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## SCRUTINY BOARD (STRATEGY AND RESOURCES)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Wednesday, 29th November, 2017 at 10.30 am

*(A pre-meeting will take place for ALL Members of the Board at 10:00 am)*

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### 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;

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

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**Principal Scrutiny Adviser:**  
**Steven Courtney**  
**Tel: 24 74707**

Produced on Recycled Paper

# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p><b>RESOLVED –</b> That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p><b>No exempt items have been identified.</b></p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p><b>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</b></p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p><b>MINUTES - 26 OCTOBER 2017</b></p> <p>To confirm as a correct record, the minutes of the meeting held on 26 October 2017.</p>	1 - 6
7			<p><b>PERFORMANCE REPORTING TO THE SCRUTINY BOARD</b></p> <p>To receive and consider a report from the Director of Resources and Housing that sets out a summary of performance information relating to Civic Enterprise Leeds (CEL) and Digital and Information Services (DIS) covering the first six months of 2017/18.</p>	7 - 68
8			<p><b>FINANCIAL HEALTH MONITORING</b></p> <p>To receive and consider a report from the Head of Governance and Scrutiny Support presenting a suite of financial reports in order to provide an overview of the Council's overall financial health.</p>	69 - 130

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<p><b>BUSINESS RATES - SCRUTINY INQUIRY UPDATE</b></p> <p>To receive and consider a report from the Head of Governance and Scrutiny Support providing an update on the Scrutiny Board's inquiry into Business Rates.</p>	131 - 148
10			<p><b>WORK SCHEDULE</b></p> <p>To consider the Scrutiny Board's work schedule for the remainder of the 2017/18 municipal year.</p>	149 - 180
11			<p><b>DATE AND TIME OF NEXT MEETING</b></p> <p>Thursday, 21 December 2017 at 10:30am (pre-meeting for all members of the Scrutiny Board at 10:00am).</p> <p><b>THIRD PARTY RECORDING</b></p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> <li>a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</li> <li>b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</li> </ul>	

## SCRUTINY BOARD (STRATEGY AND RESOURCES)

THURSDAY, 26TH OCTOBER, 2017

**PRESENT:** Councillor P Grahame in the Chair

Councillors S Bentley, A Garthwaite,  
R Grahame, P Harrand, J McKenna,  
D Nagle, A Smart and E Tunnicliffe

### **30 Late Items**

The following information was provided as supplementary information to Agenda Item 10: Performance Reporting (minute 37 refers):

- Appendix 2 – Leeds City Council response to the Government Apprenticeship Levy.

### **31 Declaration of Disclosable Pecuniary Interests**

There were no declarations of disclosable pecuniary interest made at the meeting.

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

The following apologies for absence and notifications of substitute members attending were received at the meeting:

- Councillor A Sobel – Councillor R Grahame attending as a substitute member.
- Councillor R Wood – no substitute member attending.
- Councillor T Wilford – no substitute member attending.

### **33 Minutes - 14 September 2017**

The draft minutes of the meeting held on 14 September 2017 were agreed as an accurate record.

There were no matters arising from the minutes identified or discussed at the meeting.

### **34 Executive Board minutes - 20 September 2017**

The draft minutes of the Executive Board meeting held on 20 September 2017 were noted.

### **35 Commissioning - response to the scrutiny inquiry report and recommendations**

The Head of Governance and Scrutiny Support submitted a report detailing the previous Scrutiny Board's inquiry into Commissioning. The previous Scrutiny Board's statement was appended, alongside a further report from the Director of Adults and Health setting out the response to the previous Scrutiny Board's recommendations.

The following were in attendance to introduce the item and address questions from the Scrutiny Board:

- Cllr James Lewis – Executive Member for Strategy and Resources
- Cath Roff – Director of Adults and Health
- Julie Staton – Head of Commissioning, Adults and Health

In introducing the report the Executive Member for Strategy and Resources and the Director of Adults and Health welcomed the previous Scrutiny Board's statement and recommendations; and acknowledged the overall desired outcomes.

It was noted that the Council's approach and oversight of commissioning 'people's services' had been shaped by the previous Scrutiny Board's inquiry, which included a more inclusive group of service areas, including Housing and Sport.

The changing landscape of commissioning was also referenced, which included the development of the West Yorkshire and Harrogate Sustainability and Transformation Plan/ Partnership, which may lead to a regional approach to commissioning for some services.

Members of the Scrutiny Board considered the response set out in the report from the Director of Adults and Health.

#### **RESOLVED**

That the Scrutiny Board (Adults and Health):

- a) Notes the progress made in responding to the Scrutiny Board recommendations made in its May 2017 report
- b) Notes the change in practice to write to all relevant ward members to ask for their views on a service when it is being recommissioned or reviewed.
- c) Supports the approach whereby Community Committee Champions should be used as the main mechanism for engaging with community committees on strategic people commissioning issues.

