to determine the most suitable score.

The risk timescale – i.e. the period of time during which the risk could materialise - will vary according to the type of risk it is. For example:

- For a financial risk, it might be expected to materialise over this financial year or over the period of the Medium Term Financial Strategy.
- For a project risk, it could be either over the whole of the project lifecycle or for a particular phase within the project.
- With regard to an event, the timescale will be from now until the date of the event.
- For a number of the more cross-cutting strategic risks such as those on the corporate risk register, it is likely that the risk could materialise at any time. In these instances, it would be useful to consider the frequency: e.g. has this ever happened in the past in Leeds and, if so, how often and how recently? Has anything changed to make the risk more likely to occur?

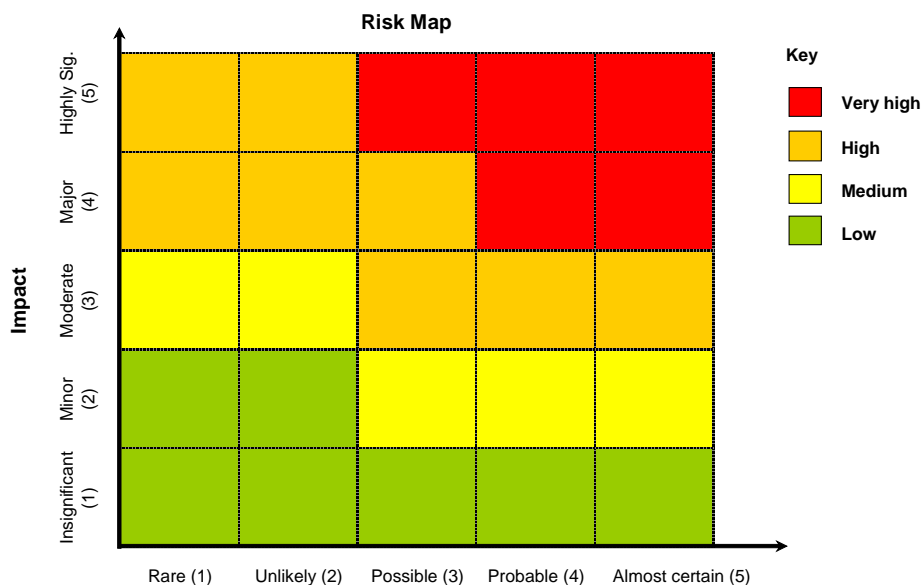
Impact

Many risks could have a range of consequences: for example, a Health & Safety breach could affect an individual as well as lead to reputational and financial damage for an organisation. It's therefore possible that risk owners assess the risk as having an impact of '3' using the Health & Safety impact, '2' for Finance and '4' for reputation.

Although the risk owner could break the risk down into several different risks covering all these areas and then score each of them to address the varying impact scores, often this can crowd a risk register and take the focus away from the actual risk 'event': i.e. the Health & Safety incident. Where possible, it's better to have 1 risk and use best judgement to give an overall single impact assessment score. In the example above, this might be a '3' if you were to average the 3 impact scores or '4' if you decided to go with a worst-case scenario.

Risk Rating

When the probability and impact scores have been assigned to each of the risks, the risk owner can plot them on a risk map to give the overall risk rating.





Report author: Steven Courtney
Tel: (0113) 37 88666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 21 July 2017

Subject: Best Council Plan Annual Performance (2016/17) and Performance Reporting

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. Maintaining an overview of the Council’s progress against its ambitions set out in the Best Council Plan was included as part of the Scrutiny Board’s draft work schedule for 2017/18. The attached Executive Board report looks back on performance during 2016/17 in delivering the ambitions, outcomes and priorities set out in the Best Council Plan.
2. The annual stocktake of performance is therefore presented for the Scrutiny Board’s consideration. The Scrutiny Board is also asked to consider future arrangements for considering progress against the priorities detailed in the 2017/18 Best Council Plan, agreed by Full Council on 22 February 2017. It should be noted that an annual report looking back on progress in delivering this 2017/18 Plan will be provided to the Executive Board in summer 2018.
3. In addition to the Best Council Plan Annual Performance Report, the Scrutiny Board is asked to consider other future performance monitoring arrangements. Considering the wide-ranging remit of executive functions within the terms of reference for the Scrutiny Board, it is recommended that instead of a single annual / biannual performance report covering all functions in scope, a series of programmed reports that enable the Board to focus on the performance in a particular area are instead brought across the municipal year. Suggested reporting areas include:
 - Finance (including council tax collection);
 - HR/workforce;
 - Equalities (in relation to the council’s performance);
 - Civic Enterprise Leeds;

- Procurement; and
 - ICT
4. In addition, a combined performance report incorporating Elections, Registrars and Local Land Charges could also be provided, as previously reported to the former Scrutiny Board (Citizens and Communities).
 5. Beyond these timetabled, regular reports, further performance reports will continue to be provided as required and when identified by the Scrutiny Board.
 6. In addition, the role of the Scrutiny Boards in maintaining oversight and seeking assurance across the range of functions within the Board's remit should not be considered in isolation. Indeed, performance in a number of functional areas relevant to the Scrutiny Board is already reported elsewhere and has not in the recent past also been reported to the Scrutiny Board (Strategy and Resources): for example, business continuity to the Corporate Governance & Audit Committee and licensing to Licensing Committee, Corporate Governance & Audit Committee and Full Council. It is proposed that these existing arrangements continue.

Recommendations

The Scrutiny Board (Strategy and Resources) is asked to consider the matters presented in this cover report and the appended Executive Board report. The Board is also asked to:

- (a) Consider the future arrangements for reviewing progress against the priorities detailed in the 2017/18 Best Council Plan, agreed by Full Council on 22 February 2017;
- (b) Consider the proposed approach to future performance reporting through a series of programmed reports during the remainder of the 2017/18 municipal year that each focus on a particular function(s) relevant to the remit of the Scrutiny Board; and
- (c) Identify and agree any other specific scrutiny actions that may be appropriate.

Background documents¹

There are no background documents.

¹ 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 Director of Resources and Housing

Report to the Executive Board

Date: 17th July 2017

Subject: Best Council Plan Annual Performance Report 2016/17

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. This annual report looks back on performance during 2016/17 in delivering the ambitions, outcomes and priorities set out in the Best Council Plan. It highlights the many achievements the council has made, working with partners across all sectors and with local people and communities.
2. The report links to a range of related council and partnership plans against which performance is regularly assessed and reported. These include the Leeds Health & Wellbeing Strategy, Safer Leeds Plan, Children & Young People’s Plan, Leeds Housing Strategy and emerging Leeds Transport, Culture and Growth Strategies. The report draws on data publicly available through the Leeds Observatory and Data Mill North and on important information from key bodies such as Scrutiny Boards, Community Committees, service management teams, external regulatory bodies and inspectorates and members of the public.
3. Independent assurance on the 2016/17 Best Council Plan and supporting strategies can be gained from the LGA-led peer review carried out in July 2016 which found that the council’s vision and ambitions are clear and well-articulated and there is a good level of self-awareness at strategic level which is evident in plans and strategies.
4. Significant progress has been made in delivering the 2016/17 Best Council Plan, though we recognise that more remains to be done to tackle the range of inequalities that persist across the city at a time of increased demand for council services, ongoing financial pressures and dynamic national policy context. These challenges – and how the council and its partners are responding - are explained in the 2017/18 Best Council Plan approved by Full Council on 22 February 2017.

Recommendations

Executive Board is asked to receive the draft annual performance report and note the progress made against the 2016/17 Best Council Plan. Also to note that further design work will take place and that some of the information included may change between this draft and the final design version being published as full-year results are finalised.

1 Purpose of this report

- 1.1 This report presents a year-end stocktake, looking back on performance in delivering the 2016/17 Best Council Plan. It provides a useful resource for elected members and staff to draw on to help 'tell the story of Leeds' confidently and consistently.

2 Background information

- 2.1 The Best Council Plan is Leeds City Council's strategic planning document. It sets out what the council, working in partnership, will do to deliver better outcomes across Leeds. It informs the council's budget setting and financial strategies and is an essential tool for planning and delivering services. It also helps our staff understand how the work they do makes a real difference to the people of Leeds and shows our partners how we contribute to citywide priorities.
- 2.2 Supporting the Best Council Plan are a range of council and partnership plans and strategies: these include the Children and Young People's Plan, Leeds Health and Wellbeing Strategy, Core Strategy, Safer Leeds Plan, emerging Leeds Growth Strategy and Transport Strategy and the council's Medium-Term Financial Strategy, Budget, Capital Programme and Equality Improvement Priorities.
- 2.3 In line with best practice, performance against all such supporting plans and strategies is considered by a wide range of stakeholders relevant to their roles and areas of interest: for example by partnership boards (such as the Children and Families Trust Board; Health and Wellbeing Board and the Safer Leeds community safety partnership), Executive Board (such as through breakthrough project progress updates), Scrutiny Boards, Community Committees, service management teams, external regulatory bodies and inspectorates (including Ofsted and the Care Quality Commission) and members of the public.
- 2.4 Performance against the Best Council Plan is monitored on an ongoing basis with publication each quarter of the Best Council Plan 'scorecard': the most significant key performance indicators (KPIs). A year-end stocktake is considered through this annual report to the Executive Board. The previous report related to the 2015/16 Best Council Plan and was considered by this Board on 27 July 2016.
- 2.5 Assurance on the council's performance management arrangements is provided through an annual report to the Corporate Governance and Audit Committee. The report contains details on the effectiveness of these arrangements in terms of how the Best Council Plan and key performance indicators are kept up to date, effectively communicated and monitored with action taken as appropriate. The most recent annual assurance report relating to performance management arrangements in 2016/17 was presented to the Committee on 23rd June 2017 with no issues identified. Independent assurance has also been provided through a recent internal audit review of the performance management arrangements: audit assessed the overall control environment as providing 'good assurance'.
- 2.6 Additional independent assurance on the 2016/17 Best Council Plan and supporting strategies can be gained from the results of the LGA-led peer review carried out in July 2016 which found that the council's vision and ambitions are clear and well-articulated and there is a good level of self-awareness at strategic level which is evident in plans and strategies. (For more information please refer to the report, '*LGA Corporate Peer Challenge: Findings and Initial Response*' considered by the Executive Board at its meeting 19th October 2016.)

3 Main issues

- 3.1 The 2016/17 Best Council Plan was considered by the Executive Board on 16th December 2015 in its development stage, in final draft on 10th February 2016 and then approved by Full Council on 24th February 2016 alongside the supporting Budget. It continued the aim set out in the 2015/16 Plan of reducing inequalities but articulated this more firmly around the integrated concepts of promoting a strong economy and of being a compassionate city, with everything the council does having a clear focus on tackling poverty and inequalities. Two ambitions were agreed for the 2016/17 Best Council Plan framed around our Best City / Best Council Vision: Best City being defined as, 'Leeds... A Strong Economy and a Compassionate City'; Best Council as 'Leeds City Council... An Efficient and Enterprising Organisation.'
- 3.2 The annual performance report at Appendix 1 highlights progress against these two ambitions, comprising an introduction, summary achievements and supporting facts and figures. The draft text will be worked up into a final design version based upon the format used for the previous annual performance report (please see an extract at Appendix 2 with a link [here](#) to the full document) with infographics pulling out the key cross-council achievements and web links to the published quarterly and year-end performance scorecards. It will then be published on the council's website and Intranet site as part of the suite of Best Council Plan documents for use by staff, elected members, partners and the public.
- 3.3 The following paragraph pulls out some of the many and varied key achievements from 2016/17 which evidence real progress against our ambitions. However, we are mindful of the pressures facing the council and the city in terms of the increasing demands on public services within the context of reduced funding and ongoing uncertainties related to 'Brexit'. We recognise that inequalities persist across Leeds in terms of poverty and deprivation, health and educational attainment and that economic and social deprivation remain concentrated in specific localities in the city with long-term issues around language and literacy, skills, health and care responsibilities, access to employment and poor housing. These challenges – and how we and our partners plan to address them – are explained in the 2017/18 Best Council Plan which was approved by Full Council on 22 February 2017.
- 3.4 Looking back, key achievements from 2016/17 include:
- In September 2016, Leeds was named as the best city in Britain for quality of life in a new global ranking. It placed 26th out of 100 cities around the world – and the highest in the country – in the Sustainable Cities report published by the infrastructure consultancy Arcadis. Its social sustainability index measured factors including health, education, income inequality, work-life balance, crime and living costs.
 - The most recent figures available (2015 provisional) show that the number of people employed in the private sector in Leeds was 363,000, an increase of 18,900 jobs (5.5%) on the previous year's results. Outside of London, Leeds had the second largest increase after Birmingham.
 - The council supported 6,204 people into work and helped 7,537 people gain new skills.
 - The number of families dependent on Council Tax Support (CTS) schemes continues to reduce. Since the launch of local CTS schemes, the number of families claiming CTS reduced by just under 10% from around 78,000 to

71,000. As part of Leeds' CTS, work continued in 2016/17 to develop a Personal Work Support Package and implement a reconfigured advice service that is set to help more clients.

- The number of people sleeping rough in Leeds has fallen in the last two years, when the national picture is one of substantial increase. Temporary accommodation numbers are at the lowest level since at least the 1980s and no household is placed in 'unsuitable' temporary accommodation. The number of households in emergency temporary accommodation has reduced from 439 in 2011 to 74 in 2016.
- The city has been awarded Purple Flag status for excellence in managing its evening and night time economy. Purple Flag is an accreditation process run by the Association of Town and City Management (ATCM) similar to the Green Flag award for parks and the Blue Flag for beaches, and is the benchmark for good night time destinations.
- The council committed to the Local Authority's Mental Health Challenge, a challenge set by 7 mental health charities who are working together to improve mental health across England. We funded important initiatives such as Mindful Employer – a scheme which promotes positive practice in the workplace relating to mental health, providing organisations with easier access to information, local support, mental health awareness training and other resources to support staff and still run the business. In 2016/17, the council took on the commissioning and development of this initiative and numbers of participating employers across the city have increased to 172, including some of the city's major employers.
- Working in partnership with the Leeds Teaching Hospitals NHS Trust, Leeds and York Partnership NHS Foundation Trust and the three Clinical Commissioning Groups (CCGs) in Leeds, we extended the use of the innovative Leeds Care Record. The Leeds Care Record pulls key information from several different health and social care records and stores it in one combined record, enabling health and social care professionals to find all the key up to date information for an individual's care in one place. The number of active users of the Leeds Care Record doubled to more than 4,000 in March 2017, up from around 2,000 the year before. These active users represent mental health, adult social care and community, alongside hospitals and GPs, with the wider rollout in 2016 engaging other care settings such as hospices, CCG pharmacists and Yorkshire Ambulance Service palliative care.
- Obesity levels in children aged 5 years have continued to steadily decline and are currently at 8.7%, lower than both the regional (9.4%) and national averages (9.3%). We've worked closely with schools in inner city areas, ensuring free school meals are taken by those entitled to them. We also developed and delivered food workshops designed to help schools meet the new OFSTED requirements for food and nutrition in the curriculum. Schools served by the council's Catering Leeds service have increased their fruit intake by 10%.
- Adel Beck Secure Children's Home was rated as 'outstanding' by Ofsted in April 2016. The home provides secure accommodation for up to 24 young people aged between 10 and 17 years old who are either placed there because they have been remanded or sentenced to custody or for concerns about their welfare. Government inspectors found that young people placed at the home make 'exceptional progress' and the positive impact whilst living in the home can be 'life changing' for some. The staff and leadership at Adel Beck were highlighted as particularly strong.

- Ofsted and the Care Quality Commission Special Educational Needs and Disabilities (SEND) inspection found that children and young people with SEND are 'proud to be citizens of Leeds and have a real voice in shaping their education, health and care plans'.
- We successfully bid for the Department for Education's (DfE) innovation funding and will be awarded £9.59m over the next three years. This is the largest amount awarded to any of the department's 'Partners in practice' and is a reflection of the confidence the DfE has in the city's restorative approach to working with children and families.
- 92% of primary schools in Leeds are rated 'good' or 'outstanding' by Ofsted, two percentage points above the national average.
- We developed a formal partnership with the Centre for Ageing Better that focused on Community Transport, Volunteering in BME Communities and Falls Prevention. In June 2016 the 'Make it Fallproof' campaign was launched to reduce the number of injuries caused by preventable falls – almost 4,000 people were admitted to hospital in Leeds as a result of a fall in 2014/15. The campaign was well received and achieved positive feedback from partners and customers alike.
- Through the Age-Friendly Leeds Partnership, a new Age-Friendly Charter was launched following consultation and engagement with older people across the city. The Charter is the Age-Friendly Partnership's way of saying: this is what it means to be age-friendly in Leeds. People and organisations can sign up to the Charter and make the pledges which are relevant to them and their work.
- We delivered our 3rd Winter Friends programme increasing members of the network to 70 organisations and 240 individuals who promote high impact interventions through the use of a winter wellbeing checklist.
- We delivered the £180m regeneration programme in Little London and Beeston Hill and Holbeck, constructing a mix of two, three, four and five bed houses and two bed flats across two sites.
- £174m of funding was secured for Leeds following the decision not to proceed with the New Generation Transport (NGT) trolleybus, part of a total funding package in excess of £270m that will be committed to a range of public transport schemes.
- Forming part of Phase 1 of the £50m Leeds Flood Alleviation Scheme – one of the largest river flood defence schemes in the country - three innovative movable weir gates were successfully installed at Knostrop Weir on the River Aire, helping reduce the risk of flooding to homes, businesses and communities.
- Leeds was recognised as one of the best cities for hosting world class events such as the UK round of the World Triathlon Series by sponsors, residents, businesses and visitors. We continued to host a wide range of community festivals and events across the city that brought people together, including Leeds Pride, the Leeds West Indian Carnival, Beeston Festival and many other community-level activities.
- In line with the reduced level of funding received from government (£214m between 2010/11 and 2016/17), the council had to become more efficient and had to reduce its costs further. To achieve this, in 2016/17 the council carried out a review of all its services, bringing them together in a simpler and clearer structure to better deliver priorities and create efficiencies. Since 2010/11 we've made over £400m in savings.

- For 2016/17 it is estimated that the city will have seen a 63% decrease on landfill compared to 2015/16 with only 30,000 tonnes of domestic general waste landfilled compared to 80,000 tonnes the year before.
- The reliability of our waste collection services have improved again, with the number of reported missed collections reducing year on year. In 2016/17, 15,833 missed collections were reported, only 0.001% of all scheduled collections. The implementation of the driver in-cab system and improved automation of back office support has delivered service efficiencies that have contributed to ongoing improvements in missed bins.
- We received positive results from two Local Government Association (LGA) peer reviews during 2016/17 on our 'Best city and 'Best council' ambitions and 'Use of Resources' by the Adult Social Care Directorate.
- Following our achievements last year in winning the Municipal Journal's 'Local Authority of the Year' and Local Government Chronicle's Children's Services awards, we have been successful across a range of other awards, including:
 - The Leeds Migrant Access Project won the prestigious EuroCities 'Participation' Award, acclaimed for its work in empowering migrant communities to support themselves, harnessing their skills, knowledge and commitment. The city was particularly praised for how it has worked with refugees and partners to promote community cohesion.
 - In the Disability Sport Yorkshire awards, Leeds received 'Outstanding local authority award' for our disability sports programme, one of the largest in the country.
 - Our Fleet Services were re-accredited with a Diamond Award for safety from the Royal Society for the Prevention of Accidents – the highest award available.
 - Legal Services won in both the people related and place related team of the year categories at Lawyers in Local Government (LLG) Awards.
 - Leeds won the HSJ (Health Service Journal) 2016 award for Integrated Commissioning for Carers for our work in partnership with Leeds' three Clinical Commissioning Groups (CCGs). With research showing the heightened risk of poor health among carers, GPs used yellow cards to speed and simplify the carer referral process. 95% of those put in touch with support body Carers Leeds perceived positive outcomes from the contact. Judges praised the "clear demonstration of how a collaborative, sustainable intervention works".
 - We won a National Council for Palliative Care award for our Dying Matters Awareness Initiative of the year – recognising events and activities that raise awareness of the importance of talking about dying, death and bereavement.
 - The Director of Public Health's '*Planning a Healthy City*' annual report was awarded first prize in the national competition run by the Association of Directors of Public Health.
 - The council supported the Leeds Health Visiting Service to achieve 'Outstanding' in their recent re-accreditation for UNICEF's Baby Friendly Award.
 - We were a finalist at the National Government Opportunities Excellence in Public Procurement Awards 2017/18 held March 2017 for two procurements: Locality Community Health Development and Improvement Services for Leeds Residents, and Community Home Care Services.

- A Domestic Violence reporting pilot undertaken in Leeds' GP surgeries was shortlisted in the finals of the British Medical Journal Awards 2017.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The draft annual report at Appendix 1 has been subject to consultation with key officers and the Corporate Leadership Team. It also draws on and links with a range of published reports, including reports to the Executive Board and Scrutiny Boards, assessing performance against supporting council and partnership plans which are themselves subject to consultation and engagement with relevant stakeholders.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This is not a decision-making report so due regard is not directly relevant. Specific equality impact assessments will continue to be carried out for individual initiatives and decisions relating to the delivery of the Best Council Plan. The Equality Improvement Priorities were developed to complement the Best Council Plan outcomes and priorities. They continue to underpin our ambition to be a compassionate city with a strong economy, tackling the range of inequalities that still exist. The annual Equality report is on today's agenda for Executive Board's consideration.

4.3 Council policies and the Best Council Plan

- 4.3.1 This report brings to Executive Board a performance update on progress against the council's 2016/17 Best Council Plan. The Best Council Plan itself forms part of the council's budget and policy framework.

4.4 Resources and value for money

- 4.4.1 The Best Council Plan provides the strategic context for the council's budget and financial strategies (including the Medium-Term Financial Strategy on today's Executive Board agenda) with resources allocated in support of the Plan's ambitions, outcomes and priorities. Effectively monitoring and managing performance helps ensure that resources continue to be appropriately deployed.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 All information within the report is publicly available; the report is subject to call in.

4.6 Risk Management

- 4.6.1 There are no risks associated with this annual report. The key risks that could impact upon delivery of the Best Council Plan objectives and details on how they are managed are included in the Corporate Risk Management annual report on today's Executive Board agenda.

5 Conclusions

- 5.1 Significant progress has been made in delivering the 2016/17 Best Council Plan with the annual performance report highlighting key achievements across all areas of the Plan within the framework of our Best City / Best Council ambitions. However, more remains to be done to tackle the range of inequalities that persist

across the city at a time of increased demand for council services and ongoing financial challenges. The council will continue to work with partners across all sectors and engage with the public to respond to these pressures and we will produce a report next summer looking back on our 2017/18 performance in doing so.

6 Recommendations

- 6.1 Executive Board is asked to receive the draft annual performance report and note the progress made against the 2016/17 Best Council Plan. Also to note that further design work will take place and that some of the information included may change between this draft and the final design version being published as full-year results are finalised.

7 Background documents¹ - None

¹ 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.

Leeds City Council Best Council Plan Annual Performance Report: Looking back on 2016/17

Draft text and statistics prior to final design version

Introduction

[Page 1]

“Our vision is for Leeds to be the best city in the UK: one that is compassionate with a strong economy, which tackles poverty and reduces the inequalities that still exist. We want Leeds to be a city that is fair and sustainable, ambitious, fun and creative for all with a council that its residents can be proud of: the best council in the country.”

Councillor Judith Blake, Leader of Leeds City Council *[picture]*

Tom Riordan, Chief Executive of Leeds City Council *[picture]*

[Page 2]

This is the vision set out in our Best Council Plan. The Best Council Plan is updated each year and explains:

- The **outcomes** we want for everyone in Leeds – what difference we want to make
- Our **priorities** - what we and our partners are doing to improve outcomes; and
- Key performance **indicators** - how we are measuring progress in achieving better outcomes.

The most significant of these indicators form a ‘scorecard’ which we use throughout the year to help measure our performance in delivering the Best Council Plan as a whole and publish quarterly on the council’s website, available [here](#).

Now we’ve reached the end of the financial year, it’s time to reflect on our progress in delivering the 2016/17 Best Council Plan. The following pages highlight some of the real achievements that the council, working with our many partners across the public, private and third sectors, has made during that period. These have been framed against our Best City / Best Council ambitions:

- Best City A Strong Economy and a Compassionate City
- Best Council An Efficient and Enterprising Organisation

Despite significant progress, we are mindful of the pressures facing the council and the city in terms of the increasing demands on public services within the context of reduced funding and ongoing uncertainties related to ‘Brexit’. We recognise that inequalities persist across Leeds in terms of poverty and deprivation, health and educational attainment and that economic and social deprivation remain concentrated in specific localities in the city with long-term issues around language and literacy, skills, health and care responsibilities, access to employment and poor housing.

These challenges – and how we and our partners plan to address them – are explained in the 2017/18 Best Council Plan which was approved by Full Council on 22 February 2017.

Key achievements *[these will be presented infographically]*

- In September 2016, Leeds was named as the best city in Britain for quality of life in a new global ranking. It placed 26th out of 100 cities around the world – and the highest in the country – in the Sustainable Cities report published by the infrastructure consultancy Arcadis. Its social sustainability index measured factors including health, education, income inequality, work-life balance, crime and living costs.
- The most recent figures available (2015 provisional) show that the number of people employed in the private sector in Leeds was 363,000, an increase of 18,900 jobs (5.5%) on the previous year's results. Outside of London, Leeds had the second largest increase after Birmingham.
- The council supported 6,204 people into work and helped 7,537 people gain new skills.
- The number of families dependent on Council Tax Support (CTS) schemes continues to reduce. Since the launch of local CTS schemes, the number of families claiming CTS reduced by just under 10% from around 78,000 to 71,000. As part of Leeds' CTS, work continued in 2016/17 to develop a Personal Work Support Package and implement a reconfigured advice service that is set to help more clients.
- The number of people sleeping rough in Leeds has fallen in the last two years, when the national picture is one of substantial increase. Temporary accommodation numbers are at the lowest level since at least the 1980s and no household is placed in 'unsuitable' temporary accommodation. The number of households in emergency temporary accommodation has reduced from 439 in 2011 to 74 in 2016.
- The city has been awarded Purple Flag status for excellence in managing its evening and night time economy. Purple Flag is an accreditation process run by the Association of Town and City Management (ATCM) similar to the Green Flag award for parks and the Blue Flag for beaches, and is the benchmark for good night time destinations.
- The council committed to the Local Authority's Mental Health Challenge, a challenge set by 7 mental health charities who are working together to improve mental health across England. We funded important initiatives such as Mindful Employer – a scheme which promotes positive practice in the workplace relating to mental health, providing organisations with easier access to information, local support, mental health awareness training and other resources to support staff and still run the business. In 2016/17, the council took on the commissioning and development of this initiative and numbers of participating employers across the city have increased to 172, including some of the city's major employers.
- Working in partnership with the Leeds Teaching Hospitals NHS Trust, Leeds and York Partnership NHS Foundation Trust and the three Clinical Commissioning Groups (CCGs) in Leeds, we extended the use of the innovative Leeds Care Record. The Leeds Care Record pulls key information from several different health and social care records and stores it in one combined record, enabling health and social care professionals to find all the key up to date information for an individual's care in one place. The number of active users of the Leeds Care Record doubled to more than 4,000 in March 2017, up from around 2,000 the year before. These active users represent mental health, adult social care and community, alongside hospitals and GPs, with the wider rollout in 2016 engaging other care settings such as hospices, CCG pharmacists and Yorkshire Ambulance Service palliative care.
- Obesity levels in children aged 5 years have continued to steadily decline and are currently at 8.7%, lower than both the regional (9.4%) and national averages (9.3%). We've worked closely with schools in inner city areas, ensuring free school meals are taken by those entitled to them. We also developed and delivered food workshops designed to help schools meet the new OFSTED requirements for food and nutrition in the curriculum. Schools served by the council's Catering Leeds service have increased their fruit intake by 10%.
- Adel Beck Secure Children's Home was rated as 'outstanding' by Ofsted in April 2016. The home provides secure accommodation for up to 24 young people aged between 10 and 17 years old who are either placed there because they have been remanded or sentenced to custody or for concerns about

their welfare. Government inspectors found that young people placed at the home make 'exceptional progress' and the positive impact whilst living in the home can be 'life changing' for some. The staff and leadership at Adel Beck were highlighted as particularly strong.

- Ofsted and the Care Quality Commission Special Educational Needs and Disabilities (SEND) inspection found that children and young people with SEND are 'proud to be citizens of Leeds and have a real voice in shaping their education, health and care plans'.
- We successfully bid for the Department for Education's (DfE) innovation funding and will be awarded £9.59m over the next three years. This is the largest amount awarded to any of the department's 'Partners in practice' and is a reflection of the confidence the DfE has in the city's restorative approach to working with children and families.
- 92% of primary schools in Leeds are rated 'good' or 'outstanding' by Ofsted, two percentage points above the national average.
- We developed a formal partnership with the Centre for Ageing Better that focused on Community Transport, Volunteering in BME Communities and Falls Prevention. In June 2016 the 'Make it Fallproof' campaign was launched to reduce the number of injuries caused by preventable falls – almost 4,000 people were admitted to hospital in Leeds as a result of a fall in 2014/15. The campaign was well received and achieved positive feedback from partners and customers alike.
- Through the Age-Friendly Leeds Partnership, a new Age-Friendly Charter was launched following consultation and engagement with older people across the city. The Charter is the Age-Friendly Partnership's way of saying: this is what it means to be age-friendly in Leeds. People and organisations can sign up to the Charter and make the pledges which are relevant to them and their work.
- We delivered our 3rd Winter Friends programme increasing members of the network to 70 organisations and 240 individuals who promote high impact interventions through the use of a winter wellbeing checklist.
- We delivered the £180m regeneration programme in Little London and Beeston Hill and Holbeck, constructing a mix of two, three, four and five bed houses and two bed flats across two sites.
- £174m of funding was secured for Leeds following the decision not to proceed with the New Generation Transport (NGT) trolleybus, part of a total funding package in excess of £270m that will be committed to a range of public transport schemes.
- Forming part of Phase 1 of the £50m Leeds Flood Alleviation Scheme – one of the largest river flood defence schemes in the country - three innovative movable weir gates were successfully installed at Knostrop Weir on the River Aire, helping reduce the risk of flooding to homes, businesses and communities.
- Leeds was recognised as one of the best cities for hosting world class events such as the UK round of the World Triathlon Series by sponsors, residents, businesses and visitors. We continued to host a wide range of community festivals and events across the city that brought people together, including Leeds Pride, the Leeds West Indian Carnival, Beeston Festival and many other community-level activities.
- In line with the reduced level of funding received from government (£214m between 2010/11 and 2016/17), the council had to become more efficient and had to reduce its costs further. To achieve this, in 2016/17 the council carried out a review of all its services, bringing them together in a simpler and clearer structure to better deliver priorities and create efficiencies. Since 2010/11 we've made over £400m in savings.
- For 2016/17 it is estimated that the city will have seen a 63% decrease on landfill compared to 2015/16 with only 30,000 tonnes of domestic general waste landfilled compared to 80,000 tonnes the year before.
- The reliability of our waste collection services have improved again, with the number of reported missed collections reducing year on year. In 2016/17, 15,833 missed collections were reported, only 0.001% of all scheduled collections. The implementation of the driver in-cab system and improved automation of

back office support has delivered service efficiencies that have contributed to ongoing improvements in missed bins.

- We received positive results from two Local Government Association (LGA) peer reviews during 2016/17 on our 'Best city and 'Best council' ambitions and 'Use of Resources' by the Adult Social Care Directorate.
- Following our achievements last year in winning the Municipal Journal's 'Local Authority of the Year' and Local Government Chronicle's Children's Services awards, we have been successful across a range of other awards, including:
 - The Leeds Migrant Access Project won the prestigious EuroCities 'Participation' Award, acclaimed for its work in empowering migrant communities to support themselves, harnessing their skills, knowledge and commitment. The city was particularly praised for how it has worked with refugees and partners to promote community cohesion.
 - In the Disability Sport Yorkshire awards, Leeds received 'Outstanding local authority award' for our disability sports programme, one of the largest in the country.
 - Our Fleet Services were re-accredited with a Diamond Award for safety from the Royal Society for the Prevention of Accidents – the highest award available.
 - Legal Services won in both the people related and place related team of the year categories at Lawyers in Local Government (LLG) Awards.
 - Leeds won the HSJ (Health Service Journal) 2016 award for Integrated Commissioning for Carers for our work in partnership with Leeds' three Clinical Commissioning Groups (CCGs). With research showing the heightened risk of poor health among carers, GPs used yellow cards to speed and simplify the carer referral process. 95% of those put in touch with support body Carers Leeds perceived positive outcomes from the contact. Judges praised the "clear demonstration of how a collaborative, sustainable intervention works".
 - We won a National Council for Palliative Care award for our Dying Matters Awareness Initiative of the year – recognising events and activities that raise awareness of the importance of talking about dying, death and bereavement.
 - The Director of Public Health's '*Planning a Healthy City*' annual report was awarded first prize in the national competition run by the Association of Directors of Public Health.
 - The council supported the Leeds Health Visiting Service to achieve 'Outstanding' in their recent re-accreditation for UNICEF's Baby Friendly Award.
 - We were a finalist at the National Government Opportunities Excellence in Public Procurement Awards 2017/18 held March 2017 for two procurements: Locality Community Health Development and Improvement Services for Leeds Residents, and Community Home Care Services.
 - A Domestic Violence reporting pilot undertaken in Leeds' GP surgeries was shortlisted in the finals of the British Medical Journal Awards 2017.

Strong Economy *[Pages x-y]*

Promoting sustainable and inclusive economic growth

A prosperous, sustainable and inclusive economy is critical to the future success of Leeds. The council is committed to “good growth”: working with partners to ensure that supporting economic growth and tackling poverty are truly two sides of the same coin. By creating more and better jobs and by enhancing the ability of all our people to contribute to the economy to their full potential, we can boost economic productivity and competitiveness, reduce the costs of poverty to the economy and the taxpayer and improve outcomes for the people of Leeds. The public sector has a role in promoting trade and investment in the city, backing innovators and entrepreneurs, providing the right conditions for businesses to grow and encouraging them to invest back into their workforce and local communities.

KEY ACHIEVEMENTS DURING 2016/17

Growing the Leeds Economy

- In September 2016, Leeds was named as the best city in Britain for quality of life in a new global ranking. It places 26th out of 100 cities around the world – and the highest in the country – in the Sustainable Cities report published by the infrastructure consultancy Arcadis. Its social sustainability index measured factors including health, education, income inequality, work-life balance, crime and living costs.
- Outside of London, Leeds is the largest centre for finance and business services, creative industries, digital, publishing and broadcasting and the second largest centre for knowledge intensive industries and manufacturing. Leeds is the UK’s 3rd largest retail centre outside London.
- 26 million visitors were welcomed to Leeds in 2015 (the most recent figures available) – worth £1.5m to the local economy.
- In 2016 we re-launched the Leeds City Region Revolving Investment Fund, providing commercial loans across the region where traditional sources of funding are unavailable to create jobs in the region and improve economic development.
- Business rate growth increased 0.93% (compared with the 2012/13 baseline when the Rates Retention Scheme started) reflecting continued growth in the take up of business properties across Leeds. Notable developments in the past year that contributed to this include the 42,000m² Victoria Gate retail and leisure development and Wellington Place office complex.
- We launched consultation to develop a new Growth Strategy for Leeds. During the ‘Call for Evidence’ the webpage received 1,600 hits and 120 people attended the Growth Strategy Summit in January 2017.
- Victoria Gate opened in the autumn of 2016, bringing new businesses to Leeds and creating new jobs. In March 2017 it was named as the world’s best new shopping centre at MIPIM, the annual international property conference.
- The city has seen significant investment in the past year, notably from John Lewis (part of the Victoria Gate development) and Burberry announcing that their Business Services Centre is to be located in Leeds. In addition to John Lewis, through the Victoria Gate opening, there are 20 new brands to Leeds in the arcades.
- For the second consecutive year, Leeds Kirkgate Market was voted Britain’s Favourite Market at the ‘Great British Market Awards’. The Market has seen an increase in footfall following its major renovation.
- Generally, city centre footfall continues to thrive: up by 12.4% comparing Oct-Dec 2015 to the same period in 2016.

- A year on from the launch of Sky's world-class technology hub at Leeds Dock, Sky said it has surpassed its initial targets by hiring over 650 highly-skilled employees, 250 more than the 400 jobs that it expected to create at the site.
- IT managed service provider Firstnet has launched its £24 million Leeds data facility, creating 100 new jobs. The company said this would increase its capabilities in collocation, cloud platforms and disaster recovery.
- Yorkshire has seen the highest level of growth in new public sector construction projects over the past three years. The region saw a 42% rise in public sector construction tenders available to private contractors, greater than the growth of other regions combined.
- The most recent figures available (2015 provisional) show that the number of people employed in the private sector in Leeds was 363,000, an increase of 18,900 jobs (5.5%) on the previous year's results. Outside of London, Leeds had the second largest increase after Birmingham.
- The council supported 6,204 people into work and helped 7,537 people gain new skills. Over the year we held 49 recruitment events attended by 8,059 people and 64 school events attended by 3,234 young people and 860 parents. 95% of customers rated the service provided as 'outstanding' or 'good'.
- The city hosted a record number of international association meetings in 2016.
- Leeds City Region Enterprise Zone delivered 450,000 square feet of new employment floor space with a further 75,000 square feet currently under construction. The zone is estimated to generate £10m per annum in business rates.

Building homes, regenerating areas

- In 2016/17, 3,306 new and converted homes were delivered, the highest number since the council's Core Strategy was adopted in April 2012, and nearly 2,000 empty homes have been brought back into use since April 2012, providing much-needed housing for Leeds' growing population.
- Work progressed on the council's Site Allocation Plan which identified sites to ensure that sufficient land is available in appropriate locations to meet our growth targets. The Plan is essential for Leeds in identifying specific allocations for housing, employment, retail and greenspace from 2012 to 2028. The council submitted the Submission Draft Plan to the Secretary of State by the council on 5th May 2017.
- We delivered the £180m regeneration programme in Little London and Beeston Hill and Holbeck, constructing a mix of two, three, four and five bed houses and two bed flats across two sites. Incorporated into the design of the new build properties are solar panels, cavity wall insulation, external insulating render, double glazed windows and roof insulation, improving energy efficiency and helping tackle fuel poverty.
- The regeneration of Leeds' South Bank of the River Aire is making good progress and, once complete, will be the biggest change the city has seen in more than a hundred years. The size of the city centre will double by transforming this area into a distinctive European destination for investment, living, learning, creativity and leisure. The regeneration will be one of the largest city centre regeneration initiatives in Europe and aims to provide over 35,000 jobs and 4,000 homes.
- Sovereign Square became the first new city centre greenspace in Leeds for decades. The square, designed for everyone to use, features raised lawns with seating at different levels for social gathering, eating, relaxation and play; a tree grove with timber-topped granite benches to work, read or chat; water features and a rain garden. These are part of the site's water management system that cleans rainwater and run-off from the viaduct, can absorb extra water in storms and provides eco-friendly plant support. It also supplies what is the most striking aspect of the site: the fun-packed water feature system of mists, pools and water jets for children to play in. The water feature was designed by Fountain Workshop, who used the area's natural geology of river courses and canals as their inspiration.

Improving transport

- £174m of funding was secured for Leeds following the decision not to proceed with the New Generation Transport (NGT) trolleybus, part of a total funding package in excess of £270m that will be committed to a range of public transport schemes. Plans include investment by First in new environmentally clean buses, development of the High Frequency Bus Network, 3 new rail stations at Thorpe Park, the White Rose and LBIA, a new Park & Ride with 2,000 spaces at Stourton and a further Park and Ride north of the city. More details will be available later in 2017 through our Leeds Transport Strategy.
- A new rail station at Kirkstall Forge rail opened in June 2016 built by a partnership of the West Yorkshire Combined Authority (WYCA), Network Rail, Northern Rail and Commercial Estates Group. The new station includes a 129-space station car park and fully-accessible platforms with staircases and lifts and is part of a larger, pioneering scheme bringing together Grade A office buildings, contemporary housing, green spaces, cafés, bars and restaurants.
- The long-term project to strengthen Woodhouse Tunnel was successfully completed. The three-year programme of repairs to the tunnel, costing c£21m, is part of a broader project of essential maintenance on the Leeds Inner Ring Road (A58M) to ensure the road can continue to be a key part of the highway network in Leeds used by more than 80,000 vehicles a day.
- The most recent figures (2015) for 'Access to employment by public transport' show a 2% increase on the previous year. This indicator is based on the % of working population able to access key employment centres across West Yorkshire within 30 minutes using the core public transport service.
- The council, alongside our partners, has supported bus passengers through improved bus routes including the A65 Quality Bus Corridor.
- Our Park and Ride scheme at Elland Road was extended with an average of 11,000 cars and 24,000 patrons now using this facility each month.
- In conjunction with the West Yorkshire Combined Authority, we helped develop City Connect: 23km of segregated cycle superhighway connecting Bradford to east Leeds via the Leeds City Centre.

Improving air quality, reducing carbon emissions

- We now have 10 automatic monitoring stations across the city, including 3 city centre sites, which continuously monitor air quality in real time with approximately 70 sites monitored using nitrogen dioxide (NO₂) diffusion tubes. Data taken from these monitoring stations show that the vast majority of the city enjoys pollutant concentrations well below the levels requiring action to be taken. However, Leeds currently has 6 Air Quality Management Areas where the annual average NO₂ concentrations are above those set out in the national Air Quality Objective.
- Leeds is one of five cities where Clean Air Zones are required by 2020 - delivering on the government's commitment to create cleaner air and reduce emissions. Consultation is underway on a Clean Air Zone Framework which aims to help local authorities across the country provide a consistent approach, while giving businesses and individuals a clear understanding of what a zone will deliver and the impacts and benefits for them.
- We've continued to make progress on developing the city wide district heating network, the first phase of which will connect almost 2,000 council flats as well as corporate buildings and other public and private sector businesses taking heat from the city's newly opened Recycling and Energy Recovery Facility.
- The council-backed solar photovoltaic (PV) scheme continues, aiming to save 1,200 tonnes of CO₂ per year as well as saving tenants £130,000 per year on their fuel bills. Solar panels were installed on a number of council buildings and over 1,000 council homes between 2012 and 2015.
- Activity to promote sustainable travel and improve air quality in schools has seen 80 schools across the city register for the 'Mode Shift Stars' scheme: an externally assessed scheme that analyses schools' travel plans and home to school travel profiles and awards schools for developing low impact travel

behaviours. Currently 27 schools have achieved accreditations, with 5 of these attaining the 'gold' level award. This work will form part of wider programmes to promote more sustainable travel, emphasising the health and environment benefits.

Increasing flood risk resilience

- Forming part of Phase 1 of the £50m Leeds Flood Alleviation Scheme – one of the largest river flood defence schemes in the country - three innovative movable weir gates were successfully installed at Knostrop Weir on the River Aire, helping reduce the risk of flooding to homes, businesses and communities. The weirs can be lowered in flood conditions to reduce river levels and the threat of flooding, marking the first time that moveable weirs have been installed in the UK for flood defence purposes.
- In addition to the building of the moveable weir gates, Knostrop Cut Island has been removed allowing the canal to merge with the River Aire. This creates additional flood water storage and helps to facilitate the flow of water along this stretch of the river which will help to lower water levels in flood conditions.