### **36 Financial Health Monitoring 2017/18 – Month 5**

The Head of Governance and Scrutiny Support submitted a report that introduced the Financial Health Monitoring 2017/18 – Month 5 report, considered by the Executive Board at its meeting on 18 October 2017.

The following were in attendance to introduce the item and address questions from the Scrutiny Board:

- Cllr James Lewis – Executive Member for Strategy and Resources
- Richard Ellis – Head of Finance (Communities & Environment, Resources & Housing, Corporate Finance)

In addressing the Scrutiny Board, the Executive Member and Head of Finance gave a brief overview of the report and the Council's overall position in terms of current spending against the agreed 2017/18 budget and any specific areas of risk.

The Scrutiny Board discussed the report presented and the information provided at the meeting; raising a number of matters, including:

- The shortfall in Housing Benefit overpayments (which was a result of a higher level of accuracy in initial benefit payments);
- The impact of Children's Services overspend on the overall level of Council General Reserves;
- Current Public Health expenditure against the 2017/18 budget;
- Business rates income and the relative position of the 2017 collection fund deficit, compared to 2016.
- The overall impact of the 20% rent discount at Kirkgate Market;
- The risk of reduced Section 278 income as a result of lower levels of development activity and the impact of identified 'trigger points' within planning conditions.

## **RESOLVED**

- a) That details presented in the Financial Monitoring report be noted.
- b) That the following information be provided to members of the Scrutiny Board:
  - i. The relative position of the 2017 business rates collection fund deficit, compared to 2016; and,
  - ii. The overall impact of the 20% rent discount at Kirkgate Market.

## **37 Performance Reporting**

The Director of Resources and Housing submitted a report that set out:

- A proposed timetable for reporting performance across the portfolio areas relevant to the Board's remit; and,
- Details of the Council's response to the Government Apprenticeship Levy and the associated public sector target.

The following were in attendance to introduce the item and address any questions from the Scrutiny Board:

- Cllr James Lewis – Executive Member for Strategy and Resources
- Neil Evans – Director of Resources and Housing

- Tim Rollett – Senior Risk Management Officer, Intelligence and Policy Service
- Libby Megson – Human Resources Service Manager, Strategy and Housing
- Martyn Long – Head of Projects and Programmes, City Development

In introducing the report, and specifically in relation to the proposed timetable for reporting performance to the Scrutiny Board, the Senior Risk Management Officer advised the Board that it was further proposed that a report around 'Effective Procurement' would be presented to the Scrutiny Board in December 2017 or January 2018.

The Scrutiny Board confirmed this should include details of 'on/off contract spend' and the use of contract waivers.

The Human Resources Service Manager introduced the details associated with the Council's response to the Government Apprenticeship Levy and the associated public sector target, outlined in the report.

The Scrutiny Board considered the information presented in detail and raised a number of matters, including:

- The term 'apprenticeship' was not necessarily the most appropriate terminology to reflect the 16-65 age range covered by the levy and the broad term for describing entry into employment and development of the workforce.
- Application of the levy across the Council's workforce planning activity, particularly in areas of known skill shortages – such as the Digital Information Service (DIS).
- The different sectors currently engaged with the Council.
- The diversity of the Council's current workforce and also across current apprenticeships.
- The level of inclusivity across apprenticeships, for example working aged adults with a mild learning disability.

## **RESOLVED**

- a) That the proposed performance reporting cycle be agreed, subject to the inclusion of 'Effective Procurement' in December 2017.
- b) That the Scrutiny Board's work schedule be updated to reflect the details agreed in (a) above.
- c) That in relation to the apprenticeship levy discussion, the following additional information be provided to members of the Scrutiny Board:
  - Details of the work Jobs and Skills are undertaking with partners, including different business sectors.
  - Current Leeds City Council workforce profile / diversity information.
  - Current apprenticeships profile / diversity information.



### **38 Work Schedule**

The Head of Governance and Scrutiny Support submitted a report setting out the Scrutiny Board's outline work schedule for the remainder of the 2017/18 municipal year.

The Principal Scrutiny Adviser introduced the report and made reference to the following matters identified elsewhere on the agenda:

- The proposed timetable for reporting performance information to the Scrutiny Board.
- The identified 'inquiry points' set out in the apprenticeship levy paper.

The Principal Scrutiny Adviser also outlined progress of the Board's ongoing inquiry in relation to Business Rates.

The Board discussed the information outlined at the meeting.