Managing the city's waste

- In 2015/16 we recycled 38.4%, and the latest estimate indicates that this figure will be maintained for 2016/17. Improvements to the Recycling and Energy Recovery Facility's (RERF) mechanical pre-treatment process in particular are expected to produce an increase in this figure in 2017/18 by improving black bin waste recycling. Kerbside recycling has increased this year, with the volumes of dry recyclables in green bins increasing by around 1%.
- £7.5 million has been saved every year by the RERF recycling facility compared to the costs of landfill. The RERF processed a total of 164,000 tonnes of black bin waste and, a further 10,000 tonnes of Leeds commercial waste. From the waste the council delivered, 2,139 tonnes (1.3%) was recycled prior to processing, with a further 2,129 tonnes (1.3%) of metals and 33,450 tonnes (20.4%) of bottom ash recycled after processing. With minimal waste going to landfill, the RERF has a landfill diversion rate of around 99%. The RERF exported 84,300 MWh of electricity to the national grid and saw over 1,719 visitors to the education centre, including 20 school visits.
- For 2016/17 it is estimated that the city will have seen a 63% decrease on landfill compared to 2015/16 with only 30,000 tonnes of domestic general waste landfilled compared to 80,000 tonnes the year before.
- The Kirkstall waste site, including the new Revive Leeds Re-use shop, reopened in March 2017 after a major redevelopment costing £5.2m. Revive is a third sector charity providing work-based training, apprenticeships and volunteering opportunities to the local community.
- The reliability of our waste collection services have improved again, with the number of reported missed collections reducing year on year. In 2016/17, 15,833 missed collections were reported, only 0.001% of all scheduled collections. The implementation of the driver in-cab system and improved automation of back office support has delivered service efficiencies that have contributed to ongoing improvements in missed bins.
- 75% of the city is covered by alternate weekly bin collections. For the other 25%, primarily in the inner city areas, a progressive review is being completed to consider alternative collection systems and establish the most appropriate methods.
- The amount of contaminated waste within the overall material collected in green bins fell by over 15% between March 2016 and March 2017. Every additional tonne of good quality recycling and every tonne of non-recyclable materials eliminated from green bins saves £90-100 per tonne in disposal costs.

Promoting culture, hosting world class events

- Leeds is recognised as one of the best cities for hosting world class events by sponsors, residents, businesses and visitors. We want to go further and support Leeds to be the ‘European Capital of Culture 2023’. Building on the city-wide conversations that began in 2016/17 to develop a new Leeds Culture Strategy, the bid will be submitted later in 2017 with the winning UK city announced in 2018. As part of the culture conversation, we engaged with over 1,500 groups via focus meetings and workshops and the culture conversation ‘blog’ received over 40,000 views in 14 months. More than 130 organisations have adopted the 2023 branding since its launch on November.
- When asked as part of the annual Citizens Panel Survey, ‘How would you rate your level of overall satisfaction with the cultural provision in Leeds?’ 75% of respondents indicated they were ‘very satisfied’ or ‘satisfied’. The results show a general positive upward trend since 2012/13. 76% of respondents to the survey support Leeds’ Capital of Culture bid.
- In 2016 Leeds once again hosted a wide range of community festivals and events across the city, bringing people together, such as Leeds Pride, the Leeds West Indian Carnival, Beeston Festival and many other community-level activities.
- In the city centre, 8,000 people took part in the 2016 Leeds Sky Ride, enabling cyclists of all ages and abilities to ride safely together on a traffic-free route, and around 30,000 people watched the Homecoming Parade in Leeds for the Yorkshire-based 2016 Olympians and Paralympians. Around 9,000 people signed up for the Leeds Half Marathon which is now celebrating its 33rd anniversary.
- Leeds hosted the UK round of the World Series Triathlon in 2016: with 5 hours of BBC coverage and a double sell-out of tickets, the event saw in excess of 80,000 spectators line the streets as the world’s best – including Yorkshire’s own Brownlee brothers - were roared home by a huge and passionate Leeds crowd. On the back of this success, the city was selected to host the event again in 2017.
- Our 84 static libraries and 34 mobile libraries continue to be popular with nearly 3 million visits to the static libraries. Total issues during the year were over two million and 28,550 people joined the library service. Our library app was used 84,480 times.
- Our museums and galleries continue to create and host major exhibitions. We run an active community and life-long learning programme. Overall our nine sites received 1.17m visits and proved particularly popular with 0-19 year olds:
 - 29,576 took part in school visits to workshops held in our museums and galleries.
 - A further 6,921 attended as part of a school group without a workshop provided.
 - An additional 11,709 partook of outreach sessions/workshops.
 - 184,319 took part in workshops in museum as part of a family or holiday activity.
 - Our youth engagement programme worked with 4,779 young people.
 - We interacted with 7,938 teachers.

KEY FACTS AND FIGURES *[infographics running along bottom of page]*

- 6% increase in average earnings in Leeds – biggest increase anywhere in UK
- 415,000 jobs in Leeds – back to pre-recession levels
- 384 apprenticeship starts
- Over 10,000 people employed in Leeds’ digital sector
- 321,000 households in Leeds: 78% houses, 22% flats
- 3,306 new and converted homes delivered in 2016/17, up 30% on 2015/16
- 2,757,847 visits to our 84 static libraries with 2 million issues
- South Bank regeneration covers 185 hectares of land, equivalent to 250 football pitches in size
- 8,169 responses to Leeds Transport Conversation online survey
- 3.66m tonnes of carbon dioxide emitted citywide in 2014, down by 27.7% since 2005
- Free parking offered to owners of zero and ultra-low emission vehicles at council operated car parks

- 500,000 waste collections every week; 26 million per year
- Leeds Town Hall awarded Trip Advisor Certificate of Excellence
- 120,000 people attended 2016 Leeds West Indian Carnival; 60,000 Leeds Light Night

Compassionate city *[Pages x-y]*

Tackling poverty and reducing inequalities

Leeds is experiencing strong economic growth with potential for even more. However, we know that the benefits of this economic growth are not reaching everyone and that inequalities persist across the city in terms of poverty and deprivation, health and educational attainment. Strengthening the economy and doing this in a way that is compassionate, that allows us to support the most vulnerable, will help us build a more prosperous, sustainable and inclusive city.

KEY ACHIEVEMENTS DURING 2016/17

Tackling poverty

- Between December 2015 and June 2016, the number of people in Leeds estimated to be in 'absolute poverty' reduced from 175,000 to 155,000.
- The number of families dependent on Council Tax Support (CTS) schemes continues to reduce. Since the launch of local CTS schemes, the number of families claiming CTS reduced by just under 10% from around 78,000 to 71,000. As part of Leeds' CTS, work continued in 2016/17 to develop a Personal Work Support Package and implement a reconfigured advice service that is set to help more clients.
- Local Welfare Support (LWS) and Discretionary Housing Payment schemes have been critical in enabling vulnerable tenants to deal with emergencies and maintain tenancies in the face of reductions in Housing Benefit support. Funding of £800k for LWS schemes during 2016/17 resulted in approximately 5,000 awards being made covering items such as white goods, floor covering, food and fuel support.
- The city's three advice agencies helped 72% more people than in the previous year and assisted 45,549 people with free and independent advice.
- Leeds Credit Union (LCU) plays a significant role in tackling financial hardship across the city. With the support of the council, LCU has more than trebled its membership from 11,000 in 2005 to 31,049 as at March 2017.
- FareShare is an organisation working in partnership with the council to support food aid providers in the city to feed vulnerable people. Since the launch of FareShare in 2014 (to 1st March 2017) the service has provided over 244,530 kg of food over 580,000 meals.
- White Rose Energy was launched, a not-for-profit energy company providing low cost energy to all households with pricing that is fair and transparent. Over 3,000 customers have joined White Rose Energy since its launch.
- During 2016/17 the Leeds Rental Standard, an accreditation mark supported by the council, was developed ready for its launch in May 2017. The Leeds Rental Standard brings unity to accreditation in the city by incorporating the several existing schemes under one certification badge.
- The council continues to work closely with gypsy and traveller communities at two sites in Leeds, offering 41 units of accommodation. Through the Leeds Core Strategy, we have committed to providing 62 pitches by 2028. A Site Allocations Plan is currently being developed to identify suitable sites.
- In 2016 the council launched the Homelessness Strategy 2016-19 which included the vision to 'Create opportunities and choice to enable people to stay in their homes or to find alternative quality housing options so as to minimise homelessness in the city'. The council and our partners have made significant progress in tackling homelessness:
 - The number of people sleeping rough in Leeds has fallen in the last two years, when the national picture is one of substantial increase.
 - The city is getting increasingly effective at preventing homelessness by either helping people to stay in their existing homes or help to find a new home before they become homeless.

- Temporary accommodation numbers are at the lowest level since at least the 1980s and no household is placed in 'unsuitable' temporary accommodation. The number of households in emergency temporary accommodation has reduced from 439 in 2011 to 74 in 2016.
- A partnership approach has been strengthened and tackling homelessness is increasingly contributing to wider social care priorities around helping vulnerable people and families to live independently in communities.

Building stronger communities

- The council's innovative Leeds Migrant Access Project (MAP) won international recognition by claiming the EuroCities 'Participation' award in 2016. Representing 130 cities across Europe, judges of the EuroCities network, which aims to improve people's quality of life by sharing knowledge and good practice, reserved special praise for how the city has worked with refugees and partners to promote community cohesion. The project was praised for its work in empowering migrant communities to support themselves; harnessing their skills, knowledge and commitment.
- Over 150 Syrian refugees were welcomed to Leeds as part of the government's national resettlement programme.
- 2016/17 was a significant year of progress in dealing with Hate Crime, with both our strategic and operational structures being strengthened. A new multi-agency Hate Crime Strategic Board and Operational Hate Crime Group were set up, responsible for driving forward a revised 'Responding to Hate Crime Strategy' and 'Operational action plan' to ensure a partnership approach to tackling Hate is embedded across the city.
- Existing Hate Incident Reporting Centre's (HIRC's) were provided with refresher training and improved guidance/reporting forms, establishing new links with frontline organisations, (such as Leeds Migration Partnership and the Leeds Jewish Housing Association), and reviewing guidance to schools to encourage greater reporting through the Hate Incident Reporting in Schools (HIRS) initiative. Schools have now shared information on 1,184 hate reports since September 2014. Providing refresher training has been an important means of ensuring frontline staff continue to be aware of the need to identify and report hate, but also to improve their awareness of the less reported strands of religion, disability and gender.
- We delivered a series of introductory sessions on 'West Yorkshire Police' to migrant access projects and refugee organisations across Leeds, aimed at improving people's confidence in and their perceptions of the police.
- The council has raised the profile of key events such as Pride, International Women's Day, Inclusion Week, Mental Health Awareness week and Black History month.
- We have been successful in securing funding from the Office of Counter Extremism to appoint a Community Coordinator. The post holder commenced in January 2017 and is responsible for co-ordinating the city's response to the National Counter Extremism strategy.
- In the last 12 months we have provided seventy two Stay Safe training sessions to over sixteen hundred people. These sessions have been attended by council staff and elected members, market traders, the Leeds Street Angels, John Lewis staff, grand theatre staff, and managers at First Direct Bank, Bridgewater Place and Yorkshire Building Society. Over the last four years over 4,000 people from a number of Leeds based groups and businesses attended the sessions.
- The city has been awarded Purple Flag status for excellence in managing its evening and night time economy. Purple Flag is an accreditation process run by the Association of Town and City Management (ATCM) similar to the Green Flag award for parks and the Blue Flag for beaches, and is the benchmark for good night time destinations. The award celebrates the city's offer as vibrant, diverse, clean, safe, well managed and providing a positive experience to customers. Leeds was only the second place in West Yorkshire to be awarded Purple Flag status.
- The Leeds Youth Panel continues to meet weekly to discuss on average 10 cases/ week. The discussion is based around partnership assessments of the offender, the victim's views and community impact. Of

particular significance, since the Panel commenced in May 2016 there have been no looked after children entering the criminal justice system for the first time ('FTEs').

- Work continues to strengthen links with employers in supporting young offenders into work. It is recognised there is more to do on this and Leeds's Youth Offending Service hopes to further develop the Skill Mill programme in the city, providing training, support and employment for young offenders. We have successfully forged a partnership with local building firm CEG at the Kirkstall Forge development in Leeds and aspire to create similar partnerships with other organisations.
- Work has progressed around enforcement action, including seeking Criminal Behaviour Orders (CBOs) when people begging repeatedly ignore the offers of support that are available from a number of partner agencies.

Improving health and wellbeing

- We designed and re-commissioned a new integrated Healthy Living service called One You Leeds which will provide support to adults to achieve lifestyle behaviour change, particularly focusing on smoking cessation, weight management, cooking skills, healthy eating and drinking and physical activity. This will be done by working with other services across the city, including community health development and social prescribing services.
- We led on a number of healthy eating initiatives during the year including: a Tour de Yorkshire themed menu competition; delivery of Future Foodies Workshops (designed to help schools meet the new OFSTED requirements for food and nutrition in the curriculum); the Fruit Programme (to increase the uptake of fruit and vegetables in primary school children) and, through partnership working, encouraging children to swap desserts with starters twice a week.
- 10,302 children are on the council's Learn to Swim programme, up 4.3% on the previous year, and 85% of schools in Leeds access our School Swimming Programme.
- Obesity levels in children aged 5 years have continued to steadily decline and are currently 8.7%, lower than both the regional (9.4%) and national averages (9.3%).
- In January 2017 the council stepped in to provide funding for the popular Leeds Let's Get Active scheme after the initial funding for the pilot came to an end. Offering subsidised sessions at council leisure centres, the scheme had 103,000 registered members at 31st December 2016, with around 348,000 session visits made during the year. 45% of Leeds Let's Get Active members were inactive before joining the scheme.
- In the Disability Sport Yorkshire awards, Leeds received 'Outstanding local authority award' for our disability sports programme, one of the largest in the country.
- Leeds is a case study of good practice in the Local Government Association's and Public Health England's national guidance on developing local suicide prevention plans, in particular relating to the Leeds Suicide Audit and Leeds Suicide Bereavement Service. We have also now developed a pathway for bereavement support for children and young people.
- The council committed to the Local Authority's Mental Health Challenge, a challenge set by 7 mental health charities who are working together to improve mental health across England. We funded important initiatives such as Mindful Employer – a scheme which promoted positive practice in the workplace relating to mental health, providing organisations with easier access to information, local support, mental health awareness training and other resources to support staff and still run the business. In 2016/17, the council took on the commissioning and development of this initiative and numbers of participating employers across the city have increased to 172, including some of the city's major employers.
- Working in partnership with the Leeds Teaching Hospitals NHS Trust, Leeds and York Partnership NHS Foundation Trust and the three Clinical Commissioning Groups (CCGs) in Leeds, we extended the use of the innovative Leeds Care Record. The Leeds Care Record pulls key information from several different health and social care records and stores it in one combined record, enabling health and social care

professionals to find all the key up to date information for an individual's care in one place. The number of active users of the Leeds Care Record doubled to more than 4,000 in March 2017, up from around 2,000 the year before. These active users represent mental health, adult social care and community, alongside hospitals and GPs, with the wider rollout in 2016 engaging other care setting such as hospices, CCG pharmacists and Yorkshire Ambulance Service palliative care.

- Bringing together the three Leeds universities, NHS organisations and the council, the Leeds Academic Health Partnership (LAHP) continues to deliver ambitious, transformational projects. A new centre for Personalised Medicine and Health was set up to focus on tailored health and care solutions using in vitro diagnostic technologies; the centre is attracting research resources and potential investment from global companies. The LAHP has also worked with Yorkshire Cancer to support the launch and delivery of a new lung cancer screening service in the city, part of a £5m programme to enable early detection of the disease which disproportionately affects populations in more deprived areas of Leeds.
- A new three-year Community Awareness Cancer Service was commissioned, focused around reducing cancer inequalities and increasing screening uptake through increased public awareness of the signs and symptoms of cancer. Through leading and co-ordinating a primary care cancer screening champions programme in areas of low bowel screening uptake and high deprivation, screenings have gone up and the health inequalities gap narrowed.
- Our other important public health initiatives continued: we launched the Tuberculosis Champions Programme to raise awareness of TB amongst high risk communities; working with the NHS, we led a programme to reduce the number of needles being disposed of in household waste; we successfully commissioned a new Leeds Integrated Sexual Health Service with a city centre hub and community settings; in 2016 we and our partners successfully responded to a community outbreak of Hepatitis A in Leeds and our experience has been used by the Health Select Committee to raise issues of national significance; we succeeded in a bid to the British Heart Foundation to roll out a community blood pressure screening programme within specific council services and also working with 10 pharmacies in the most deprived areas of the city; in partnership with the NHS we rolled out the NHS Diabetes Prevention Programme in Leeds as a first wave site with 1,492 people referred since its September 2016 launch.
- A Blood Borne Virus Screening Pilot for new patients was successfully delivered within high HIV prevalence GP practices, contributing to the de-stigmatisation of HIV and normalising testing. One of only two innovation pilots funded by the Elton John AIDS Foundation and Public Health England, and the only project funded outside of London, it was received positively by patients with healthcare staff assessing their skills and confidence to have grown.
- In January 2017 we awarded a contract to the British Lung Foundation to undertake 'breathe easy' peer support groups for people with lung disease. By the end of 2017 there will be six integrated breathe easy groups in areas with high prevalence of respiratory disease. Sixty people in Middleton attended the launch of the first group.
- We successfully hosted a national Kings Fund Policy Conference, bringing together over 150 delegates from across England and influencing responses to the Sustainable and Transformation Planning (STP) process launched by NHS England earlier in the year. (STPs are 5-year plans, developed by NHS organisations and local authorities on the future of health and care services in their area; at the time of writing, these are at draft stage.) Until this point, these national conferences had only been hosted in Leeds.

Supporting children to have the best start in life

- As part of our Best Start Plan we launched the Best Beginnings across Leeds – a range of digital resources for use in pregnancy and the early stages of parenthood – and delivered the 'No thanks, I'm Pregnant' alcohol in pregnancy campaign to raise awareness that the safest option is no alcohol during pregnancy.

- The council supported the Leeds Health Visiting Service to achieve 'Outstanding' in their recent re-accreditation for UNICEF's Baby Friendly Award.
- We successfully secured £1.3m from the Leeds South & East Clinical Commissioning Group to fund an enhanced Best Start offer for disadvantaged families with babies under 2 years old to be developed over the next three years.

Keeping children safe, raising aspirations

- Leeds Safeguarding Week was held in October 2016, part of a wider campaign across West Yorkshire to raise the profile of safeguarding through a range of activities and promotional events.
- Adel Beck Secure Children's Home was rated as 'outstanding' by Ofsted in April 2016. The home provides secure accommodation for up to 24 young people aged between 10 and 17 years old who are either placed there because they have been remanded or sentenced to custody or for concerns about their welfare. Government inspectors found that young people placed at the home make 'exceptional progress' and the positive impact whilst living in the home can be 'life changing' for some. The staff and leadership at Adel Beck were highlighted as particularly strong.
- As at April 2017, around 66% of Leeds' 6,000 taxi drivers had taken part in compulsory child protection training, delivered over 133 sessions. The remainder, and any new applicants, are scheduled to attend the course by mid-October 2017.
- 1,253 children were in care at the end of March 2017, nearly 200 fewer than at the start of the Children and Young People's Plan in 2011; this represents a 14% reduction compared to a 7% national increase over that period.
- Leeds worked in collaboration with other local authorities in the region and the Voluntary Adoption Alliance (VAA) to create a new model of service delivery for adoption services. This is in line with the government's proposals that all local authorities be part of a Regional Adoption Agency (RAA) or will have delegated their adoption functions to a RAA by 2020.
- In December 2016 Ofsted and the Care Quality Commission carried out a Special Educational Needs and Disabilities (SEND) inspection. The inspection team found that children and young people with SEND are 'proud to be citizens of Leeds and have a real voice in shaping their education, health and care plans'.
- 92% of primary schools in Leeds are rated 'good' or 'outstanding' by Ofsted, two percentage points above the national average. 71% of secondary schools are good or better, seven points below the national average but 19 points higher than the position at March 2011 prior to the launch of Leeds' Children and Young People's Plan.
- The number of children and young people in the city classed as NEET (not in education, employment, training or 'not known') fell to 777 in March 2017, a reduction of 319 (2.2%) on the previous period (January 2017) when this revised indicator was first reported.
- The council's Learning Places Programme continues to deliver at a pace to meet the demand for good quality learning places in the city with over 1,600 additional permanent places have been delivered to date. In addition the projects delivered within the programme since 2014 have generated 72 new and or existing apprenticeship opportunities whilst assisting a further 102 people into full time employment.

Helping people with care and support needs

- Leeds won the HSJ (Health Service Journal) 2016 award for Integrated Commissioning for Carers for our work in partnership with Leeds' three Clinical Commissioning Groups (CCGs). With research showing the heightened risk of poor health among carers, GPs used yellow cards to speed and simplify the carer referral process. 95% of those put in touch with support body Carers Leeds perceived positive outcomes from the contact. Judges praised the "clear demonstration of how a collaborative, sustainable intervention works".

- We developed a formal partnership with the Centre for Ageing Better that focused on Community Transport, Volunteering in BME Communities and Falls Prevention. In June 2016 the 'Make it Fallproof' campaign was launched to reduce the number of injuries caused by preventable falls – almost 4,000 people were admitted to hospital in Leeds as a result of a fall in 2014/15. The campaign was well received and achieved positive feedback from partners and customers alike. The Facebook advert campaign drove over 800 clicks to the web page, and reached over 21,000 people. As part of this, we delivered a successful partnership in the delivery of community falls exercise prevention programmes where 59 older adults have engaged in falls specific exercise which has resulted in an increase in functional fitness and increased their mobility and walking speed. We also collaborated with Yorkshire Dance on a Dancing in Time programme which has shown a reduction in falls in older people. The council has been recognised nationally for its work on falls prevention which is now being replicated in other areas.
- Through the Age-Friendly Leeds Partnership, a new Age-Friendly Charter was launched following consultation and engagement with older people across the city. The Charter is the Age-Friendly Partnership's way of saying: this is what it means to be age-friendly in Leeds. People and organisations can sign up to the Charter and make the pledges which are relevant to them and their work.
- We delivered our 3rd Winter Friends programme increasing members of the network to 70 organisations and 240 individuals who promote high impact interventions through the use of a winter wellbeing checklist.
- We opened the Wharfedale View extra care housing scheme, providing 45 apartments in state of the art premises, enabling people to stay active and independent in their own homes with the reassurance of support provided a 24-hour care and support team.
- Our Assisted Living Leeds Innovation Lab delivered a number of sessions to support people with particular health or equipment needs; bringing together citizens with relevant professionals, such as academics and occupational therapists, to co-design and develop products to help meet those needs. Examples during 2016/17 include a session to develop a new product to help open doors for people with arthritis and reduced grip –two brand new products were put forward to prototype stage; co-designing and consulting on plans for one company's next generation of Telecare devices; working with another company to consult on the launch of their home management and care product, bringing together tenants of social housing of various ages and with caring responsibility as well as colleagues from housing; holding the first of a series of sessions with a company looking at user needs for a product to support people with dementia and their carers – future sessions will consult on the design as it evolves to ensure a truly co-designed solution.
- A large EU Horizon 2020 project began in January 2017 with the council as the customer-facing partner and Samsung as the lead technology provider. Over three years, the project will work with 1,000 older people across Leeds to deliver wearable and mobile technology as well as home sensors, aimed at reducing social isolation and improving their health and care outcomes through daily activity monitoring.
- We won a National Council for Palliative Care award for Dying Matters Awareness Initiative of the year – recognising events and activities that raise awareness of the importance of talking about dying, death and bereavement.

Tackling domestic violence

- Over 4,500 cases have been discussed at the Front Door Safeguarding Hub since it became operational in 2015 with increased referrals from a range of sources. The school notification process has been in place since April 2016 with more than 1,200 notifications completed.
- A range of council services attained the Domestic Violence (DV) Quality Mark. Services were required to demonstrate responses that covered a broad range of DV standards / requirements for marginalized groups such as BME women and disabled women.

- In November 2016, we delivered a Domestic Violence Campaign (including the White Ribbon Campaign) which targeted men and encouraged them to become involved in the domestic violence agenda. The campaign took to the streets of Leeds and involved thousands of members of the public taking the White Ribbon Pledge.
- A network of Ambassadors has been established to involve new partners in this agenda. The Ambassadors are made up of individuals from a range of sectors including the council, health, police, third sector and others.
- A pilot exercise was carried out across Leeds' GP surgeries, introducing GP routine enquiries of women they see alone if she is experiencing abuse. Moorfield House Surgery in Garforth was subsequently shortlisted in the finals of the British Medical Journal Awards 2017.

KEY FACTS AND FIGURES *[infographics running along bottom of page]*

- 50% reduction to hospital delayed discharges due to social care related reasons
- Over 130 adults, children and young people with special educational needs and disabilities successfully completed independent travel training
- 65% of all registered social care services in Leeds rated as 'good' or 'outstanding'
- 711 fostering households supported by the council
- 11,658 school places created between 2009/10 and 2015/16; around 2,230 more needed to meet demand in 2018/19
- 38.9% of adults active, up on target of 36% and last year's result of 36.4%
- Schools served by council's Catering Leeds increased fruit intake by 10%
- 3,750,406 visits to council leisure centres in 2016/17, up 2.6% on 2015/16
- Over 400 health and care workers trained in 'better conversations- working with approach'
- Adult smoking rates in Leeds dropped to 18.5% - first time below 20% since routine recording began
- 114,339 NHS Health Checks carried out in Leeds since 2011, through which 16,054 New Diagnosis/High Risk cases of cardiovascular disease identified
- 57,000 people work in health and care in Leeds
- 4,059 active users of Leeds Care Record in March 2017, up from around 2,000 the year before
- Non-domestic burglaries fell by 8% between 2015 and 2016

An efficient and enterprising organisation *[Pages x-y]*

Developing our people, delivering value for money and working with partners innovatively to effect change

Public resources continue to face significant financial challenges through reducing levels of funding and rising demand for services, particularly from an expanding and ageing population. In response, we need to work differently, change our approaches and embed our 'Doing Our Best / Can Do' culture; we need an agile, skilled and diverse workforce with the ability to respond flexibly; we need to maximise income generation and develop services in new markets, whilst ensuring that there are no unintended consequences for vulnerable citizens: we need to continue our efforts to become a more efficient and enterprising organisation.

KEY ACHIEVEMENTS DURING 2016/17

- In July 2016, the Local Government Association (LGA) peer challenge team spent four days in Leeds meeting with a range of council stakeholders as well as touring the city to assess the council's progress towards the 'Best city and 'Best council' ambitions. The review team findings are very positive, for example: strong engagement from council staff; the council's vision and ambitions being clear and well-articulated; the degree of trust and confidence in the council and its senior leadership; and a good level of self-awareness at strategic level which is evident in plans and strategies. The team were impressed with the council's ambitions and made recommendations including being bolder in communicating successes, greater prioritisation, revisiting locality working, investing in more innovative and radical change and reviewing the processes in place to support this.
- The LGA Peer Challenge Review of 'Use of Resources' by the Adult Social Care Directorate concluded that we're focussing on appropriate areas for improvement and are "a self-aware organisation driven by data with clear transformational plans in place, supported by a strong corporate and member ethos and structure".

New ways of working

- In line with the reduced level of funding received from government, the council had to become more efficient and had to reduce its costs further. To achieve this, in 2016/17 the council carried out a review of all its services, bringing them together in a simpler and clearer structure to better deliver priorities and create efficiencies. As a result of the review, from April 2017 the number of directorates in the council reduced from seven to five.
- The ten community committees continue to operate across the city, providing a forum for local people to have their say in discussions about issues, involving them in decision making on key areas such as environmental improvements, community safety, health and wellbeing and employment. The community committees also continued to allocate money for local projects and activities.
- The council's Changing the Workplace (CTW) programme continued into 2016/17, helping the organisation improve how it works to ultimately deliver better services for customers. As a consequence of staff working in new ways, significant savings are being made by reducing the number of buildings that we need. The Merrion House refurbishment and construction is progressing, with the building due to reopen in 2018.
- A significant achievement has been the ongoing work to keep data held on the council's network secure and available through technology filtering and blocking and ensuring staff are aware of their responsibilities to be vigilant about e-mail attachments and web links. We raised staff awareness around information governance through a new e-learning package introduced in 2016/17, mandatory for all staff to complete. We are currently the only council in the country to have passed the NHS Digital Audit without any issues.

- We successfully completed a 3-year project to upgrade our waste management major systems and improve associated business processes. This significant project involved the migration from a number of live disparate systems into one unified system developed specifically to support waste operations. Using the new technology, these changes have supported a reduction in the number of missed bin collections, and therefore customer complaints, along with the general efficiency gains a single system creates.
- In 2016/17 we introduced a new procurement framework for fleet purchases. All procurements of this nature are now considered with reference to the availability of ultra-low emission vehicles; life time costs and environmental factors are considered, rather than a simple up front cost. As a result an increasing number of the corporate fleet are being replaced with zero or ultra-low emission vehicles.
- Across the Education Private Finance Initiative (PFI) portfolio, we have realised greater efficiencies through the supply of gas and electric to our PFI providers by using the council's energy framework provider (Engie). This in turn has given the council lower tariffs and cheaper energy bills.

Financial management

- We came in within budget in 2016/17, through a combination of efficiencies, income generation and sound investment. Significant savings were made from reducing staff numbers with 488 full-time equivalent staff leaving the organisation in 2016/17 and a number of posts being held vacant.
- Our council tax in-year collection rate was 96.1%, up on 95.9% the previous year and exceeding the target of 95.9%. £303.9m was been collected in respect of 2016/17 bills, an increase of £16.4m compared to the previous year.
- Against a budget of £0.5m, some £0.3m of local discounts were approved in 2016/17 under our Discretionary Business Rate Relief Scheme to support the creation of employment and economic growth and to increase the business rates base.
- We generated over £ 13m of capital receipts from the sales of 3 Sovereign Square, the Elmete Centre, Musgrave Court and 26-34 Merrion Street, among others, and a preferred purchaser has now been identified for the council-owned Leonardo, Thoresby and Great George Street complex. We also successfully completed the extension to the Leeds Local Education Partnership Contract for a further five years; an arrangement that has already helped the council deliver over £400m of capital investment in the city.

Our workforce

- In 2016 our staff engagement survey achieved a response rate of 53% (up on returns in the previous two years of 44% and 45%). We achieved an overall engagement score of 7.5 out of 10 (similar to 2015's result) based on responses to the question, 'If a friend asked you to give a score from 1 to 10 working for Leeds City Council, what would it be?' Given the tough climate we continue to work in, it's hugely encouraging to see such results.
- Working with partners across the city, the council actively promoted a full calendar of inclusion and wellbeing events throughout the year including National Inclusion Week, International Women's Day, LGBT History Month, Leeds Pride, Black History Month, Leeds West Indian Carnival and Mental Health Awareness Week / World Mental Health Day. We also reviewed, updated and published our Equality and Diversity Policy.
- We have increased the number of apprentices we employ from 150 to 287 – a near 50% increase - with around 160 new apprentices aged below 24. At 1.7%, Leeds employs more apprentices as a percentage of our work-force headcount than other local authorities.
- The council's Healthy Minds Group launched, supporting positive mental health in the workplace. The group, which is open to all council staff, holds regular sessions giving members relevant information and self-help tips for improving their mental health.

- We ran a successful work experience programme for undergraduate care leavers from Leeds who are doing law or associated degrees. Positive feedback was received from all three undergraduates who took up this opportunity in summer 2016. In a competitive market for this type of training, for Leeds to equip these young people with work experience in a legal practice is important and will encourage these young people to think about pursuing their legal careers in Leeds.
- Working with the Leeds Law Society, the council has jointly facilitated a review into the socio-economic contribution of the legal sector to the Leeds economy, which is due to be launched at a major conference in mid-June.

Key statistics *[infographics running along bottom of page]*

- 99 elected members across 33 wards with 10 Community Committees
- 12,400 FTE (full-time equivalent) council staff at end 2016/17, down from 15,000 in 2010
- 13% of workforce are Black Asian Minority Ethnic (BAME)
- 96.7% of council staff had a year-end appraisal in 2015/16, down from 97.3% in 2014/15
- 97.8% of council staff had a mid-year appraisal review in 2016/17, up from 97.6% in 2015/16
- 7,500 colleagues completed our 2016 staff engagement survey
- 400 more staff trained in fundamentals of New Ways of Working
- Over £400m in savings made by the council since 2010/11 despite £239m reduction in government funding over that period
- 91.79% of invoices processed for payment within 30 days
- 12,000 computer users switched on each day and connected to council network; 23,000 telephony connections managed; 30 million council emails get to their destination each year
- Council supports around 500 business applications, one of the most diverse set in the country
- Council's Catering Leeds provided 6.4m primary school meals in 2016/17, up by 0.3m (295 meals per day) on the previous year
- Council emitted 110k tonnes of CO2 in 2014/15 (most recent figures), down by 137k tonnes or 20% from 2008/09
- 1,109 tonnes of carbon saved in 2016 from solar panels on council buildings and 1,000 council homes

Objective 1:

Supporting communities and tackling poverty

– involving people in shaping their city and tackling the challenges of poverty, deprivation and inequality

The council and partners have continued to provide inclusive, local citizen-based services to tackle poverty, inequality and related issues and to improve people's physical and mental health and wellbeing.

KEY ACHIEVEMENTS

Providing accessible and integrated services

- Expanded Community Hubs approach to nine sites across the city, providing integrated services and broader provision across extended opening hours. A further nine sites are planned for opening in 2016/17.
- Achieved the highest available rating (4*) from the Society of Information Technology Management's (SOCITM) Better Connected survey for the council's website – SOCITM promotes the effective and efficient use of Information Technology in Local Government and the Public Sector.

- Launched self-serve, on-line capability for a number of environmental services so citizens can access services 24/7 via the council website.

Helping people out of financial hardship

- Worked to reduce the burden of debt through tackling high-cost lenders, including successfully lobbying for changes to the market, introducing the online Money Information Centre and launching a web-based Pay Day loan product that charges credit union rates, much lower than the rates still charged by the commercial payday sector.
- Discretionary Housing Payments (DHP) are extra payments to help people pay their rent. We give DHPs to people receiving Housing Benefit or the housing costs element of Universal Credit who need more help with their housing costs. In 2015/16, Leeds made 5,620 DHP awards totalling nearly £2m.
- Launched a scheme to support the expansion of Credit Union School Savings Clubs within primary schools across Leeds. Under the scheme, all pupils entering key stage two will be offered a £10 contribution towards opening a credit union account.
- The Food Assistance/Fareshare work has been very successful in providing clients with food assistance,

during 2015/16 and this work will continue throughout 2016/17.

Helping people into work

- Job Shops (facilities provided by the council to help people into work) supported over 2,700 people into work through advice and guidance, skills training, work experience and brokerage with employers.
- Delivered 471,000 ICT skills training sessions across the Community Hubs throughout the year. These sessions cover a wide range of ICT skills that help to develop a person's potential, assisting them when applying for jobs and then in the workplace.
- Launched the country's first Person at Work Support Package to help residents applying for Council Tax support who are also in receipt of Job Seekers Allowance for 6 months or more to become work ready and to find employment. Since October 2015, 390 people have started in the scheme and 46 people have been supported into work to date.
- Signed Employment & Skills Charter with John Lewis and Hammerson, marking their commitment to support Leeds residents to access new employment opportunities created through the £165 million Victoria Gate development.

KEY STATISTICS

More than £1m spent through Local Welfare Support Scheme

4,877 people supported into jobs, 12,176 people gained new skills

£0.3m initiative Funding spent on financial inclusion, including debt support & advice

Incidents of burglary reduced by 45% from 9,000 in 2011 to 5,000 in 2015

20,109 NHS Health Checks carried out

7,000 people took part in Leeds Sky Ride 2015

More than 8,000 in Leeds half marathon 2015

Established multi-agency Front Door Safeguarding Hub to better respond to cases of domestic violence reported to the police

47% increase in customer contact received via self-service digital channels

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Report author: Steven Courtney
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Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date 21 July 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

- At its meeting in June 2017, the Scrutiny Board agreed to maintain an overview of the Council's financial health and continue routine monitoring through regular reports from the Chief Finance Officer.
- The following reports are appended to this paper
 - Medium Term Financial Strategy (2018/19 to 2020/21)
 - Financial Health Monitoring 2017/18 – Quarter 1
- The above reports are due to be considered by the Executive Board at its meeting on 17 July 2017. Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

Recommendations

- That the Scrutiny Board considers the attached Financial Health reports and agrees any specific scrutiny actions that may be appropriate.

Background documents¹

- None.

¹ 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 Chief Officer – Financial Services

Report to: Executive Board

Date: 17th July 2017

Subject: Medium-Term Financial Strategy 2018/19 – 2020/21

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report presents the Council's 2018 /19 – 2020/21 Financial Strategy for Executive Board's approval.
2. This Financial Strategy reflects Government's known planned reductions in public sector funding, as well as taking account of increasing costs from rising demand for services, inflation and other cost pressures.
3. Following the Queen's Speech on 21st June 2017, the Strategy reflects the assumption that 100% business rate retention is unlikely to be implemented during the life of the current Parliament. However, it is understood that the Fair Funding Review, which is considering the relative needs and resources of authorities, will continue. The Strategy assumes that should changes to funding allocations arise as a result of the Review they will be revenue neutral to this Plan as transitional arrangements would be anticipated to be in place. Likewise, should any changes to the business rates system itself be introduced it is assumed for the purposes of this Plan that they would be revenue neutral.
4. The Strategy also incorporates an identified programme of efficiencies for the next three financial years and this contributes towards how the Council will manage the known reduction in resources that support the services that the Council delivers. Sound longer-term financial planning is also a fundamental part of a robust financial control environment.
5. The Council is facing continued financial pressures through a combination of reduced funding, rising costs and growing demand. The scale of the funding gap between 2018/19 and 2020/21 is projected to be in the order of £13.9m, £4.1m and £26.2m respectively in

each financial year. For the period covered by the Financial Strategy there is an estimated overall budget gap of £44.2m.

6. Whilst work has been undertaken already to identify how the Council can make savings, at this stage it has not been possible to identify sufficient savings or income generation opportunities to entirely close the gap over the next three years. Further options to consider in respect of addressing the budget gap for the period 2018/19 to 2020/21 will be required and officers will continue working on proposals for consideration by members.
7. In reviewing the strategy it needs to be appreciated that over the planning period there are a number of significant risks which may impact upon the Council's finances. Moreover, there is much uncertainty within the national and economic environment within which local government operates. As such the strategy serves to indicate the range and scale of challenge and a direction of travel rather than a precise state of resources.
8. In the context of these uncertainties and financial challenge, it is nevertheless clear that the Council will need to continue to make difficult decisions around the level and quality of our services to ensure the delivery of the ambitions and priorities for the City and the Authority set out in the Best Council Plan. The development and implementation of the Best Council Plan will continue to inform, and be informed by the Council's core funding, its staffing and other resources and ongoing collaboration and engagement with partners across all sectors and the communities and citizens of Leeds. Initial proposals for the 2018/19 Best Council Plan and supporting budget will be brought to this Board in December 2018.
9. While this Financial Strategy provides a financial planning framework through to 2020/21, it does not represent the proposed budget for the next three years. It should be stressed that under the Council's constitution, decisions to set the annual budget, the council tax base and the rate of council tax can only be taken by Full Council and therefore these decisions will continue to be made as part of the Council's annual budget-setting process.

Recommendations

Executive Board is recommended to:

- i) Approve the 2018/19 – 2020/21 Medium-Term Financial Strategy;
- ii) Note that further proposals will be brought forward to address the current identified shortfall as part of the Council's budget process;
- iii) Note that the Chief Officer – Financial Services will be responsible for implementing these recommendations.

1. Purpose of this report

- 1.1 The 2017/18 budget report to Executive Board in February 2017 included an update of the Medium Term Financial Strategy 2018/19 to 2019/20. Within a set of assumptions, this identified a balanced budget position for these two years and it also stated the intention to present a fully updated Medium Term Financial Strategy to Executive Board at its meeting in July.
- 1.2 In accordance with this requirement this report presents the Council's updated Medium-Term Financial Strategy covering the period 2018/19 – 2020/21 for Executive Board's approval.

2. Background information

- 2.1 The environment in which local government operates continues to be one which presents significant financial challenges to all local authorities, including some areas of significant uncertainty.
- 2.2 The Government's spending review of 2015 set out plans for spending on public services by all government departments for the period 2016/17 to 2019/20. Between 2010/11 and 2017/18 Leeds' core funding from Government has reduced by £239m and on-going annual reductions will continue until 2019/20 in line with the four year settlement agreement with the Government.
- 2.3 In addition to the reductions in our core funding the Council faces continuing growth in demand for many of its services, particularly for adults and children's social care. In balancing its budgets the Council must also deal with inflationary increases in costs and reductions in income from specific government grants and partner funding. Whilst we have responded successfully to these financial challenges to date, it is important that the Council has a robust Financial Strategy in place to address the continuing financial pressures. It is also more important than ever that we continue with our programme of becoming a more efficient and enterprising organisation, our stated 'Best Council' ambition.
- 2.4 Government did not re-introduce the Local Government Finance Bill in the 2017 Queens Speech. As a result it is assumed that Government's plan to introduce 100% local retention of business rates is unlikely to be implemented during the current Parliament. Whilst 100% retention would no doubt present opportunities for councils, it is also likely to increase the level of risk. At the time of writing it is seemingly unlikely that any reform of the business rate system will be introduced during the period of this Financial Strategy. It is, however, assumed that any such changes would be revenue neutral to this Plan.
- 2.5 Government has confirmed that the Fair Funding Review, which was being carried out alongside work to introduce 100% retention, will continue. The Fair Funding Review will conduct a thorough review of the needs assessment formula used to allocate government funding to local authorities, taking account of their relative needs and resources. The outcome of the review could impact on the level of government funding available to the Authority, however the Strategy assumes that any such changes will be revenue neutral during the life of this Plan as transitional arrangements are anticipated to be in place.
- 2.6 Looking more widely, the potential impact that the vote by the British public to leave the European Union may have upon the Council (and indeed on the economy as a whole) is unclear. In the medium term there are likely to be both positive and negative impacts but for the immediate future the impact is most certainly to increase uncertainty.
- 2.7 In the context of these uncertainties and financial challenges, the Council will need to continue to make difficult decisions around the level and quality of our services to ensure the delivery of the ambitions and priorities for the city and the authority set out in the Best

Council Plan. Both the development and implementation of the Best Council Plan will continue to inform, and be informed by, the Council's core funding, its staffing and other resources, ongoing collaboration and engagement with partners across all sectors and the communities and citizens of Leeds. Initial proposals for the 2018/19 Best Council Plan and supporting budget will be brought to this Board in December 2018.

- 2.8 In September 2016 Executive Board received the Council's Medium Term Financial Strategy which detailed a funding gap of £110m of which £81.8m was frontloaded to 2017/18. The report detailed how the Council intended to address the resources gap with detailed proposals totalling £58m. These and further proposals were incorporated into the Council's Initial Budget Proposals for 2017/18 which were received at Executive Board in December 2016. Following consultation the recommended budget was received at Executive Board and subsequently approved at Council in February 2017.
- 2.9 The Medium Term Financial Strategy 2017/18 – 2019/20 that was received at Executive Board in September 2016 also requested that Council accept Government's offer of a four year funding settlement covering the period 2016/17 to 2019/20. This recommendation was agreed and the implications of the four year spending settlement have been incorporated into the Medium Term Financial Strategy 2017/18 – 2020/21.
- 2.10 Since the 2017/18 budget was approved in February 2017 the Council has been notified of the receipt of additional adult social care grant ("Spring Budget grant") and additional Homelessness Grant. The additional £28.8m of Spring Budget grant, receivable from 2017/18 to 2019/20 is intended to fund social care services: examples provided include care packages for more people, support to social care providers, and to relieve pressure on the NHS locally e.g. reducing delayed transfers of care. The grant conditions for the improved Better Care Fund (iBCF) require councils to include this money in the local BCF Plan, working with their NHS colleagues to consider how the funding can be best spent.
- 2.11 The additional £3.43m of Homelessness Grant, receivable in 2017/18 and 2018/19 will be used to support continued reductions in the number of homelessness cases.
- 2.12 Given the known level of funding reductions for 2018/19 to 2020/21 along with increased demand for services, the impact of business rate appeals, increasing cost pressures and other known reductions in funding there is a requirement to refresh the Medium Term Strategy to take account of the impact of all these issues on the overall level of resources available to support the Council's budget, and to roll the strategy on an additional year, namely to include 2020/21.
- 2.13 While this Financial Strategy provides a financial planning framework through to 2020/21, it does not represent the proposed budget for the next three years. It should be stressed that under the Council's constitution, decisions to set the annual budget, the council tax base and the rate of council tax can only be taken by Full Council and therefore these decisions will continue to be made as part of the Council's annual budget-setting process.