#### **RESOLVED**

- a) That the update around the Board inquiry into Business Rates be noted.
- b) That the work schedule be updated to reflect the agreed timetable for reporting performance information to the Scrutiny Board.
- c) That arrangements be made for a working group meeting in early 2018 to review progress against the identified 'inquiry points' set out in the apprenticeship levy paper.

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

Wednesday, 29 November 2017 at 10:30am (pre-meeting for all members of the Scrutiny Board at 10:00am).

The meeting closed at 11:40 a.m.

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Report author: Tim Rollett

Tel: 378 9235

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## Report of the Director of Resources and Housing

### Report to Scrutiny Board (Strategy and Resources)

**Date:** 29<sup>th</sup> November 2017

### **Subject: Performance Reporting to Scrutiny Board**

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

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## Summary of main issues

This report provides members with a summary of performance information relating to Civic Enterprise Leeds (CEL) and Digital & Information Services (DIS) covering the first six months of 2017/18.

## Recommendations

Members are recommended to:

- Consider and comment on the most recent performance information in relation to CEL and DIS.
- Use the performance information provided to determine areas for further scrutiny work to support improvement over the coming year.

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

- 1.1. This report provides members with a summary of performance information relating to Civic Enterprise Leeds (CEL) and Digital & Information Services (DIS) covering the first six months of 2017/18.
- 1.2. The report gives Scrutiny Board members information to inform decision making around identifying areas for further scrutiny work to support improvement across council outcomes, priorities and values.
- 1.3. In addition, members will also be provided separately with a copy of the most recent Finance Health Monitoring Report.

## **2. Background information**

- 2.1. CEL sits within the Resources and Housing Directorate and consists of Facilities Management, Cleaning, Catering, Passenger Transport and Fleet Services. CEL's performance is viewed in the context of their service priorities: Delivery; Cost; People; Safety and Quality. CEL's performance results for the first six months of 2017/18 are detailed in Appendix 1.
- 2.2. The role of the DIS is to ensure that the council fully exploits its investment in information, communication and digital technologies. The DIS provides day to day support to all council staff using information, communications and technology to carry out their job. The DIS aims to ensure that the right solutions are in place to meet service needs and that they meet the right standards in relation to information security and governance. The DIS ensures that data is supported within the council's network and that where relevant it can be safely shared between applications, stakeholders and third party organisations. Details of the DIS's performance for the first six months of 2017/18 can be seen in Appendix 2.

## **3. Main issues**

### **3.1. Portfolio area: Civic Enterprise Leeds**

- 3.1.1. Full details of CEL's performance against their priorities can be seen in Appendix 1. In the first six months of 2017/18 CEL reported good progress across all service areas in terms of People, Delivery, Safety, Cost and Quality. Key points include:
  - Cleaning and Facilities Management performance, where particular emphasis has been put on Fire Safety post Grenfell and our results show excellent progress such as achieving 20 Fire Safety Audits in High Rise, 100% of reported bulky items moved in 24 hours and 100% of blocked bin chutes attended to in 24 hours.
  - Catering's performance highlights include holding 81% of the primary catering market and achieving 85% of good/very good client rating.
  - Passenger Transports performance highlights include a projected reduction in spend on Adults and Health of 2% on the previous year and training 59 children and young people to be able to travel independently.
- 3.1.2. CEL report that they are striving to continue to deliver improvements for the remainder of 2017/18. The challenges facing the service include the Asset Rationalisation Program, the forthcoming move to Merrion House along with the pressures on resources and budget that this will bring, the increase in demand on Special Educational Needs Transport and the challenges that come from operating in a commercial market.

### 3.2. Portfolio area: Digital & Information Service

3.2.1. Full details of DISs performance against their priorities can be seen in Appendix 2. In the first six months of 2017/18 DIS performance reporting concluded that:

- The service is operating in difficult times and ‘keeping the lights on’ is still the main objective.
- Demand for DIS services continues to grow and with future growth of new customers ‘on boarded’ onto our services, resources will be an issue particularly as service resources reduce council wide.
- Operational Performance across the service is excellent across many KPI’s:-
  - General customer feedback is excellent with high scores registered on survey returns.
  - Service reliability, availability and durability is good and on a par with peer organisations nationally.
  - (Small) ICT Projects are well managed within the service with good practice being followed.
- Partner organisations are currently happy with the services provided to them under mutually agreed SLA’s.
- The DIS ‘Change’ agenda is highly concentrated on providing resources to assist and/or lead City and external partner based programmes and income earning initiatives which is impacting on our ability to deliver the required level of change to the internal DIS service.
- The service is managing to deliver on its Service Plan with 89% of objectives at Green/Amber status.