3. Main Issues

3.1 Settlement Funding Assessment (SFA) and changes in Local Funding

- 3.1.1 As part of the 2016/17 financial settlement, Government offered councils a 4-year funding settlement for the period 2016/17 to 2019/20, described as part of the move to a more self-sufficient local government. The levels of Revenue Support Grant and Business Rates Baseline funding assumed in the Financial Strategy to 2019/20 are in line with the indicative figures provided by Government and updated by them in the 2017/18 Final Settlement as outlined in the table below. The increases in Baseline funding and business rates growth

assumed in 2020/21 reflect Government's plan to switch the indexation of Business Rates from the Retail Price Index to the lower Consumer Price Index measure in that year.

3.1.2 Table 1 Estimated Level of Resources

	2017/18	2018/19	2019/20	2020/21
	Final	Indicative	Indicative	Indicative
	£m	£m	£m	£m
Revenue Support Grant	65.0	46.5	27.8	27.8
Business Rates Baseline	148.0	152.7	158.1	161.3
Settlement Funding Assessment	213.0	199.2	185.9	189.1
Business Rates Growth	16.7	18.9	21.8	24.4
Business Rates Deficit	(21.8)	(12.5)	(4.0)	0.0
Council Tax: Core	270.0	280.6	291.9	303.5
Council Tax: Adult Social Care Precept	13.2	21.8	21.8	21.8
Council Tax surplus/(deficit)	1.5	0.0	0.0	0.0
Net Revenue Budget	492.7	508.0	517.4	538.8
Change in Resources		15.3	9.4	21.4

- 3.1.3 Business Rates figures to 2020/21 are based on the 50% business rates retention scheme currently in place, reflecting the assumption that 100% retention of business rates is now unlikely to be implemented during the life of this Financial Strategy. Given Government's assurances that the 100% scheme was intended to be fiscally neutral nationally, it is assumed that the impact of the 100% scheme not having been implemented will be revenue neutral to Leeds in this plan.
- 3.1.4 The Strategy assumes that business rates income retained by the Authority in 2019/20 (£158.1m) will rise to £161.3m in 2020/21, in line with the forecast Consumer Price Index.
- 3.1.5 There remain many uncertainties around the future of business rates within the local government finance system. However, it is assumed that any reforms which may be introduced during the period of this Financial Strategy would be revenue neutral to this Plan as transitional arrangements would be applied.
- 3.1.6 A key assumption within the plan is whether beyond the current spending review period, i.e. beyond 2019/20, will there be further reductions in government funding for local government. At this stage the strategy does not assume any further reductions, or for that matter increases in Revenue Support Grant in 2020/21. As such the level of Revenue Support Grant assumed for 2020/21 is in line with that notified for 2019/20, i.e. £27.8m.
- 3.1.7 Business rates growth above the baseline is based on current projections and includes estimates of in year growth. Growth above the baseline of £18.9m is included in 2018/19 and increases to £21.8m in 2019/20 and £24.4m in 2020/21. The growth figures in the Strategy include additional income generated as a result of the 2017 revaluation of business premises, which Government has not incorporated into the Business Rates Baseline.
- 3.1.8 The shortfall between budgeted business rates income and actual in-year income becomes a cost that has to be met in the following year. In 2017/18 this totalled £21.8m and in 2018/19 this deficit is estimated to fall to £12.5m and has taken into consideration a range of risks to 2017/18 income, including levels of growth achieved and the impact of business rates appeals. It is expected that such risks will reduce in future years as the Council settles

appeals against the 2010 ratings list, particularly as Government anticipates fewer appeals against the new 2017 ratings list.

- 3.1.9 Government recently announced a number of new reliefs for ratepayers during 2017/18, including a local discount scheme for businesses adversely affected by the 2017 Revaluation. The cost of these reliefs will add to the deficit carried forward to 2018-19 and reduce in-year income in future years. The Council is recompensed for this by means of a Section 31 grant in the period 2017/18 to 2020/21.
- 3.1.10 The Financial Strategy assumes council tax base growth of 1.7% per annum (around 3,800 Band D properties in 2018/19), which is in line with the tax base increase in 2017/18. Further, the Strategy assumes that councils will continue to be able to raise core council tax by up to 1.99% in each year without the need for a referendum. Additionally, the Provisional Local Government Finance Settlement 2017 confirmed the continuation of the Adult Social Care precept, capping the total increase between 2017/18 and 2019/20 at 6%. A 3% precept was raised in 2017/18 and the Strategy assumes a further 3% in 2018/19, maximising this flexibility, with no additional precept in 2019/20. This precept will generate an additional £8.6m of local funding in 2018/19.
- 3.1.11 After taking account of the changes in the level of funding available to the Council, Table 1 above, this shows that the net managed budget for the Council will increase from £492.7m in 2017/18 to an estimated £538.8m in 2020/21.
- 3.1.12 The £21.4m increase in the level of funding between 2019/20 and 2020/21, when compared to the changes between the earlier financial years, assumes that the reductions in the level of revenue support grant that were a feature of the four year funding settlement cease and that in 2020/21 there will be no further reductions in spending power, i.e. the end of austerity.

3.2 Other Funding Changes

- 3.2.1 The paragraphs below outline the key changes to other funding that the Council receives.

3.3 New Homes Bonus

- 3.3.1 In 2011 Government introduced an incentive scheme to encourage housing growth across the country. Councils received additional grant equivalent to the average national council tax for each net additional property each year and this was to be received annually for six years. The 2015 spending review made a number of changes to the scheme, including the receipt of the grant being receivable over 4 years and the imposition of baseline before any reward is paid; the £1.7m pressure reflects the impact of these changes upon the base budget.

3.4 Homelessness Grant

- 3.4.1 Within the Housing Options service details of the new flexible Homelessness Support Grant were received after Council agreed the 2017/18 revenue budget in February 2017 and as such this resource is required to be injected into the budget. The Government has replaced Temporary Accommodation Management Fee (TAMF) with Flexible Homelessness Support Grant (FHSG) from April 2017. TAMF was a £60 per week management fee for temporary accommodation placements made through the private sector. Leeds has an average of 7 placements per night made through the private sector and therefore would have received £23k in TAMF if the funding arrangements had been maintained in 2017/18. FHSG has been calculated on the basis of homeless prevention outcomes and, as Leeds has achieved a high level of preventions, the allocation for Leeds in 2017/18 has been set at £1.636m and at £1.794m in 2018/19. The Medium Term Strategy assumes that the grant will fall after

2018/19 although Government has indicated that FHSG will continue in 2019/20 with allocations to be set at some point in 2017/18.

3.4.2 The FHSG allocation represents a significant windfall for the Council and, whilst Government has advised that it expects authorities to use the allocation to tackle homelessness, there is significant scope within this definition. Funding use proposals are currently being drawn up and will be set out for decision as appropriate. The expectation is that the funding will be used to achieve further increases in homeless prevention outcomes, further reductions in temporary accommodation placements and to best assist entrenched rough sleepers with drug and alcohol dependency issues.

3.5 Adult Social Care Grants

3.5.1 In February 2017 Government announced a total of £2.021bn as supplementary funding to the improved Better Care Fund (iBCF) to be spent on social care. This is to be distributed as £1.01bn in 2017/18, £674m in 2018/19 and £337m in 2019/20.

For Leeds the announced funding is: -

2017/18	£14.7m	}	Figures included in the Financial Strategy
2018/19	£9.4m		
2019/20	£4.7m		

3.5.2 This money is intended to fund adult social care services: examples include care packages for more people, support to social care providers, and to relieve pressure on the NHS locally e.g. reducing delayed transfers of care. The grant conditions for the iBCF require councils to include this money in the local BCF Plan, working with their NHS colleagues to consider how the funding can be best spent. Whilst the detailed policy guidance has been published, a key determinant of the grant relating to the planning requirements of the improved Better Care Fund has still to be issued by Government. Plans in Leeds are currently being developed and discussions with health partners are ongoing. It is recognised that this money is short-term in nature and reduces year on year and this is helping to inform the best use of the funding.

3.5.3 The one off Adult Social Care support grant of £3.3m, part funded by changes in New Homes Bonus, will fall out of the base budget in 2018/19.

3.6 Public Health grant

3.6.1 In the 2015 spending review the Government indicated its intention to make savings in local authority public health spending and a further £2.33m reduction is projected to the end of 2020/21.

3.7 Partner Funding

3.7.1 The 2017/18 budget for Adults and Health includes financial support from health partners which recognises that without adequately resourced social care timely hospital discharges would be adversely affected and people's conditions could necessitate more emergency hospital admissions. The Medium Term Financial Strategy assumes that £8.0m of the additional £14.7m Spring Budget grant receivable in 2017/18 will be used to offset an income target in the base budget. This recognises that it has become apparent that both local and national pressures within the Health Service mean that this target is no longer realistically achievable.

3.8 Children and Families Services

- 3.8.1 Within Children and Families, the Education Services grant will cease to be received after September 2017 with a further loss of grant income in 2018/19 of £2.47m.
- 3.8.2 There will be a reduction of £2.5m of Department for Education Innovations grant supporting the base budget.
- 3.8.3 The Council received £7.3m of Innovation Grant in late 2016/17. This has been carried forward into 2017/18 and will be used to invest in continuing the Leeds children strategy in two important ways: to continue to lead the way in trialing new approaches to working with children and families; and to continue to invest and reform preventative services in order to reduce demand and costs over.

3.9 Movement on use of Reserves

- 3.9.1 The movement on earmarked reserves is largely due to the requirement to establish a reserve for 2018/19 to fund payments to staff who are exiting the Council through the Early Leaver's Initiative (£2m) and the creation of a £2m business rate appeals reserve; other movements reflect the fact that earmarked reserves supporting the base budget in 2017/18 will not be available to do so from 2018/19 onwards.
- 3.9.2 The Strategy assumes that £2.5m of General Reserve is used to support the 2018/19 budget whilst in 2019/20 it is assumed this will be paid back.

4. Changes in Costs

4.1 Inflation

- 4.1.1 The Financial Strategy makes allowance for £28.6m of net inflation from 2018/19 to 2020/21. This includes provision for a 1% pay award over and above the cost of implementing the living wage. In addition the strategy makes allowance for inflation where there is a contractual commitment but anticipates that the majority of other spending budgets are cash limited. An anticipated 3% rise in fees and charges, where they can be borne by the market, has also been built into the Financial Strategy.

4.2 Local Government Pensions

- 4.2.1 The most recent Actuarial Valuation of the West Yorkshire Pension Fund took place in December 2016 and the authority has been notified that employer's contribution will rise from the 15.6% contribution in 2017/18 to 16.2% by 2019/20. Overall this creates a pressure of £1.8m. It should be noted that as part of the recent Actuarial Valuation of the Fund, given the volatility of equity markets and the valuation of sterling, it was agreed that the contributions of the West Yorkshire authorities would be subject to an annual mini review of contribution rates which could result in further increases in April 2018 and April 2019.

4.3 Leeds Living Wage

- 4.3.1 At its September 2015 meeting Executive Board agreed that the Council would move towards becoming a real Living Wage employer. In November 2015 the Living Wage Foundation announced a living wage of £8.25 per hour (outside London) and this was implemented by the Council in January 2017. The Medium Term Financial Strategy provides £3.7m for further increases in the Leeds City Council minimum wage which will see it rise from the current £8.25 per hour to £9.20 in 2020/21. Similarly in respect of services commissioned from external providers provision has been included that is consistent with the national minimum wage forecasts over the period (£16.7m).

4.4 **Fall out of capitalised pension costs**

4.4.1 The fallout of capitalised pension costs associated with staff who have left the Council under the Early Leavers Initiative (ELI) will save £1.5m.

4.5 **Demand and Demography**

4.5.1 The forecast recognises the increasing demography and consequential demand pressures for services in Adult Social Care and Children's Services with provision of £8.8m included in the Financial Strategy.

4.5.2 Within Adults and Health 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 of 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 through to 2020. The Learning Disability demography is expected to grow by 3.5% (based on ONS data) over the period; but it should be noted 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.

4.5.3 Children's Services continues to face significant demographic and demand pressures as a result of 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.

4.6 **Adult Social Care**

4.6.1 The financial strategy reflects the additional grant monies made available by Government and a proposed precept of 3% in 2018/19. Together the precept and the grant will be utilised to fund a range of adult social care pressures and priorities identified elsewhere in this report, for example demand and demography, the minimum wage in commissioned services, further reductions in the public health grant and the loss of targeted income from partners.

4.6.2 The Council has also written to all partners, both internal and external, requesting they submit proposals for the balance of the use of the 'Spring Budget' grant. These will be evaluated against the funding criteria and the detailed proposals will be submitted to a forthcoming Leeds and Health Wellbeing Board and subsequently reported to a future Executive Board.

4.6.3 The table below outlines how the additional funding provided by the improved Better Care Fund, the 'Spring Budget' grant announcement and the proposed adult social care council tax precept all combine to increase the 'spending power' within adult social care.

4.6.4 Table 2 Adult Social Care “Spending Power”

	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Base Budget	207.7	222.4	233.6	239.0
Spring Grant 17/18	14.7	(14.7)		
Spring Grant 18/19		9.4	(9.4)	
Spring Grant 19/20			4.8	(4.8)
improved Better Care Fund		11.1	10.1	
ASC Support Grant		(3.3)		
Precept 18/19		8.6		
"Spending Power"	222.4	233.6	239.0	234.2

4.6.5 Members should note that the increased “spending power” figures above will not necessarily translate into how the Council’s Adults and Health managed budget for 2018/19 and beyond will look. This is because the grant income and the associated expenditure will net each other off in budget terms in each year that the grant is received.

4.6.6 Members will also note that the Spring Budget additional funding for adult social care is both time limited and reduces over the life of this plan.

4.7 **Tour de Yorkshire**

4.7.1 In order for the Council to host one of the stages of the Tour de Yorkshire a resource of £0.2m is required to be reinstated into City Development’s budget. This budget was removed in 2017, a year in which Leeds was not a start / finish stage for the race.

4.8 **West Yorkshire Transport Fund**

4.8.1 The financial strategy assumes a £0.6m increase in the levy to the West Yorkshire Combined Authority in respect of the Transport Fund over the planning period.

4.9 **Other pressures and savings**

4.9.1 Over the life of the Medium Term Financial Strategy 2018/19- 2020/21 other cost pressures amount to £14.6m.

4.9.2 There are additional costs of £0.7m within Waste Management, which mainly reflect the plan to roll out garden waste collections to more properties, additional disposal and collection costs associated with housing growth in the next 3 years and the revenue costs of the recently approved waste depot development, partially offset by savings in business rates at the RERF.

4.9.3 The net impact of the switch to Universal credit is forecast at around £1m over the next 3 years, mainly from reduced receipt of housing benefit overpayment income.

4.9.4 Within the strategic and central accounts, the strategy also recognises pressures around S278 income from developers of £2.3m; additional business rates levy to the pool of £0.6m and also the plan to reduce reliance on capitalisation of revenue spend by £3.5m from 2019/2020.

4.9.5 Other pressures across all Directorates amount to around £6.5m. These include £0.7m for projected rises in the cost of insurance, £0.2m for the coroner's service and £0.2m to provide additional capacity for the Digitalisation agenda.

4.10 **Capital Financing costs**

4.10.1 The Council's capital programme is determined by its capital spending priorities which combine a number of annual programmes investing in the existing key assets and services. In addition capital spend is directed towards the priorities laid out within the Best Council plan. The revenue cost and affordability of the capital programme is considered as part of treasury management strategy. The Council set its forecast for capital spend over the next 3 years in February and outlined a programme of £881m in the Council's general fund services and its housing revenue account.

4.10.2 The Council forecasts an additional borrowing requirement of £141m to support the 2018/19 capital programme spend of £281m. The additional revenue cost of this borrowing is forecast at £4m. This increase comprises £2.4m relating to funding new capital programme spend, £0.5m additional cost of switching short term funding to long term funding, £0.3m additional costs of premiums as a result of previous restructuring of debt and the remainder due to the impact of use of capital receipts to fund PFI liabilities, £0.3m brokerage fees and movements in other income streams.

4.10.3 The Treasury strategy continues to fund the borrowing requirement from a combination of historically low short term rates and its balance sheet strength. However, it references that interest rates are expected to rise and as such allows for some longer term borrowing when market opportunities materialise. If interest rates rise at a faster pace than expected then the treasury strategy will look to lock in longer term funding providing the Council with greater funding certainty over the longer term.

4.11 **Minimum Revenue Provision**

4.11.1 The Minimum Revenue Provision (MRP) is an annual revenue charge for the repayment of borrowing and other capital financing liabilities. Local Authorities are required by statute to determine each financial year what they consider to be a prudent amount of MRP and are required by statutory guidance to approve an annual statement setting out their MRP policy. The policy should be approved by full Council, as should any proposed subsequent revisions.

4.11.2 The 2017/18 Revenue Budget and Council Tax budget report, received at Executive Board in February 2017, identified that the Council had overprovided for MRP on its debt set aside since 2008/2009. This historical overprovision has been applied over a four year period (2016/17 to 2019/20) and has the effect of reducing the rate of repayments of borrowing over the period to which the overprovision is being applied, which is partly offset by additional interest costs in the meantime. However in the current climate of low interest rates Council agreed that this would be an acceptable cost given the benefits to be gained from the change. Moreover, it was recognised that, whilst this strategy provided an opportunity for the Council to transform its operations over a longer time period than otherwise, it would be necessary by 2020/21 to reinstate the budget for a "normal" level of MRP.

4.11.3 In 2020/21 it is therefore necessary to increase the MRP to meet the calculated level required. The calculated £35.6m increase can be partially offset by the identification of

additional capital receipts (£7.45m) which are over and above the amount required to support the revenue budget.

5. Estimated Budget Gap

5.1 After taking account of changes to the settlement funding assessment, changes in local funding plus other cost and funding changes as outlined above there is an estimated budget gap of £83.0m over the period covered by the Medium Term Financial Strategy. This estimated budget gap along with the incidence of the gap by financial year are detailed below.

5.2 Table 3 Estimated Budget Gap

2018-19 TO 2020/21 PROJECTIONS	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m
Settlement Funding Assessment	13.3	12.8	(3.4)	22.7
Changes in Local Funding	(28.7)	(22.2)	(18.0)	(68.8)
Other Funding Changes	1.6	2.9	4.5	9.0
Decrease / (Increase) in Funding	(13.7)	(6.5)	(16.9)	(37.2)
Inflation	9.5	9.5	9.7	28.6
Employer's LGPS contribution	0.9	0.9	0.0	1.8
Leeds CC minimum pay rate	0.6	1.3	1.8	3.7
National Living Wage - commissioned services	4.5	6.0	6.1	16.7
Fall-out of capitalised pension costs	(0.6)	(0.9)	0.0	(1.5)
Demand and demography	5.0	2.2	2.1	9.3
Adult Social Care Precept & Grant Spend	13.5	0.0	0.0	13.5
Tour de Yorkshire	0.2	0.0	0.0	0.2
West Yorkshire Transport Fund	0.2	0.2	0.2	0.6
Other pressures/savings	6.5	6.6	1.4	14.6
Debt - external interest / Minimum Revenue Provision	4.0	0.6	28.2	32.8
Projected Cost Increases	44.2	26.5	49.5	120.2
Total Cost and Funding Changes	30.5	20.0	32.5	83.0

5.3 **Proposals/Approach to meet the gap**

5.3.1 In order to both manage the reductions required for the period 2017/18 to 2019/20, and protect front line services, the Council embarked on an ongoing process of review across a range of services and policy areas in April 2016. The outcome of these reviews was incorporated into the Council's 2017/18 budget, approved in February 2017. It is intended that these service and policy reviews continue as part of an iterative approach to the Council's strategic plan and aligned Financial Strategy, and the outcomes of these reviews have been included in the Medium Term Financial Strategy. The table below presents a summary of the identified savings arising, presented thematically.

5.3.2 Table 4 Estimated Budget Gap less Savings Options

	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Estimated budget Gap	30.5	20.0	32.5	83.0
Budget savings proposals				
Accounting adjustments	(1.0)	0.0	0.0	(1.0)
Directorate budget savings proposals				
Changes to service	(0.5)	(4.3)	(0.9)	(5.7)
Efficiencies	(11.6)	(8.7)	(5.0)	(25.3)
Income - fees & charges	(3.0)	(2.8)	(0.5)	(6.3)
Income - traded services, partner & other income	(0.6)	0.0	0.0	(0.6)
Total - Budget savings proposals	(16.6)	(15.8)	(6.4)	(38.9)
Gap	13.9	4.1	26.2	44.2

5.3.3 The Financial Strategy assumes that the Council can continue to generate additional income through both fees and charges whilst at same time seeking to maximize trading opportunities. A review remains ongoing to ensure that the Council's current fees and charges are consistent with the Council's policy which was agreed at Executive Board in February 2016. In addition savings will be realised through changes to services and efficiencies. The key assumptions for addressing the budget gap are detailed below.

5.4 **Changes to Service**

5.4.1 Within Children's and Families services, the plan assumes that from 2019/20 the costs of looked after children will reduce by around £2.6m as a result of the impact of spending the DfE Innovations fund grant of £9.6m on preventative measures

5.4.2 Children's and Families services are also seeking to target a further £3m of savings over the life of the plan.

5.4.3 In addition, 2017/18 has been a fallow year for local council elections and the 2017/18 budgeted reduction of £0.7m within Communities and Environment needs to be added back.

5.5 **Efficiencies**

5.5.1 Savings with Adults and health reflect the need to address the fall out of short term grant funding through the life of the plan, being;

Adult Social Care support grant (£3.3m)
Public Health grant (£2.3m)
Spring Budget grant (£9.4m).

5.5.2 Savings on care packages and other efficiencies over the period are projected at over £4m.

5.5.3 Members should note that the plan assumes a net budget increase in Adults & Health in 2018/19 to the value of the 3% Adult Social Care precept; and in addition using in full the Spring Budget grant monies announced in February 2017.

- 5.5.4 Children's Services have identified £1.0m of savings in transport and other running costs over the next 3 years.
- 5.5.5 Within Support Services further savings of £2.1m are targeted to be realised within business administration, finance, HR, IT and programme / project management. Whilst there will be some full year effects of the 2017/18 budget, increasingly the focus will be on reviewing processes and, where business cases exist to make processes more efficient or embrace new technology, resources will be identified to progress these initiatives and realise the savings.
- 5.5.6 Savings of £0.9m in Communities and Environment are proposed, mostly through improved performance and digitalization in the Contact Centre.
- 5.5.7 City Development continues to work towards VAT exemption for Sport, which would generate a saving of £0.6m.

5.6 **Income - Fees & Charges**

- 5.6.1 An estimated additional £6.3m is forecast from fees and charges by 2020/21. Over £2.8m of this relates to the full year effects (FYE) of decisions taken in the 2017/18 budget, particularly within City Development.
- 5.6.2 There are further plans to generate additional income at Parks attractions (£0.5m) and a further £1.5m of income is targeted relating to the acquisition of assets – based on a similar operating model to the acquisitions of sites at Sovereign Square and Logic Leeds in 2016.
- 5.6.3 The plan also assumes further net income of £1m from additional city centre car parking sites.

5.7 **Income – Traded Services / Other**

- 5.7.1 Children's services are targeting an extra £0.5m of income from traded activities to help offset the loss of Education Support Grant.

5.8 **Accounting Adjustments**

- 5.8.1 The Financial Strategy assumes that there will be further capitalisation of revenue spend (£0.5m) in 2018/19 together with the use of £0.5m of balance sheet items no longer required.

5.9 **Revised Gap**

- 5.9.1 The total estimated savings from service reviews, efficiencies and additional income from the fees and charges that the Council is seeking to generate over the three year plan total approximately £38.9m. This is not sufficient to deal with changes to the settlement funding assessment, changes in local funding plus other cost and funding changes. Even after account is taken of the identified savings options there is an estimated budget gap of £44.2m for the three year period covered by the Medium Term Financial Strategy.

5.10 **Comparison to the February position**

- 5.10.1 As outlined above this Medium Term Financial Strategy identifies a shortfall of resources of £44.2m over the period 2017/18 to 2020/21 - £18.0m of which relates to the period 2018/19 to 2019/20. This is in contrast to the balanced position for 2018/19 – 2019/20 reported to Executive Board in February.

5.10.2 The main elements of this variation of £18.0m can be explained by the fact that the strategy incorporates increased pressures and changes to savings proposals within Children's Services (£10.9m), the increased cost of managing the Council's debt (£3.1m), creation of ELI and business rate appeals reserves (£4m), reduced contributions from both New Homes Bonus (£2.4m). This is offset by an additional £7.6m of income from business rates and council tax when compared to the February position. This variation is detailed below.

5.10.3 Table 5 Movement in the Financial Strategy since February

Movement in Financial Strategy (2018-2020) since February

	£m
Funding Changes (Net Revenue Charge)	
Council tax base	-2.2
Business Rates	-5.4
Other Funding Changes incl. Reserves	
New Homes Bonus	2.4
Minor other funding changes	-0.4
Earmarked Reserves	
Business Rate Appeals	2.0
Early Leavers Initiative	2.0
Cost Changes	
Children Looked After	3.0
Debt Costs	3.1
Reduced S278 income	2.3
Net Other Cost Changes	1.1
Revised Savings Proposals	
Children's Services -revised savings figures	7.9
Slippage in additional commercial income	1.7
Other minor changes	0.5
Total Movement since February	18.0

6. Reserves Policy

6.1 General Fund Reserves

6.2 Under the 2003 Local Government Act, the Council's Statutory Financial Officer is required to make a statement to Council on the adequacy of reserves as part of the annual budget setting process. It is also good practice for the Authority to have a policy on the level of its general reserve and ensure this is monitored and maintained.

6.3 The purposes of the general reserve policy are to:

- Maintain general reserves at a level appropriate to help longer-term financial stability; and

- Identify any future events or developments which may cause financial difficulty, allowing time to mitigate for these.

6.4 The general reserve policy encompasses an assessment of financial risks both within the Medium Term Financial Strategy and also in the annual budget. These risks should include corporate/organisation-wide risks and also specific risks within individual directorate and service budgets. This analysis of risks should identify areas of the budget which may be uncertain and a quantification of each 'at risk' element. This will represent the scale of any potential overspend or income shortfall and will not necessarily represent the whole of a particular budget heading. Each assessed risk will then be rated and scored in terms of impact and probability.

6.5 The Financial Strategy seeks to utilise £2.5m of reserves in 2018/19 whilst the 2019/20 budget assumes a contribution of £2.5m back to the General Reserve. The table below sets out the indicative general reserve level from 2017/18 to 2020/21.

6.6 By the end of the plan, the level of General Reserve is forecast to be the same as that in April 2017.

6.7 Table 6 Forecast Level of General Reserve

General Reserve	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Brought Forward 1st April	20.7	20.7	18.2	20.7
Budgeted contribution/(use) in-year	0.0	(2.5)	2.5	0.0
Carried Forward 31st March	20.7	18.2	20.7	20.7

6.8 Whilst the Council maintains a robust approach towards its management of risk and especially in the determination of the level of reserves that it maintains, it is recognised that our reserves are lower than those of many other local authorities of a similar size. Whilst the continued reductions in funding and the pressures faced by the Authority make the current financial climate challenging, we will continue to keep the level of the Council's reserves under review to ensure that they are adequate to meet identified risks.

7. Corporate Considerations

7.1 Consultation and Engagement

7.1.1 Embracing the concept of civic enterprise set out in the Leeds-led '*Commission on the Future of Local Government*', it is clear that the Council must continue to work in a way that is consistent with this concept. We must move away from a heavily paternalistic role where we largely provide services, towards a greater civic leadership role where we work with people rather than doing things to or for them unless they need this.

7.1.2 To achieve changes on the scale proposed will require ongoing conversations about the Council and its future role, beyond the traditional consultation methods used for budget setting or changes to services. We will undertake significant and ongoing engagement with staff across the Council, elected members, the public and partners on the future priorities, shape and funding model of the Council. At the core of this engagement will be discussions that redefine the social contract – the relationship between public services and citizens where there is a balance between rights and responsibilities. These conversations will focus on the likely future extent of council services and what responsibilities partners and the public should take on to look after themselves, others and the places where they live and work. If more people are able to do more themselves, the Council and its partners can more

effectively concentrate and prioritise services and resources to those communities and areas most in need.

7.1.3 If specific changes to council services are identified and subsequently proposed, we will use normal business processes to engage with users and staff to inform decision-making.

7.1.4 When considering any workforce change the trade unions should be meaningfully engaged at the earliest opportunity. In 2016 the Council re-issued the Section 188 notice following the Comprehensive Spending Review and this triggered the consultation process around the mitigation of redundancies and there have been regular meetings with trade union colleagues about how we can work together to meet our financial challenges. Further consultation will need to take place once the proposals regarding workforce changes become clearer and more defined. The council's Early Leaver Initiative, effective vacancy controls and other measures to save employment costs have significantly reduced the requirement to reduce FTEs still further, and the intention is to refresh the s188 notice to reflect the revised figures in the MTFP.

7.2 Equality and Diversity / Cohesion and Integration

7.2.1 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.

7.2.2 Previous Executive Board reports provide details of the extensive analysis carried out to understand needs and inequalities in the city and to inform service and financial planning, for example the Joint Strategic Needs Analysis and analysis of the Indices of Multiple Deprivation.

7.2.3 Specific equality impact assessments will be undertaken on the implementation of all budget decisions as they are considered during the decision-making processes in 2017/18. As part of this, the proposed revenue budget for 2018/19 will be subject to Equality Impact Assessments where appropriate with details included in the 2018/19 budget proposal reports to Scrutiny, to this Board and subsequently Full Council.

7.3 Council Policies and Best Council Plan

7.3.1 The Financial Strategy focuses on how the Council intends to respond to Government's indicative reductions in public sector funding and increasing costs associated with rising demand for services, inflationary and other cost pressures. It sets out the approaches and principles the Council will follow to achieve our Best Council Plan priorities, deliver efficiencies and improve outcomes for the citizens of Leeds.

7.4 Resources and Value for Money

7.4.1 All financial and workforce implications are considered in the main body of the report.

7.5 Legal Implications, Access to Information and Call In

7.5.1 There are no legal implications arising from this report. The report recommends the approval of the Financial Strategy itself and any proposals resulting from ongoing service / policy reviews will be subject to specific decision-making processes in which the legal implications, access to information and call-in will be considered in accordance with the Council's decision-making framework. This includes compliance with the legal requirements around managing staffing reductions.

7.6 Risk Management

- 7.6.1 Making changes to council services carries a number of significant risks that will need to be carefully managed in line with the Council's Risk Management Policy. However, failure to address these issues will ultimately require the Council to consider even more difficult decisions that will have a far greater impact on front-line services, including those that support the most vulnerable, and thus on our Best Council Plan ambition to tackle poverty and inequalities.
- 7.6.2 A full risk assessment will be undertaken of the Council's financial plans as part of the normal budget process and an analysis of budget risks will continue to be maintained, subject to monthly review as part of the in-year monitoring and management of the budget. Any significant and new risks/budget variations will continue to be included in the in-year financial reports brought to Executive Board.
- 7.6.3 In addition, risks identified in relation to specific proposals and their management will be reported to relevant members and officers as required. Specific risks relating to some of the assumptions contained within this Medium Term Financial Strategy are identified below.

7.7 Risks to Funding

- 7.7.1 The £21.4m increase in the level of resources between 2019/20 and 2020/21, when compared to the difference between the earlier financial years, assumes that the reduction in the level of revenue support grant witnessed in the four year settlement with Government ceases in 2019/20 and that there will be no further reductions in 2020/21. If this assumption that "austerity" has ceased is incorrect, and the Council experiences a similar reduction in resources in 2020/21 to that seen in 2019/20, then the level of resources available to the Council is estimated to reduce from £538.8m to £520.8m – an £18m reduction.
- 7.7.2 Business Rates figures to 2020/21 are based on the 50% business rates retention scheme currently in place, given the assumption that 100% retention of business rates is now unlikely to be implemented during the life of this Financial Strategy. At the time of writing it is unlikely that any reforms to the business rate system will be introduced during the period of this Financial Strategy. It is, however, assumed that any such changes would be revenue neutral to this Plan.
- 7.7.3 Annual increases in Business Rates Baseline funding and business rates growth are currently indexed to the Retail Price Index. Government plans to switch the indexation of Business Rates to the lower Consumer Price Index in 2020/21. Any changes to forecast inflation rates can impact on levels of funding: a 0.1% change in forecast inflation in 2018/19 could have a £166k impact on available resources.
- 7.7.4 The level of business rates appeals continues to be a risk. Whilst there is very little scope for new appeals against the 2010 list and the Council has an appropriate provision for these, there is very little information available on which to assess appeals against the new 2017 list, therefore business rate income could be adversely affected which in turn would reduce the overall level of resource available to fund council services.
- 7.7.5 The Fair Funding Review, which was being carried out alongside work on 100% retention, will continue. Government will conduct a thorough review of the needs assessment formula used to allocate government funding to local authorities, the outcome of which could impact on those funding allocations. Whilst the Strategy assumes that any such changes will be revenue neutral as transitional arrangements are expected, there remains a risk of reductions in government funding to the sector as a whole.

7.8 Key Risks to Cost Assumptions

- 7.8.1 The Strategy assumes a 1% pay award but there are indications that the current policy of pay restraint could be eased over the period covered by the Medium Term Financial Strategy and that pay increases could be in excess of 1%. It should be noted that every 1% increase in the Council's pay bill will result in the Council having to identify an additional £4m to resource this.
- 7.8.2 Following the introduction of the National minimum wage, national negotiations are underway to review the NJC pay spine structure and we are awaiting confirmation of these negotiations to understand the implications for the LCC pay structure to ensure an equal pay proof pay structure. This Medium Term Financial Strategy does not reflect any implications of this review although it is recognised that pending the outcome of discussions it will be necessary to provide for this.
- 7.8.3 There is a risk that the amount specifically set aside in this plan for demand and demography is not sufficient, particularly in regard to the numbers of Children Looked After and the impact of the ageing population.
- 7.8.4 The Medium Term Financial Strategy makes a number of assumptions about the costs associated with managing its debt. Currently the Council benefits from low interest rates which are payable on the debt outside. However if there is an upward movement on interest rates over the period of the Strategy then this will be an additional cost to the Council that will be required to be managed.
- 7.8.5 The Council and City's economic and fiscal position is clearly impacted upon by the wider national economic context. The UK's decision to exit the EU has undoubtedly fuelled economic and political uncertainty and the outcome of the negotiations between the UK and the EU potentially, in the short term, weaken the pound, increase inflation, reduce domestic and foreign direct investment and impact on borrowing costs. All of these have the potential to impact upon both not only the level of resources available to the Council but also the level of demand for the services that it provides.

8. Conclusions

- 8.1 The Medium-Term Financial Strategy reflects Government's planned reductions in public sector funding, as set out in the Comprehensive Spending Review, and also takes account of increasing costs from rising demands for services, inflation and other cost pressures.
- 8.2 This strategy needs to be seen in the context of a challenging economic outlook combined with a number of significant risks and uncertainties that have the potential to significantly impact upon both the Council's resources and levels of demand for its services. Where it is possible to determine the financial implications of these then they have been accommodated within the strategy. It is acknowledged that the assumptions contained in the strategy are under constant review to reflect any changes in circumstances or if further information emerges in respect of known risks.
- 8.3 In response, a planned and iterative approach continues to be taken to review a range of service and policy areas to identify additional potential savings and income generation opportunities. However, at this stage it has not been possible to identify sufficient savings or income generation opportunities with which to entirely close the gap in the Council's finances over the next three years. The extent of savings identified to date at £38.9m represents around half of those required to meet the forecast funding gap of £83m.
- 8.4 After taking account of increased Better Care funding and the application of specific precept increases it is anticipated that the Adults and Health budget will increase by £21m or 10.13% between 2017/18 and 2020/21.

8.5 The Council is required to present a balanced budget to Council for approval in advance of the financial year. In advance of the final proposals being considered for approval in February 2018, the Council's Initial Budget proposals are considered at Executive Board in December prior to a period of consultation. Further work is required to close the budget gap, and officers will continue working on proposals for members' consideration.

9. Recommendations

9.1 Executive Board is recommended to:

9.2 Approve the 2018/19 – 2020/2021 Medium-Term Financial Strategy;

9.3 Note that further proposals will be brought forward to address the current identified shortfall;

9.4 Note that the Chief Officer – Financial Services will be responsible for implementing these recommendations.

10. Background Documents¹

10.1 There are no background documents relating to this report

¹ 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 Chief Officer Financial Services

Report to Executive Board

Date: 17th July 2017

Subject: Financial Health Monitoring 2017/18 – Quarter 1

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 both the revenue budget and the Housing Revenue Account for the first quarter of the financial year.
2. The 2017/18 financial year is the second 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 since 2010 and the budget for 2017/18 requires the Council to deliver a further £64m 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 remains challenging.
4. This is the second budget monitoring report of the year, and Executive Board will recall that the 2017/18 general fund revenue budget, as approved by Council provides for a variety of actions to reduce net spend through the delivery of £64m of budget action plans by March 2018. At this early stage of the financial year, it is clear that the majority of these actions are on track to be delivered, however this report highlights a potential overall overspend of £2.9m and measures will be required to be identified and implemented so that a balanced budget position can be delivered.

5. At quarter 1, the Housing Revenue Account is projecting a balanced budget position.

Recommendation

6. (i) Note the projected financial position of the authority as at quarter 1;

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2017/18 at quarter 1.
- 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 the first two months of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2017/18 was set at £492.7m.
- 2.2 Following the closure of the 2016/17 accounts the Council's general fund reserve stands at £20.7m. The budget does not assume any use of or contribution to this reserve during this financial year.
- 2.3 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. This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At quarter 1 an overspend of £2.9m is projected, as shown in Table 1 below.

Table 1

Summary Position - Financial Year 2017/18 Quarter 1

Directorate	Director	Projected Variation				Month 1 Position
		Staffing	Total Expenditure	Income	Total (under)/overspend	
		£000	£000	£000	£000	£000
Adult & Health	Cath Roff	(1,263)	5,456	(5,456)	0	0
Children and Families	Steve Walker	0	3,073	(173)	2,900	2,900
City Development	Martin Farrington	(1,274)	(48)	48	0	0
Resources & Housing	Neil Evans	(1,231)	(983)	983	0	0
Communities & Environment	James Rogers	16	(673)	673	0	0
Strategic	Doug Meeson	(94)	(1,270)	1,270	0	0
Total Current Month		(3,846)	5,555	(2,655)	2,900	2,900

Previous month (under)/over spend	(1,843)	9,077	(6,177)	2,900
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3.2 The major variations are outlined below with additional detail provided on the Directorate dashboards which are appended to this report;

3.2.1 Adults and Health are currently projecting a balanced budget position.

Members will be aware of the injection of £14.7m of additional grant (integrated into the Better Care fund) into this budget. This monitoring report assumes that the grant will be fully utilised in year. Members are asked to note that the grant conditions require that the council work with NHS colleagues to consider how the funding can be best spent. Once agreed, the spend proposals will be the subject of a separate, future Executive Board report.

The report assumes that £8.0m of the additional £14.7m additional grant will be used to offset an income target set against Health Partners. Post the budget setting it has become apparent that both local and national pressures within the Health Service mean that this target is no longer realistically achievable.

3.2.2 Children Services – overall at quarter 1 some significant pressures on the demand-led budgets means that Children’s Services are projecting a £2.9m overspend. The main budget pressure is in the demand-led children looked after (CLA) budgets where a variation of £3.3m is projected after allowing for the release of £0.4m from the demand and demography reserve and actions that the directorate is undertaking to reduce External Residential (ER) and Independent Fostering Agencies (IFA) placements. Of this £1.6m relates to externally provided residential placements and £1.6m relates to placements with IFAs. Whilst the 2017/18 budget includes an increase of £3.3m to the CLA budget when compared to 2016/17 this increase reflected the position that CLA numbers reduced but not to the level that was assumed in the 2016/17 budget. The current projection is that CLA numbers will be higher than those assumed in the 2017/18 base budget. Meeting budgeted assumptions around numbers of CLA remains the most significant budget challenge

that the Directorate faces because numbers can fluctuate for a variety of reasons including demographic pressures and action remains ongoing to mitigate these pressures on the budget.

The Dedicated Schools Grant is also facing a number of budget pressures in 2017/18. As in 2016/17 these are mainly on the High Needs Block in relation to top-up payments and outside placements and some additional costs in relation to the new Social Emotional and Mental Health provision. Whilst a number of savings proposals have been actioned in the High Needs Block budget including transferring £2m of funding from the Schools Block to the High Needs Block it is currently forecast that there will be an overspend in 2017/18 of between £1m and £2m. The deficit reserve from 2016/17 of £3.6m has also been brought forward to 2017/18. The directorate is undertaking a review of the High Needs Block with the aim of identifying options to bring spend in line with the available resources and to repay the deficit balance over the next few years.

3.2.3 City Development – The directorate are projecting a balanced budget position at the year-end; however, there are income pressures totalling £0.6m within Asset Management and Economic Development that will be need to be managed out from savings elsewhere in the directorate.

3.2.4 Communities and Environment – no overall variation is currently projected. Within Waste Management projected overspends due to the non-implementation of inert building waste charges and slippage on the Refuse collection route efficiency programme are largely offset by business rates savings at the RERF. In addition, a staffing overspend of £0.3m is forecast within Customer Access due to the delivery of the Community Hub programme although the directorate will identify actions to bring the overall position back into balance.

3.2.5 Strategic and Central Accounts – Based on 16/17 savings from additional capitalisation and saving on the levy payment to the business rates pool will help to offset pressures on S278 (income from developers) and new homes bonus income.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of May was 19.35% which is in line with the performance in 2016/17. At this early stage the forecast is to achieve the 2017/18 in-year collection target of 96.1% collecting some £318m of income.

3.3.2 Business Rates

The business rates collection rate at the end of May was 22.77% which is 0.32% ahead of the performance in 2016/17. The forecast is to achieve the 2017/18 in-year collection target of 97.7% collecting some £384m of income.

The opening total rateable value of business properties in Leeds was £915.54m at 1st April. This grew by £0.64m to £916.18m in April, but has fallen by £0.31m to £915.87m at 31st May. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (46.6p in

the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (49%), West Yorkshire Fire Authority (1%) and Central Government (50%). Following deductions for the Business Rates tariff and to meet the business rates deficit brought forward, Leeds' actual business rates income is projected to be in the region of £141.5m, which remains broadly in line with budgeted expectations.

3.3.3 Business Rates Appeals

The opening appeals provisions for 2017/18 was £20.5m, made up of £18.5m relating to appeals received against the 2010 ratings list and £2m estimated costs in advance of appeals being received against the new 2017 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision.