### 3.3. Performance reporting timetable

3.3.1. The reporting timetable for Strategy and Resources Scrutiny Board is seen in Appendix 3. Since the timetable was last reported to the Board in October 2017, it has been updated to reflect:

- Plans for the Board to receive a report on ‘Effective Procurement’ in December 2017.
- Performance of CEL and the DIS to be next reported in March 2018 (quarter 3 results).
- The Health, Safety and Wellbeing report originally scheduled for December 2017 will now be reported to the Board in January 2018.

## **4. Corporate Considerations**

### **4.1. Consultation and Engagement**

4.1.1. This is an information report and as such consultation and engagement does not apply.

### **4.2. Equality and Diversity / Cohesion and Integration**

4.2.1. This is an information report, rather than a decision report and so due regard is not relevant. It is noted that a report on Equality performance is due to be reported to the Strategy & Resources Scrutiny Board later in 2017/18.

### **4.3. Council policies and the Best Council Plan**

- 4.3.1. This report brings to Scrutiny Board (Strategy & Resources) a performance update on progress against services that support the delivery of the council's 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. Effectively monitoring and managing performance helps ensure that resources continue to be appropriately deployed. There are no other financial implications from this report.

### **4.5. Legal Implications, Access to Information and Call In**

- 4.5.1. This report is an information update providing Strategy & Resources Scrutiny Board with a summary of performance for selected portfolio areas within its remit and is not subject to call in.

### **4.6. Risk Management**

- 4.6.1. There are no specific risks associated with this performance report. However, it is noted that performance results may be linked to the corporate risks that could impact on the delivery of the Best Council Plan. The following corporate risks are linked to performance information included in this report (all of which are led by the DIS):

- **Major ICT Failure** - Risk that council services are disrupted due to frequent and/or prolonged ICT failures.
- **Major cyber-incident** - Risk to citizens, council and city as a result of digital crime, process failure or peoples actions.
- **Information management and governance** - Risk of harm to individuals, partners, organisations, third parties and to the council as a result of non-compliance with information governance legislation and industry standards.

- 4.6.2. Although CEL does not lead on any of the corporate risks, they maintain their own service level risk register which is updated and reviewed at their management team each quarter.

## **5. Conclusions**

- 5.1. The report provides details of performance for the CEL and DIS for the first six months of 2017/18.

## **6. Recommendations**

- 6.1. Members are recommended to:

- Use the performance information provided by CEL and DIS to determine areas for further scrutiny work to support improvement over the coming year.
- Note the updated performance reporting timetable.



Appendix 1  
Civic Enterprise Leeds  
Q2 Reporting



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## Executive Summary

**Civic Enterprise Leeds** sits within the Resources and Housing Directorate and consists of Facilities Management, Cleaning, Catering, Passenger Transport and Fleet Services.

Our key priorities for 2017/18 are set out in page 2 of this report and are People, Delivery, Safety, Cost and Quality. Key objectives have been set out for the year which include reviewing internal recharging, making better use of Digital Information Systems, promoting partnership working, providing support and advice across the Council on Commercialisation, improving Equality and Diversity, reviewing alternative delivery models for Passenger Transport and enhancing our offer on schools catering. Our performance against these objectives is covered on pages 7 to 10; good progress has been made against all of these objectives at quarter 2.

Each section of Civic Enterprise Leeds has its own service specific performance indicators. Pages 11 to 15 cover Cleaning and Facilities Management performance at quarter 2, where particular emphasis has been put on Fire Safety post Grenfell and our results show excellent progress such as achieving 20 Fire Safety Audits in High Rise, 100% of reported bulky items moved in 24 hours and 100% of blocked bin chutes attended to in 24 hours.

The average cleaning monitoring score is up from the previous quarter to 93% which is extremely pleasing as we have implemented a revised cleaning specification and reduced spend on cleaning by £500k for 2017/18.

Performance against the Facilities Management E-Schedule is good, all legislative requirements such as Fire Risk Assessments and Evacuations are at 100% and we have recently added in new indicators such as an annual Inclusion and Diversity review of the building and annual review of Local Safety Arrangements and associated training which will make our buildings more inclusive and safer.

Other highlights for the quarter include successfully decommissioning building as part of the move into Merrion House and growth in our commercial portfolio in areas such as schools cleaning and specialist cleaning.

Catering's performance is detailed on pages 16 and 17, highlights include holding 81% of the primary catering market and achieving 85% of good/very good client rating. Other achievements in Quarter 2 include trialling Live Kitchen a DIS solution, a growing partnership with Leeds Teaching Hospital Trust and the steady growth of Civic Flavour bringing income into the Council.

Pages 18 to 21 detail Passenger Transport's performance for this quarter, highlights include a projected reduction in spend on Adults and Health of 2% on the previous year and an 18% increase on the number of PRESTO customers.