On the 1st May 2017, there were 4,979 appeals outstanding. During May 322 appeals have been settled of which 172 have not resulted in changes to rateable values. 181 new appeals were received in May the high number received reflecting processing delays by the Valuation Office Agency at the 2016/17 year end. These new appeals are therefore all relating to the 2010 list and not the new 2017 list.

At 31st May there are 4,838 outstanding appeals in Leeds, with 30.5% of the city's total rateable value currently subject to at least one appeal.

Number of appeals as at: -	30-Apr-17	31-May-17
Appeals outstanding brought forward	5,337	4,979
New appeals received	2	181
Appeals resolved resulting in a reduction to RV	-51	-150
Appeals resolved resulting in no change to RV	-309	-172
Appeals outstanding carried forward	4,979	4,838

4. Housing Revenue Account (HRA)

4.1 At the end of quarter 1 the HRA is projecting a balanced position against the 2017/18 Budget.

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 2017/18 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 22nd February 2017.

5.3 Council Policies and Best Council Plan

5.3.1 The 2017/18 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.

6. Recommendations

6.1 Executive Board are asked to

(i) Note the projected financial position of the authority as at quarter 1;

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7. Background documents¹

7.1 None

¹ 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.

ADULTS AND HEALTH

Financial Dashboard - 2017/18 Financial Year

QUARTER 1

The directorate is projecting a balanced position for the year.

The position for Adults and Health has been adjusted to include the monies announced in the Spring Budget. It should be noted that detailed plans for the associated spend have not yet been determined or approved but for the purposes of this report they are provisionally shown against the budgets for the procurement of care and Health partnerships.

Being a ring-fenced budget the underspend within Public Health is assumed to be carried forward into future years.

At this early stage, budget action plans for demand based services are presumed to be on target to deliver.

The main variations at quarter 1 across the key expenditure types are as follows:

Staffing (-£1.3m – 2.5%)

Savings are evident across all services within Adults and Health, but are predominantly with Commissioning, Resources and Public Health.

Community care packages (+£6.5m – 3.3%)

The variance on the budget is primarily represented by the 'holding' of £6.7m of the new monies announced as a part of the Spring Budget.

Income (-£5.5m – 4.4%)

Service user contributions, related to Community Support services, are projected to be lower than budgeted. Investigations are under way to determine the cause of this and to identify potential remedies. The grant income from the Spring Budget is recorded here along with an assumption that there will be an offsetting reduction in the funding targeted from Health partners in 2017/18.

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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	525	(260)	265	(50)	0	0	(2)	0	0	0	0	0	(52)	0	(52)
Access & Care Delivery	249,462	(41,857)	207,605	(115)	10	11	8	0	3,417	(219)	0	0	3,113	1,233	4,345
Commissioning Services	30,373	(35,228)	(4,855)	(671)	0	(26)	(6)	0	3,344	0	0	0	2,641	(6,638)	(3,997)
Resources and Strategy	5,273	(589)	4,684	(229)	0	(25)	9	0	0	0	0	0	(245)	(51)	(296)
Public Health (Grant Funded)	45,564	(45,537)	27	(199)	0	0	(4)	0	8	0	0	194	(1)	1	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	331,198	(123,472)	207,726	(1,263)	10	(40)	5	0	6,769	(219)	0	194	5,456	(5,456)	0

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Older people's residential and day support	D Ramskill	Ongoing Better Lives programme	G	0.4	0.0
2.	Assessment and care management practice	S McFarlane	Delivering the most cost effective service for new customers based on the strengths based approach	G	0.5	0.0
3.	Review of care packages - mental health	M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	G	0.8	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	G	2.5	0.0
6.	Older people: reduction in the number of customers going into residential care	S McFarlane	Increased use of telecare, reablement and recovery service	G	1.3	0.0
7.	Legal Fees	S Hume	Reduction in in-house legal fees	G	0.3	0.0
8.	Vacancy management	Various	Mainly non-frontline services	G	0.6	0.0
9.	Fees and charges	S Hume	Improved income collection and income recovery from direct payment audit	G	0.7	0.0
10.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	G	0.1	0.0
11.	Public health	I Cameron	Review of commissioned services, income from partners	G	0.0	0.0
12.	Community Support	D Ramskill	In-house community support service closure	G	0.9	0.0
B. Other Significant Variations						
1.	Staffing	Various	Ongoing tight vacancy management and reducing staff numbers in the Community Support Service			(1.3)
2.	Community care packages	J Bootle / M Naismith	Pressures experienced on residential & nursing placements and the learning disability pooled budget are continuing			6.5
3.	Use of reserves	S Hume	Lower requirement for use of reserves			0.2
4.	Income	Various	Mainly funding for staffing costs through the learning disability pooled budget, service user contributions and Resilience monies			(5.5)
					Adults and Health Directorate - Forecast Variation	
					0.0	

CHILDREN & FAMILIES 2017/18 FINANCIAL YEAR FINANCIAL DASHBOARD - QUARTER 1

Overall Summary - At quarter 1 the Directorate is reporting a projected overspend of £2.9m. This can be explained by £3.3m anticipated Children Looked After (CLA) demand pressures, £0.5m projected shortfall in Early Years income, £0.4m shortfall in the remodelling of social work savings and an expected shortfall of £0.4m against other budget actions. These overspends are partly offset by an anticipated additional £0.5m of Education Support Grant, £0.2m transport savings and £1m of other actions that the directorate is committed to taking to reduce the projected overspend.

Children Looked After - Meeting the budgeted assumptions around the numbers of CLA is the most significant budget challenge that the Directorate faces in 2017/18; it is also the most difficult budget to set because numbers can fluctuate for a variety of reasons including demographic pressures. The 2017/18 budget includes an increase to the CLA budget of £3.3m compared to 2016/17. The increase in the budget reflects the position that CLA numbers reduced in 2016/17 but not to the level that was assumed in the 2016/17 budget. This was the major reason for the Directorate's overspend in 2016/17. The number of External Residential (ER) placements reduced during the first 8 months of 2016/17 from 62 in June 2016 to 50 in November 2016 only to increase to 57 by May 2017. The 2017/18 budget provides for 42 ER placements and was set whilst numbers were still around 50 placements in the third quarter of 2016/17. The number of Independent Fostering Agency (IFA) placements also reduced during 2016/17 from a high of 232 in May 2016 to 190 in March 2017. The 2017/18 budget assumes 159 placements and the current number is 197. There are currently 1,270 CLA children, an increase of 73 from the budget and at quarter 1 the directorate is looking after an additional 53 children looked after in External Residential placements and Independent Fostering Agencies than the 2017/18 budget provides for. This is projected to result in a £4.98m pressure. The Directorate is taking a number of actions to reduce the number of ER and IFA placements during 2017/18, currently estimated to reduce the pressure by £1.68m (including £0.38m from the Demand and Demography Reserve). There is a risk that numbers continue to increase and the overspend is larger than currently projected. CLA numbers will be closely monitored throughout the year.

Staffing - At quarter 1 it is projected that staffing will be on budget although this assumes that the Directorate continues to closely manage vacancies and recruitment to achieve further savings to offset anticipated pressures in Safeguarding, Targeted and Specialist Services. There is a risk that these savings are not achieved.

Transport - At quarter 1 it is projected that spend will be £0.2m below budget. This reflects the lower overspend in 2016/17 than was expected and lower demand than assumed in the 2017/18 budget. The 2017/18 budget included an increase to the Transport budget of £2.8m reflecting anticipated demand pressures. There is a risk that demand increases during the year.

Trading and Commissioning - At this stage we are assuming that the £1.2m additional trading target and the £1.1m commissioned service savings are achieved. There is a risk that these will not be delivered.

Other Income - The new Innovations & Partners in Practise bid has now been approved and will provide additional funding to be spent over three years. A total of £7.3m was received in 2016/17 and all this funding has been carried forward to 2017/18. A shortfall in income in children's centres of £0.5m is forecast and is expected to be offset by anticipated additional Education Support Grant of £0.5m.

Dedicated Schools Grant - There are a number of pressures on the DSG in 2017/18 which will mean that despite a number of savings proposals that have been actioned it is likely that there will be an overspend in 2017/18. Whilst it is early in the financial year, this could be in the region of £1m to £2m.

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	
Demand Led Budgets:															
External and other Residential Placements	8,930	0	8,930	0	0	0	0	0	1,963	0	0	(380)	1,583	0	1,583
Independent Fostering Agencies	6,649	0	6,649	0	0	0	0	0	1,597	0	0	0	1,597	0	1,597
In House Fostering, Adoption, SGO and RO	24,516	(2,810)	21,706	0	0	0	0	0	222	0	0	0	222	(178)	44
SEN Outside Placements	4,857	(4,857)	0	0	0	0	0	0	437	0	0	0	437	(437)	0
Leaving Care	6,339	(1,469)	4,870	0	26	0	0	24	129	(185)	0	0	(6)	(2)	(8)
Transport	12,176	0	12,176	0	0	0	(200)	0	0	0	0	0	(200)	0	(200)
Sub total Demand Led Budgets	63,467	(9,136)	54,331	0	26	0	(200)	24	4,348	-185	0	(380)	3,633	(617)	3,016
Partner Funding															
Partner Funding of Family Services		(367)	(367)										0	0	0
Sub total Partner Funding	0	(367)	(367)	0	0	0	0	0	0	0	0	0	0	0	0
Other Budgets															
Partnerships	24,237	(9,594)	14,643	29	0	(322)	(11)	0	0	0	0	0	(304)	(16)	(320)
Learning, Skills & Universal Services	71,055	(67,957)	3,098	(9)	0	(320)	0	0	0	0	0	0	(329)	7	(322)
Safeguarding, Targeted & Specialist Services	101,657	(59,925)	41,732	179	(26)	26	0	0	93	0	0	0	272	953	1,225
Central Overheads	9,554	(7,735)	1,819	(199)	0	0	0	0	0	0	0	0	(199)	(500)	(699)
Sub total Other Budgets	206,503	(145,211)	61,292	0	(26)	(616)	(11)	0	93	0	0	0	(560)	444	(116)
Total	269,970	(154,714)	115,256	0	0	(616)	(211)	24	4,441	(185)	0	(380)	3,073	(173)	2,900

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation
A. Significant Variations					£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies). This is based on the latest CLA numbers which are higher than the budgeted figures and assumes that the current numbers remain as they are for the rest of the year. A number of actions are being implemented that should lead to a reduction in ER and IFA numbers and these are shown in the contingency plans. There is a risk that numbers continue to increase due to demographic pressures.	R		4.98
	Passenger Transport	Sue Rumbold	Anticipated savings against the transport budget based on the outturn position in 16/17 and projected demand in 2017/18. There is a risk that demand increases in 2017/18 and the saving isn't realised.	G		-0.20
	Income - ESG	CSLT	Latest Indicative allocations indicate an increase in Education Support Grant against budgeted income.	G		-0.50
B. Key Budget Action plans (BAP's)						
E1	Remodel Social Work Practice	Sal Tariq	Reduced agency spend in Children's Social work service, and also reduce non-front line staffing in Children's Social work. A shortfall of £0.4m is currently projected against the saving target.	A	0.93	0.40
E2	Other staffing savings	CSLT	Net staff savings from ELI and through the management of vacant posts.	G	0.98	0.00
C2	ESG funded activities	Andrew Eastwood, Sue Rumbold	Proposed savings include running cost savings in information management & technology, learning improvement and information management, and staff savings across a number of services.	G	0.97	0.00
C3	Commissioned services	CSLT	Commissioned Services - A shortfall of £0.2m is currently projected against the budgeted savings.	A	0.65	0.20
A7	Increase traded income and reduced level of subsidy	CSLT	Additional resources have been committed to provide the capacity to develop a strategy and implement the proposals. Additional traded income has been included in the 17/18 budget for activity centres, complex needs, early years improvement, attendance strategy and a range of other services provided to schools. At this stage in the year it is projected that the budget should be achieved although there is a risk that not all the additional income is secured.	A	1.25	0.00
C1	Children's Centre Family Services & Childcare	Andrea Richardson	Reshape of family services which will include a review of the core offer and additional services currently funded by partners.	G	0.60	0.00
A4	Additional DfE Innovations funding	Sal Tariq	New Innovations bid approved and £7.3m received in 2016/17. It is anticipated that £4m will be spent in 2017/18.	G	2.50	0.00
A2	Children's Centre Income	Andrea Richardson	Increases in Fees from January 2017 and September 2017 and additional income from the new Free Early Educational Entitlement (FEEE) hourly rates. A shortfall of £0.5m against the overall income target is projected reflecting a reduction in nursery places taken up.	R	0.30	0.50
A3	Additional income from top slice Free Early Education Entitlement (FEEE) payments.	Sue Rumbold	New ability to top slice 5% from FEEE payments to nursery providers. Schools Forum approval received.	G	1.00	0.00
	Various other budget savings (8)	CSLT	Including short breaks contract savings, additional income from Adel Beck and Children's Centre fees, additional public health and CCG funding, additional DCLG funding for troubled families, running cost savings etc.	A	2.85	0.20
C. Contingency Plans						
	Additional staff savings across the Directorate		Review vacant posts and agency and overtime time spend across the directorate	A		(0.50)
	Running cost savings/additional income		Review running costs and income across the directorate	G		(0.50)
	Actions to reduce CLA numbers in year		Resources employed to target ER and IFA placements	A		(1.68)
Children and Families Directorate - Forecast Variation						2.90

CITY DEVELOPMENT 2017/18 BUDGET FINANCIAL DASHBOARD - QUARTER 1

Overall -

City Development is projecting a breakeven position, however a number of pressures have been identified and work is ongoing to identify positive actions to mitigate these with a view to delivering a balanced position.

In Planning an on-going pressure on Planning Appeals is anticipated due to the increase in planning appeal activity seen throughout 2016/17, however this is currently offset by an projected underspend on staffing costs. Planning budgets are currently being reviewed in light of the 20% increase in Planning Fees from July 2017.

In Economic Development the main pressure is due to a 20% rent discount for 6 months being given to all Kirkgate Market traders to allow them to invest in their businesses and help contribute to the market's long term viability.

Within Asset Management the Advertising Income budget continues to be a challenging target and has a current projected shortfall of £246k. This assumes all current sites will be fully utilised but does not include any assumptions on acquiring further sites. However work is ongoing to identify additional locations.

Highways and Transportation are currently projecting a small underspend and are expected to come in on budget, however currently show large variations on staffing and supplies and services reflecting the current use of strategic partners Mouchels rather than in-house colleagues to deliver current works.

Within Sport and Active Lifestyles an overspend of £175k is projected reflecting reductions in Public Health Funding, the impact of the failure of the moveable floor at JCCS, and the net impact of the part closure and refurbishment at Aireborough Leisure Centre.

However, in line with the Directorates Budget Strategy to deliver a balanced budget further work is ongoing to identify mitigating actions and an action plan saving of £655k is included to reflect this.

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 & Sustainable Development	8,691	(6,282)	2,409	(98)	0	0	0	100	0	0	0	0	2	0	2
Economic Development	5,297	(4,727)	570	11	2	1	0	0	0	0	0	0	14	244	258
Asset Management & Regeneration	13,792	(15,370)	(1,578)	25	4	2	0	0	0	0	0	0	31	266	297
Employment & Skills	3,957	(2,208)	1,749	(1)	0	0	0	0	0	0	0	0	(1)	(4)	(5)
Highways & Transportation	57,192	(41,314)	15,878	(1,136)	19	1,110	0	0	0	0	0	0	(7)	(70)	(77)
Arts & Heritage	15,964	(6,459)	9,505	(25)	(19)	4	0	0	23	0	0	0	(17)	17	0
Sport & Active Lifestyles	24,359	(18,984)	5,375	(55)	(20)	(1)	0	1	0	0	0	0	(75)	250	175
Resources & Strategy	1,126	(5)	1,121	5	0	0	0	0	0	0	0	0	5	(655)	(650)
Total	130,378	(95,349)	35,029	(1,274)	(14)	1,116	0	101	23	0	0	0	(48)	48	0

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
A. Budget Action Plans		Lead Officer	Additional Comments			
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service via increased income generation.	G	562	
2.	Economic Development	Tom Bridges	Increased income and running cost savings	G	295	0
3.	Asset Management & Regeneration	Tom Bridges	Strategic Investment Income and additional fee income.	G	2,827	0
4.	Highways and Transportation	Gary Bartlett	Addition fee income and income from developers	G	1,396	(77)
5.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities, not hosting the Tour de Yorkshire in 2017, and a staffing restructure.	G	810	0
6.	Employment and Skills	Sue Wynne	Staffing and Commissioning Savings	G	240	0
7.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.	G	652	0
8.	Resources and Strategy	Ed Mylan	Directorate wide additional savings requirement	G	158	0
Total Budget Action Plan Savings					6,940	
B. Other Significant Variations						
1.	Asset Management	Tom Bridges	Shortfall in Advertising income			246
2.	Economic Development	Tom Bridges	6 Month 20% Rent Discount at Kirkgate Market			224
3.	Sport and Active Lifestyles	Cluny Macpherson	Income pressures from reduced Public Health Funding, JCCS Pool and Airborough refurbishment			175
4.	City Development	All	Other minor variations across services			87
5.	City Development	All	Mitigating in year actions			(655)
					City Development Directorate - Forecast Variation	
					0	

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

Quarter 1

Overall Position (nil variance)

Communities (nil variance)

The service is projecting a nil variance, although there are significant variations within Migration Services. The budget was based on an expected influx of Syrian refugees but the migrants expected in June are not now due to arrive until September. As a consequence of this the forecast spend will slip into the 2018/19 financial year as will the grant funding.

Customer Access (+£264k over budget)

The main area of potential overspend is staffing in Community Hubs where current staff in post are projected to exceed the budget by £530k. This is largely due to delivery of the Community Hub programme which has required additional resource and management/supervision to be put in place. However, the service is anticipating that a number of staff will leave under the ELI scheme and this is expected to reduce the staffing overspend to around £280k. The branch libraries, transferred during 2014/15, are still in need of maintenance works - no budget provision was transferred when the service moved across and it is expected that a further £50k will be spent in year. This pressure along with an expected shortfall in libraries income of £50k, are offset by additional income of £100k generated by the Interpreting and Translation Team from providing translation services to the NHS.

Elections, Licensing and Registration (+£8k over budget)

A small projected overspend of £8k mainly reflects additional staffing costs within Registration of Births, Deaths and Marriages and Registration of Electors. It has been assumed that the cost of the general election will be met in full by government grant.

Welfare & Benefits (nil variance)

A balanced position is currently projected. Staffing savings due to vacant posts are anticipated to be offset by the cost of additional off-site processing and a small shortfall in budgeted Localised Council Tax Support administration grant (£32k). It is anticipated that other budgeted grants totalling £830k will be achieved by the year end. The main area of risk is around the achievement of the budgeted level of overpayment income (£8.8m) - a clearer indication of this will be possible after assessment of the first quarter's position.

Parks & Countryside (nil variance)

The service is projecting an overall variance at Cafe /Retail and Attractions of +£77k, which at this early stage of the year includes a projected shortfall in income at both Lotherton Hall and Tropical World. This will be closely monitored each month to determine any trends. In addition there is a projected reduction in income from Golf of £59k. These variances are offset by other savings within the service, mainly income from land searches within PROW (Public Rights Of Way).

Environmental Action (+£5k over budget overall):

Car Parking (nil variance)

Staffing is projected to be in line with the budget, with vacant posts anticipated to offset the vacancy factor of £152k. Although overall income levels after 2 months are below phased budgets with shortfalls in both on street Income and Bus Lane offences throughout the city, at this early stage of the year a nil variance is projected. This will be closely monitored each month to determine any trends.

Cleaner Neighbourhoods Teams (+£22k over budget)

The projected variance is due to the ongoing usage of overtime whilst recruitment is ongoing to fill the recently approved structure.

City Centre (+£28k over budget)

The projected variance is mainly due to the ongoing usage of overtime whilst recruitment is ongoing to fill the recently approved structure.

Environmental Health (-£45k below budget)

The projected variance is due to savings from delayed recruitment. These positions are projected to be all filled by October.

Waste Management (+£100k variance)

Following the determination of the rateable value of the Recycling and Energy Recovery Facility (REF) in March 2017, there will be a saving of £470k from the 2017/18 budget. However, this will be partially offset by the deferral of the planned introduction of inert building waste charges at Household Waste sites in light of the Government's recently announced litter strategy, resulting in a loss of budgeted income of £140k. In addition, within the Refuse Service it is currently anticipated that there will be slippage of 4 months in respect of the planned collection route efficiency programme, as the staff consultation process continues, and this is forecast to result in a pressure of £430k.

Community Safety (-£48k below budget)

The projected underspend mainly reflects staffing savings of £51k due to vacant posts within CCTV and LABST (partially offset by reduced recharges to Housing Leeds).

Directorate Wide (action plan savings -£329k)

The directorate will identify appropriate actions in accordance with the directorate's budget contingency plan.

Budget Management - net variations against the approved budget:

Summary By Service

				Period 2 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	15,347	(10,122)	5,225	(34)		(499)	2	(32)					(563)	563	0
Customer Access	22,572	(3,342)	19,230	342	34	54	(11)	(5)					414	(150)	264
Elections, Licensing And Registration	4,676	(4,926)	(250)	(10)	4	6	0						0	8	8
Welfare And Benefits	286,921	(284,851)	2,070	(154)		128							(26)	26	0
Car Parking Services	4,895	(13,368)	(8,473)	0									0	0	0
Community Safety	7,857	(6,418)	1,439	(148)									(148)	100	(48)
Waste Management - Refuse	40,379	(7,365)	33,014	344		(468)	82	2					(40)	140	100
Parks And Countryside	29,376	(22,792)	6,584	0	14								14	(14)	0
Environmental Action (City Centre)	2,807	(461)	2,346	28									28		28
Environmental Health	2,107	(565)	1,542	(45)									(45)		(45)
Cleaner Neighbourhood Teams	12,328	(4,517)	7,811	22									22		22
Directorate Action Plan				(329)									(329)		(329)
Total	429,265	(358,727)	70,538	16	52	(779)	73	(35)	0	0	0	0	(673)	673	0

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						
1.	Re-design Refuse collection rounds	Tom Smith	Net saving of £1.6m budgeted (£1.38m in the directorate, £0.25m in strategic debt budget)	A	(1.38)	0.43
2.	Implement charging for replacement wheeled bins	Andrew Lingham	Implementation date May 2017	G	(0.24)	0.00
3.	Implement charging for inert building waste	Andrew Lingham	Implementation deferred for 2017/18		(0.14)	0.14
4.	Environmental Action staffing savings	Helen Freeman	Restructure now agreed	G	(0.71)	0.00
5.	Implement charging for Bulky Waste	Helen Freeman	Implementation date May 2017	G	(0.15)	0.00
6.	Car Parking - review of tariffs	Helen Freeman	includes on street, Sun/Eve, Bank Holiday and Woodhouse Lane	G	(0.50)	0.00
7.	Undertake works for Housing Leeds, assumed to be within environmental action	All COs	Not restricted to environmental action, works may be undertaken by other services	G	(0.30)	0.00
8.	Reduce front line horticultural staff	Sean Flesher	Service to identify posts to be held vacant	G	(0.40)	0.00
9.	Development of visitor attractions/increase admission prices	Sean Flesher	1st phase of Tropical World complete, DCRs required for other sites	G	(0.33)	0.00
10.	Increase Bereavement charges to eliminate subsidy	Sean Flesher	To be increased by 2% above inflation.	G	(0.12)	0.00
11.	Stretched income target across Parks & Countryside	Sean Flesher	To be achieved across all income generating areas	G	(0.16)	0.10
12.	Reduction in Community Safety area co-ordinators	Sam Millar	Achieved through redeployment	G	(0.18)	0.00
13.	Generate CCTV/Security income of £2.1m	Sam Millar	Estimated £200k of unsecured income	G	(0.20)	0.00
14.	Community Safety - secure £1.1m income from WYPCC	Sam Millar	WYPCC agreed to fund PCSOs in Leeds	G	(1.10)	0.00
15.	Communities Teams savings	Shaid Mahmood	Review Management & Leadership, review grants & contributions to 3rd sector	G	(0.20)	0.00
16.	Communities Well Being	Shaid Mahmood	Futher reductions to Community Cttees	G	(0.18)	0.00
17.	Community Centres - restrict free lets	Shaid Mahmood	Target to restrict to 75% of present level	G	(0.08)	0.00
18.	Contact Centre staffing savings	Lee Hemsworth	Includes channel shift savings, reducing service failure and reviewing out of hours service	G	(0.53)	0.00
19.	Customer Services Business Support staffing savings	Lee Hemsworth	Includes reducing helpdesk function and merging support and development functions	G	(0.25)	0.00
20.	Libraries efficiencies	Lee Hemsworth	Savings from staffing/running costs/income	G	(0.40)	0.00
21.	Reprovision of mobile library service	Lee Hemsworth	Subject to Executive Board report	G	(0.12)	0.00
22.	Welfare and Benefits - reduction in off-site processing	Andy Cameron	Introduction of e-claims	G	(0.20)	0.00
23.	Local Welfare Support Scheme	Andy Cameron	Reduce scheme by 30%	G	(0.30)	0.00
24.	Welfare and Benefits - additional grant income	Andy Cameron	FERIS, New Burdens. Additional £540k budgeted for in 17/18 on top of £200k in base	G	(0.54)	0.00
25.	Registrars	Steve Coupe	Charging /income proposals	G	(0.08)	0.00
B. Other Significant Variations						
1.	Waste Disposal Costs	Andrew Lingham	Net Budget £15.8m incl. £10.7m RERF. Projected saving reflects Business Rates saving at RERF	G		(0.47)
2.	Community Hubs	Lee Hemsworth	Staffing overspend projected - see comments above	A		0.28
3.	All other variations, mainly staffing					(0.15)
4.	Directorate Action Plan		Actions to be identified to bring directorate into balance			(0.33)
Communities & Environment - Forecast Variation						0.0

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

QUARTER 1

Overall

An overall balanced position is projected at quarter 1 although there are risks around the timely implementation of some of the savings incorporated as part of the 2017/18 budget strategy.

Resources

It is assumed that all support services will achieve the almost £5m savings which formed part of the Support Services review. However, there is a risk for those services that need to reduce staffing costs whilst at the same time meeting the income targets for the year. These areas will be closely monitored throughout the financial year. The £1.1m savings in staffing are mainly due to vacant posts within PPPU and are partially offset by under recovery against the income budget. The projections assume that the £300k workforce development savings currently held within HR will be allocated out once the review team have firmed up proposals. A £205k DIS pressure has recently emerged following the recent cyber attacks on the NHS; this spend is to enable remedial work to be undertaken to mobile devices, the network, patch and configuration and to strengthen access control so that the Council can qualify for the Public Services Network certificate.

Leeds Building Services

A balanced position is projected for LBS. With the current projection in relation to the delivery of the planned £1.8m savings, required in the budget strategy, indicating a shortfall of £600k. The shortfall relates to slippage in the implementation of both the revised staffing structure and the IT infrastructure. The shortfall has been offset by the identification of the additional cost recovery in relation to the costing/incurrence of overtime and the planned recruitment of operatives to the budgeted levels.

Housing and Property Services

Housing and Property Services are expected to achieve the £700k of budgeted savings in this financial year. The government has replaced Temporary Accommodation Management Fee (TAMF) with Flexible Homelessness Support Grant (FHSG) from April 2017. TAMF was a £60 per week management fee for temporary accommodation placements made through the private sector. Leeds would have received £23k in TAMF if the funding arrangements had been maintained in 2017/18. FHSG has been calculated on the basis of homeless prevention outcomes and, as Leeds has achieved a high level of preventions, the allocation for Leeds in 2017/18 has been set at £1.636m and at £1.794m in 2018/19. Housing Support and Partnerships have additional posts vacant over and above those required to meet efficiency targets resulting in £104k savings offset by reduced income in recharges to HRA and overspend on supplies and services.

Civic Enterprise Leeds

At this stage in the financial year a balanced position is projected for CEL although we will continue to closely monitor some of the significant income generating services within the group.

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	
Resources	97,653	(38,002)	59,651	(1,108)	0	205	0	0	0	0	0	0	(903)	903	0
LBS	44,201	(52,580)	(8,379)	(19)	0	19	0	0	0	0	0	0	0	0	0
Housing & Property	23,914	(9,903)	14,011	(104)	0	24	0	0	0	0	0	0	(80)	80	0

CEL	70,406	(62,807)	7,599	0							0	0	0
Total	236,174	(163,292)	72,882	(1,231)	0	248	0	0	0	0	0	(983)	983

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	Specialist Admin	Helena Phillips	Further efficiencies by consolidating "specialist" admin staff under one professional lead	G	1.00	0.00
2	ICT, IM &T & Intelligence	Dylan Roberts	Introduce a new operating model for digital and intelligence service.	G	0.90	0.00
3	ICT, IM &T & Intelligence	Mariana Pexton	Introduce a new operating model for digital and intelligence service.	G	0.20	0.00
4	Workforce Development	Lorraine Hallam	Consolidation of training budgets.	G	0.30	0.00
5	PPPU	David Outram	Identify savings through a portfolio approach including development of prioritisation model	G	0.30	0.00
6	Financial Services	Doug Messon	Implement new operating model from Sept 2017 based on a centralised approach in one physical location.	G	0.90	0.00
7	Human Resources	Lorraine Hallam	Staff savings through continuing to implement new ways of working.	G	0.30	0.00
8	Strategy & Improvement	Marianna Pexton	Further staff savings and efficiencies within Communications, Marketing and Emergency Planning.	G	0.10	0.00
9	Financial Services	Doug Messon	Additional traded income.	G	0.20	0.00
10	Legal & Democratic Services	Catherine Witham	Staffing efficiencies to fund cost of pay award.	G	0.10	0.00
11	LBS - Consolidation of Construction/Property Maintenance	Simon Costigan	Savings through staffing, both management and support functions and a targeted reduction in running costs. Roll out of Total Mobile software will deliver efficiencies which will result in the reduction in use of sub contractors.	G	1.80	0.00
12	Strategic Housing - integration of functions	Jill Wildman	Closer working arrangements within the different functions will facilitate a reduction in the number of budgeted posts.	G	0.10	0.00
13	Housing related support - reduction in contract payments	Jill Wildman	Savings to be realised through ongoing review and retendering of contracts.	G	0.40	0.00
14	Strategic Housing - review of charging arrangements	Jill Wildman	Adaptations review charges to both the capital programme and Housing Leeds.	G	0.20	0.00
15	Cleaning Savings	Sarah Martin	Efficiencies to be realised through expanding mobile cleaning, changing times and frequency of cleaning resulting in a reduction of the number of staff required.	G	0.50	0.00
16	Management Staff reductions	Julie Meakin	Reduction in level of JNC management support, delivered through a reconfiguration of roles and responsibilities.	G	0.20	0.00
17	Facilities Management Savings	Sarah Martin	Planned realignment of the service to be delivered through a restructure.	G	0.10	0.00
18	Fleet	Sarah Martin	Combination of maximising existing external income streams whilst developing new ones together with the aim of reducing costs.	G	0.10	0.00
19	Commercial Catering	Julie Meakin	Based on internalising commercial catering for some of the services within the Civic Quarter and expanding retail offer.	G	0.10	0.00

B. Other Significant Variations

Net effect of all other variations						0.00
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Strategy and Resources Directorate - Forecast Variation 0.00

STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR
FINANCIAL DASHBOARD - QUARTER 1

Overall :

At quarter 1, the strategic & central budgets are projected to be balanced.

The key variations are;

- Section 278 income - a potential £1.0m risk due to lower levels of development activity.
- Savings of £0.9m on the levy contribution to the business rates pool
- Reduction in New Homes Bonus of £1.7m
- Additional £1.1m of S31 grant income for business rates reliefs, announced after the budget was set.
- Additional capitalisation of £0.6m based on the 2016/17 outturn
- Projected additional cost of the financing of debt £0.3m

Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'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	(11,392)	(36,641)	(48,033)								(642)		(642)	600	(42)
Debt	20,135	(920)	19,215								300		300		300
Govt Grants	1,739	(23,899)	(22,160)							(939)			(939)	585	(354)
Joint Committees	37,100	0	37,100							105			105		105
Miscellaneous	6,243	(1,088)	5,155	(94)									(94)	85	(9)
Insurance	9,438	(9,438)	0										0		0
Total	63,263	(71,986)	(8,723)	(94)	0	0	0	0	0	(834)	(342)	0	(1,270)	1,270	0

STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

				RAG	Budget	Forecast Variation against Budget
					£m	£m
				Lead Officer	Additional Comments	
A. Major Budget Issues						
1.	Debt Costs and External Income	Doug Meeson	No significant variations at month 2	G	18.2	0.3
2.	Minimum Revenue Provision	Doug Meeson	No variation is anticipated for 2017/18	G	1.0	0.0
3.	New Homes Bonus	Doug Meeson	Reduced income following new calculation methodology	G	(13.3)	1.6
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson	Additional S31 grants projected from Discretionary Rate relief scheme	G	(9.6)	(1.1)
5.	S278 Contributions	Doug Meeson	Projected shortfall on receipts	A	(4.9)	1.0
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets.	G	(4.0)	(0.6)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	G	(3.5)	0.0
8.	PFI Procurement savings	Doug Meeson	Use of £1m income from 2016/17 Street Lighting PFI negotiated settlement	G	(1.0)	0.0
9.	Joint Committee - Coroners Services	Doug Meeson	Potential for minor overspend based on 2016/17 performance. 2017/18 budget not yet received from Wakefield.	G	1.3	0.1
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	No significant variation anticipated at this stage.	G	0.0	0.0
2.	Business Rates Levy	Doug Meeson	Projections indicate a potential reduction in the levy due.	G	1.7	(0.9)
3.	Prudential Borrowing Recharges	Doug Meeson	Projections suggest a slight increase in recharge income	G	(14.7)	(0.4)
4.	Earmarked Reserves	Doug Meeson	Use of capital and other earmarked reserves.	G	(2.4)	0.0
5.	Miscellaneous	Doug Meeson	No significant variation anticipated at this stage.	G	5.2	0.0
6.	Apprenticeship levy	Doug Meeson	To be allocated to directorates as training credits are used.	G	(0.3)	0.0
7.						
Strategic & Central Accounts - Forecast Variation						0.0



Report author: Steven Courtney
Tel: 0113 378 8666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 21 July 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

1 Purpose of this report

1.1 The purpose of this report is to consider the Scrutiny Board’s work schedule for the current municipal year.

2 Main issues

2.1 During discussions at the previous meeting, 22 June 2017, the Scrutiny Board discussed a range of matters for possible inclusion within the overall work schedule for 2017/18. The areas discussed included the following matters:

- Apprenticeships (for newly recruited and existing employees) and the apprenticeships levy;
- Equalities – in particular work around ensuring Leeds City Council has a workforce that is representative of the population;
- A recent report, *LGBT: Inclusive City*;
- Emergency planning and business continuity – with specific reference to (a) building security and (b) recent events in Manchester (Manchester Arena) and London (Grenfell Tower);
- Specific service areas (Finance, ICT, Human Resources, Communications (including International Relations), Civic Enterprise and Projects, Programmes and Procurement Unit (PPPU));
- General application of Contract Procedural Rules and levels of ‘off-contract’ spending.
- Invest to save developments – and the specific application in relation to ICT developments;

- Matters in relation to the Prevent strategy and the Hate Crime Prevention Agenda;
- Elections, voter registration rates and work targeting 'hard to reach' groups;
- Licencing policy review (due January / February 2018) and monitoring;
- Business rate revenue and appeals;
- General overview of the Council's financial health;
- Specific reference to Neighbourhood Networks, including whether or not services were the subject to grant funding or commissioned.

2.2 On behalf of the Scrutiny Board, specific information has been requested in relation to the following matters and will be shared with all Board members once received:

- The Apprenticeships Levy;
- Hate crime prevention;
- Voter registration rates and work targeting 'hard to reach' groups; and,
- Funding arrangements for Neighbourhood Networks.

2.3 A revised outline work schedule is presented at Appendix 1 for consideration by the Scrutiny Board. In considering the outline work schedule, it is important to allow sufficient flexibility to reflect matters as they arise during the course of the year. As such, it is also important to recognise that the work schedule presented may be subject to change and should be considered to be indicative rather than precisely definitive.

2.4 It is also recognised that the outcome of discussions from other agenda items at the meeting may impact on the future work schedule and will therefore need to be reflected in the discussion and/or consideration of this item.

2.5 In order to deliver the work schedule, the Board may need to take a flexible approach and undertaken activities outside the formal schedule of meetings – such as working groups and site visits, where deemed appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Potential inquiry area

2.6 In 2016/17, as part of the consideration of the 2017/18 budget proposals and Best Council Plan refresh, the previous Scrutiny Board made the following recommendation, which was subsequently agreed by Executive Board in February 2017:

- As part of the development of the 'Leeds £' approach, there should be a review of joint funding arrangements in order to help ensure a consistent and strategic approach that is fair and equitable to all partners involved.

2.7 The Scrutiny Board is specifically asked to consider this potential aspect of work and confirm whether to include this within the 2017/18 work schedule. If agreed, more detailed scoping and proposed timings will need to be undertaken with the relevant officers.

3. Recommendations

3.1 Members are asked to:

- (a) Consider and agree (or amend) the overall work schedule as the basis for the Board's work for the remainder of 2017/18.
- (b) Confirm (or otherwise) the inclusion of a review of joint funding arrangements within the 2017/18 work schedule, subject to a more detailed scoping exercise with relevant officers.

4. Background papers¹

4.1 None used

¹ 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
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Jul-17	Aug-17
Review of Joint Funding Arrangements (TBC)	Inquiry	Agreed by Executive Board (Feb 2017). To be determined by the Scrutiny Board - including terms of reference		
Inquiry area 2 (TBC)	Inquiry	Scope to be determined		
Financial Health Monitoring	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	
			Medium Term Financial Strategy 2018/19 – 2020/21	
Emergency Planning & Preparedness	Performance review	Further reports/ follow-up actions to be determined - post July 2017	Annual Risk report	
Business Rates	Policy Review			

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Jul-17	Aug-17
Fees and charges	Policy Review	Agreed by Executive Board (Feb 2017). Report from Chief Finance officer to consider implementation / impact of previously agreed policy. Consideration of potential scope for other areas.		
Budget proposals	Policy Development			
Best Council Plan progress	Performance monitoring	Frequency of BCP progress updates to be confirmed	BCP: Annual performance report 2016/17	
Service area 1	Performance monitoring	Performance reports: scope and timing TBC		
Service area 2	Performance monitoring	Performance reports: scope and timing TBC		
Service area 3	Performance monitoring	Performance reports: scope and timing TBC		
Commissioning	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Jul-17	Aug-17
Commissioning: recommendation tracking	Performance monitoring	Recommendation tracking: Commissioning report		
	Briefings	To be identified as and when required		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Sep-17	Oct-17
Review of Joint Funding Arrangements (TBC)	Inquiry	Agreed by Executive Board (Feb 2017). To be determined by the Scrutiny Board - including terms of reference		
Inquiry area 2 (TBC)	Inquiry	Scope to be determined		
Financial Health Monitoring	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18
Emergency Planning & Preparedness	Performance review	Further reports/ follow-up actions to be determined - post July 2017		
Business Rates	Policy Review		Report on current arrangements - including risks & opportunities (TBC)	

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Sep-17	Oct-17
Fees and charges	Policy Review	Agreed by Executive Board (Feb 2017). Report from Chief Finance officer to consider implementation / impact of previously agreed policy. Consideration of potential scope for other areas.		Report from Chief Finance Officer
Budget proposals	Policy Development			
Best Council Plan progress	Performance monitoring	Frequency of BCP progress updates to be confirmed		
Service area 1	Performance monitoring	Performance reports: scope and timing TBC		
Service area 2	Performance monitoring	Performance reports: scope and timing TBC		
Service area 3	Performance monitoring	Performance reports: scope and timing TBC		
Commissioning	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning		6-monthly report (Rec. 2)

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Sep-17	Oct-17
Commissioning: recommendation tracking	Performance monitoring	Recommendation tracking: Commissioning report	Commissioning: Formal response	
	Briefings	To be identified as and when required		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Nov-17	Dec-17
Review of Joint Funding Arrangements (TBC)	Inquiry	Agreed by Executive Board (Feb 2017). To be determined by the Scrutiny Board - including terms of reference		
Inquiry area 2 (TBC)	Inquiry	Scope to be determined		
Financial Health Monitoring	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18
Emergency Planning & Preparedness	Performance review	Further reports/ follow-up actions to be determined - post July 2017		
Business Rates	Policy Review			

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Nov-17	Dec-17
Fees and charges	Policy Review	Agreed by Executive Board (Feb 2017). Report from Chief Finance officer to consider implementation / impact of previously agreed policy. Consideration of potential scope for other areas.		
Budget proposals	Policy Development			Initial 2018/19 budget proposals
Best Council Plan progress	Performance monitoring	Frequency of BCP progress updates to be confirmed		
Service area 1	Performance monitoring	Performance reports: scope and timing TBC		
Service area 2	Performance monitoring	Performance reports: scope and timing TBC		
Service area 3	Performance monitoring	Performance reports: scope and timing TBC		
Commissioning	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Nov-17	Dec-17
Commissioning: recommendation tracking	Performance monitoring	Recommendation tracking: Commissioning report		Commissioning: Progress report
	Briefings	To be identified as and when required		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Jan-18	Feb-18
Review of Joint Funding Arrangements (TBC)	Inquiry	Agreed by Executive Board (Feb 2017). To be determined by the Scrutiny Board - including terms of reference		
Inquiry area 2 (TBC)	Inquiry	Scope to be determined		
Financial Health Monitoring	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18
Emergency Planning & Preparedness	Performance review	Further reports/ follow-up actions to be determined - post July 2017		
Business Rates	Policy Review			Update report (TBC)

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Jan-18	Feb-18
Fees and charges	Policy Review	Agreed by Executive Board (Feb 2017). Report from Chief Finance officer to consider implementation / impact of previously agreed policy. Consideration of potential scope for other areas.		
Budget proposals	Policy Development		2018/19 Budget recommendations	
Best Council Plan progress	Performance monitoring	Frequency of BCP progress updates to be confirmed		
Service area 1	Performance monitoring	Performance reports: scope and timing TBC		
Service area 2	Performance monitoring	Performance reports: scope and timing TBC		
Service area 3	Performance monitoring	Performance reports: scope and timing TBC		
Commissioning	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Jan-18	Feb-18
Commissioning: recommendation tracking	Performance monitoring	Recommendation tracking: Commissioning report		
	Briefings	To be identified as and when required		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Mar-18	Apr-18
Review of Joint Funding Arrangements (TBC)	Inquiry	Agreed by Executive Board (Feb 2017). To be determined by the Scrutiny Board - including terms of reference		
Inquiry area 2 (TBC)	Inquiry	Scope to be determined		
Financial Health Monitoring	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	
Emergency Planning & Preparedness	Performance review	Further reports/ follow-up actions to be determined - post July 2017		
Business Rates	Policy Review			

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Mar-18	Apr-18
Fees and charges	Policy Review	Agreed by Executive Board (Feb 2017). Report from Chief Finance officer to consider implementation / impact of previously agreed policy. Consideration of potential scope for other areas.		
Budget proposals	Policy Development			
Best Council Plan progress	Performance monitoring	Frequency of BCP progress updates to be confirmed		
Service area 1	Performance monitoring	Performance reports: scope and timing TBC		
Service area 2	Performance monitoring	Performance reports: scope and timing TBC		
Service area 3	Performance monitoring	Performance reports: scope and timing TBC		
Commissioning	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning	6-monthly report (Rec. 2)	

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Mar-18	Apr-18
Commissioning: recommendation tracking	Performance monitoring	Recommendation tracking: Commissioning report	Commissioning: Progress report	
	Briefings	To be identified as and when required		

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