Other achievements include training 59 children and young people to be able to travel independently and providing income to the Council by offering this service on a consultancy basis to other Authorities, income for this is projected to be £30k.

Fleet Services performance is detailed on pages 22 to 25. Highlights include an increase in the HGV MOT pass rate which is a vital indicator for the industry, 100% response to breakdowns on time and 98% customer satisfaction. Other achievements include a growth in external MOT income now projected at £120k pa, becoming more commercially enterprising working with University of Leeds and Leeds Teaching Hospital Trust bringing in income to the Council and procuring a vehicle telematics system which will provide feedback on driver behaviour styles, routes, location and fuel usage with potential 5% savings on fuel.

Our financial performance is detailed on page 26. A balanced position is currently forecast and is managed through service specific action plans. As a result of the marginal financial impact of the reduced number of feeding days in 2017/18 and inflationary pressure on food costs there's likely to be a £379k pressure for the Catering service, partially offset by savings/actions within the rest of the division to leave a net £200k pressure. The Facilities Management element of the CEL budget is expected to balance and achieve the £100k budgeted savings for the year.

Civic Enterprise Leeds employees are integral to us providing high quality services to the people of Leeds, our Quarter 2 performance is detailed on pages 27 to 30. In summary we have seen a reduction in FTE from 1613 to 1592 which is mainly due to the revised cleaning and caretaking review which has delivered significant savings to the Council. Managing attendance is critical to our financial success and our service delivery, our attendance levels has continued to significantly improve on the previous year with a 1.9 day improvement at quarter 2; this is a result of closer working with Trade Unions and colleagues in HR and introducing a number of measures to improve health, well-being and support staff in work.

Civic Enterprise Leeds are committed to providing sustainable and permanent vacancies within our departments. Agency staff, however, are sometimes required to ensure the flexibility of some functions are maintained. It is our aim to reduce the total number of agency staff in line with the Council's objectives regarding employment within the city. We have seen a reduction in agency staff across most areas of the business.

Our commercial catering arm, Civic Flavour, may have an impact on this area. As business grows, so may agency staff usage i.e. waiting staff for a dinner for 250 will require agency staff. In this type of situation we would hope to use staff from our own casual pool of staff, but where large numbers are required, agency may be required.

The Health, Safety and Well Being of our staff and customers is critical to our success, we are proud of our record and this is demonstrated with our continued accreditation to ROSPA and OSHAS 18001 Health and Safety Management Systems. Our Health and Safety performance is detailed on pages 31 to 32. In quarter 2 we had 66 accidents across all areas of CEL; all of these accidents were thoroughly investigated with a CF50 being completed and a Managers Investigation being carried out and any reconditions implemented.

Our commitment to Health and Safety is demonstrated in our training statistics with 252 members of staff being trained in safety related courses in quarter 2 and increase of 179 on the same quarter the previous year.

Civic Enterprise Leeds always strives to deliver the highest possible levels of service that we can to our colleagues and customers. We are proud of our ISO9001 accreditation and have a robust quality management system in place that continually holds up to scrutiny from both internal and external auditors to ensure we maintain the standard.

Our quality results on pages 33 and 34 show how we have performed over quarter 2; there has been an improvement in cleaning monitoring results from 92% to 93% and in Passenger Transport's Quarterly inspection results from 89% to 98% and key achievements include recertification of our ISO9001 accreditation and providing acceptable assurance across a number of internal and external audits.

We have seen good progress across all areas of Civic Enterprise Leeds in terms of People, Delivery, Safety, Cost and Quality, this has been demonstrated by the information in this pack and we are striving to continue to deliver improvements in Quarter. 3 and 4 in what will be difficult times due to a number of challenges. These include the Asset Rationalisation Program, the move to Merrion and the pressures on resource and budget that this brings, the increase in demand on Special Educational Needs Transport and the challenges that come from operating in a commercial market.

**Sarah Martin**

Chief Officer

Civic Enterprise Leeds

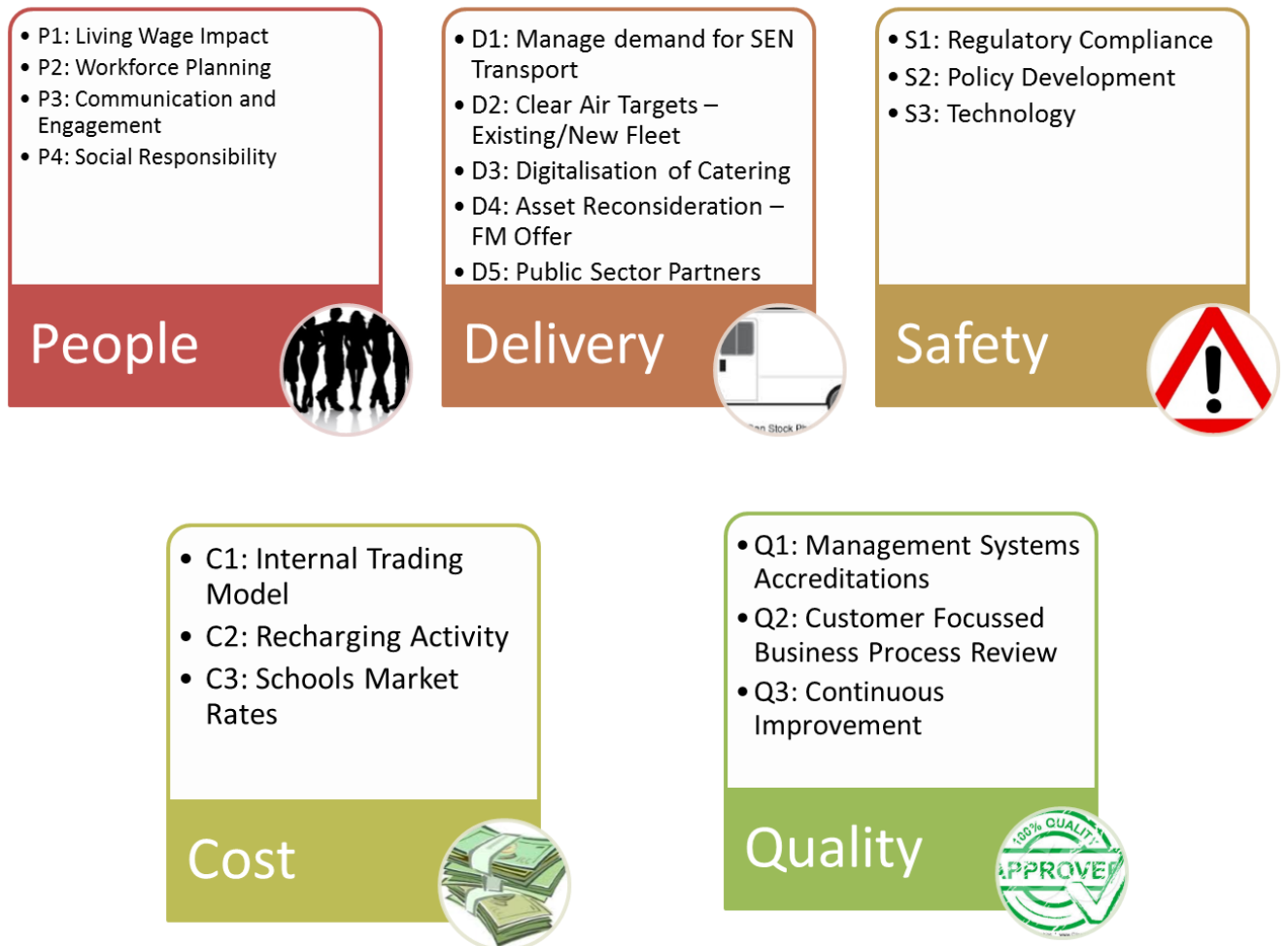
November 2017

## Introduction

The purpose of this document is to provide the Q2 performance results for Civic Enterprise Leeds for the following categories:

- Delivery
- Cost
- People
- Safety
- Quality

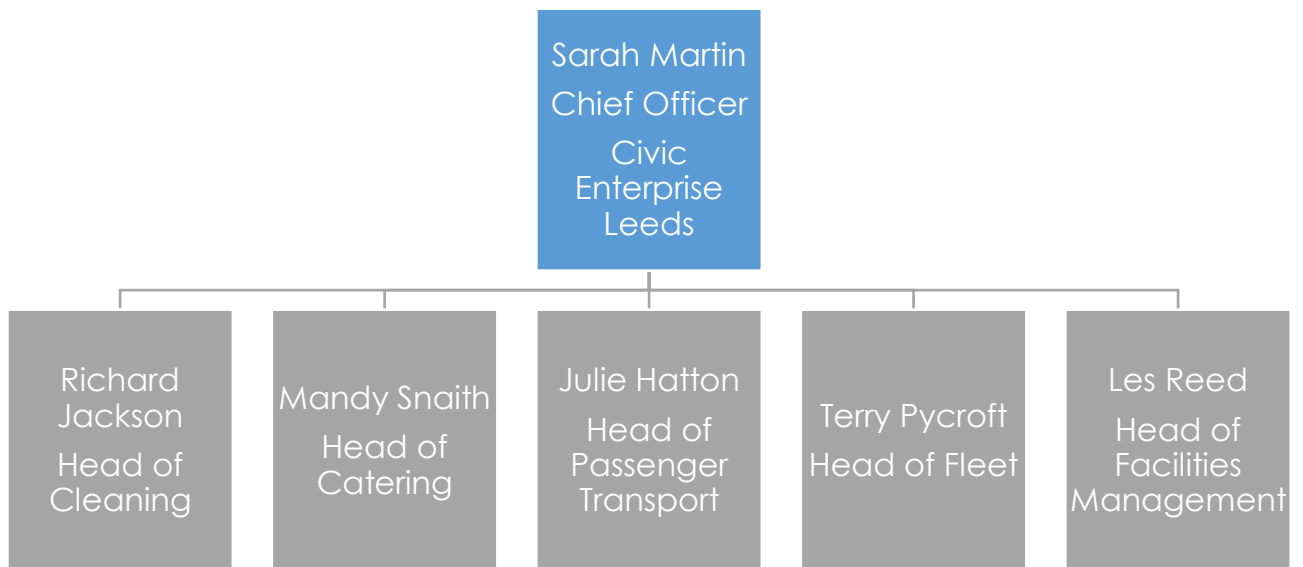
Below outlines the key priorities for Civic Enterprise Leeds within the financial year.



Civic Enterprise Leeds sits within the Resources & Housing Directorate and is comprised from the following services:

- Facilities Management and Cleaning
- Catering
- Passenger Transport
- Fleet Services

The Leadership Management Team Structure is as follows:



## Delivery

Civic Enterprise Leeds is proud to provide excellent service delivery to all our clients (internal and external) to ensure that we continually improve our procedures and standards across all services. The below highlights the overall service objectives and provides updates from both an overall and service specific level.

### Objective Summary 17/18 – Updates

OBJECTIVE	DESCRIPTION	QUARTER1 UPDATE	QUARTER 2 UPDATE
<b>Internal Recharging</b>	To review and dismantle the internal recharging/trading activity with services and source spend budget e.g. Fleet Services	<p><b>Cleaning/FM</b> Piloted with Cleaning and Fleet- Budget Spend on cleaning vehicles and maintenance journalled to Fleet. Reduces transactions by 900 per year. Looking at how we capture the savings related to reducing in transactions.</p>	<p><b>Fleet</b> Meetings taking place with all CO's / HoS to discuss the process and timeline on removing the recharging activity. Timeline established for an implementation of April 18.</p>
<b>Digital Information Systems</b>	Review and identify a digital solution to improve services to customers and create back office efficiencies	<p><b>Cleaning/FM</b> Program of works devised with DIS to track implementation progress. Portable PA system now introduced to Civic. Trial on going for AV with Skype Facility on going for meeting rooms. Trial to commence for Total Mobile for Fire Safety Check sheets and monitoring.</p> <p><b>Catering</b> Live kitchen being trialled in 5 schools at start of new term.</p> <p><b>Passengers.</b></p>	<p><b>Passengers.</b> A meeting has been held with ICT and the draft spec developed. Further to this are discussions with PWC and the development of a bespoke database.</p> <p><b>Catering</b> - Kitchen Pilot continues – working with colleagues in DIS we are establishing business case and specifications to enable the service to go out to tender for the required system</p> <p><b>Cleaning</b></p>

		<p>Working with staff groups to draft out specification for replacement to Trapeze which is due March 2019. Skype now used with main Taxi providers.</p> <p><b>Fleet</b> TP working to get fleet emission data from EV vehicles to build app 5 enforcement vehicles ready to collect data and 5 more proposed</p>	<p>Scoping document for commissioning of mobile solution for fire safety checks and monitoring now complete and all processes mapped out.</p> <p><b>Fleet</b></p> <p>Specification and business case in place for new Fleet Management System, reviewing option of bolt on to Housing System (Siebel), working on the ACCRA project with Cemex and PPPU, mobile air monitoring devices have been fitted.</p>
<b>Partnership Working</b>	<p>Develop the shared service model and work in collaboration with partners e.g. LHTH &amp; WYCA in areas such as Cleaning, Catering and Transport</p>	<p><b>Cleaning/FM</b> Regular contract meetings with LHTH for Compton Security and working with them for a specification for Merrion. Meeting arranged to discuss how we can further develop this partnership.</p> <p><b>Catering</b> Now working with LHTH providing them with Buffet's. Discussions on going about providing other catering services.</p> <p><b>Passengers.</b> Agreement to pilot Transport to work with the LHTH Occupational Therapy service. Awaiting a start date. Ongoing discussions with WYCA and NHS re joint working.</p> <p><b>Fleet</b> 6 vehicles with LHTH (5 diesel and one EV) and is working well</p>	<p><b>Passengers</b> Awaiting start date from LHTH OT service. Meetings held with NHS and Older peoples transport group (inc WYCA) both of which are looking at joint partnership work. These are long term projects but could change the way transport is operational in the city in the future.</p> <p><b>Catering</b> working with the NHS on a regular basis to provide buffets for chief exec board room sessions. Further work is being discussed with Head of Facilities around joint working space</p> <p>Working with Fareshare and Leeds Community Foundation on holiday Hunger project</p>

		Ongoing meetings including EV bus coming to UK	
<b>Equality and Diversity</b>	Ensure that all front line staff undertake the appropriate E&D training	<p><b>Cleaning/FM</b> All managers (19) booked in on E&amp;D training. Tool Box talk being developed and to be delivered to all front line staff in QUARTER 2. More in depth Equality training being rolled out to all staff by our training officer approx. 100 staff per month.</p> <p><b>Catering</b> Tool box talk to be delivered to all staff Taken part in mental health training as part of HSW plan</p> <p><b>Passengers.</b> Tool Box talk to be delivered to all staff in quarter 3-4. All new starters receive a disability awareness session as part of their induction. 100% of office staff undertook a deaf awareness session. Following feedback from customers the handrails on the vehicles are going to be replaced to aid the elderly whilst they are boarding the vehicle. All supervisors trained in mental awareness. The service has one Mental health first aider.</p> <p><b>Fleet</b> Delivered LGBT+ training to engineers E&amp;D related toolbox talks</p>	<p><b>Group</b></p> <p>Tool box talks to be delivered in quarter 3 and 4. E and d Newsletter now developed as part of a pro-active approach for the group to inform and raise awareness of the E&amp;D policy, relevant contacts and current campaigns. This newsletter will address individually each of the key priorities, starting with improving knowledge of ED&amp;I issues Mental health training rolled out in <b>Fleet</b></p>
<b>Commercialisation Agenda</b>	To provide support and advice to Officers and Members regarding the	Meetings with commercialisation task group for 17/18 and programme established Traded Services Task Group with various departments across LCC – MS attended	<p>Next meeting planned for 30<sup>th</sup> October focussing on Fleet and Passengers.</p> <p>Continue to support Children's Traded group</p>



	provision of commercial activities	Children's Traded Services Board for CEL advice regarding structure Meeting with Children's Services regarding business planning	Attending the council advertising review group and has an increased focus on the return required from vehicle advertising  Catering and cleaning continue to be proactive in seeking additional contracts for primary business
<b>Passenger Transport</b>	To review alternative delivery models	Analysis of demand trends for specific PT groups completed	Discussions held with client services and exploration of options
<b>Primary &amp; Welfare Catering</b>	Maintain and seek to increase activity levels within primary school catering and enhance school offer through added value and support to working poor families.	82% market share in Primary Schools 2 Interventions being investigated: 1 Pilot in Social Pricing of school meals. 2. Holiday Hunger. These would ensure children within the poverty trap have access to meals all year round.	The council is working together and seeking to progress an initiative that can support projects in Leeds for Easter and Summer holidays 2018 and beyond. This initiative will be managed and administered by Leeds Community Foundation. Catering Leeds have offered the use of its transport kitchen and staff on retainer contracts during these times to aid the healthy provision of food to be made readily available. Meetings continue

## Service Specific Delivery

### Facilities Management/Cleaning

Facilities Management and Cleaning Services carries out a range of activities including:

- Cleaning – an internal building service carrying out routine and non-routine cleaning on behalf of the Council and external organisations
- Specialist Cleaning – void property clearance/cleaning, foul property cleans, window cleaning, emergency cleans, corporate/domestic removals and moves, bin chute clearance, needle removal, fly tipping removal and garden clearance
- Static Guarding & security – front of house security service in buildings such as one stop shops
- Reception duties
- Caretaking
- Facilitating responsive and planned maintenance
- Compliance with building related legislation
- Energy Management – daily running of gas, electric and water contracts for the Council and schools within 2,300 sites

### Q2 Indicators

<b>93%</b>	Average MSF Cleaning Score for June/July	<b>93%</b>	Average Score for External for June/July	<b>30</b>	Number of joint monitors completed
<b>100%</b>	Chute Jobs Attended	<b>99%</b>	Chutes Cleared within 24 hours	<b>100%</b>	Demos Actioned within 24 hours
<b>96.00</b>	Number of schools contracted	<b>20</b>	Number of fire safety audits	<b>100%</b>	Bulky items removed within 24 hours

### Q2 Update

- The hard services repairs and maintenance service level agreement for Merrion House has been agreed with FM, BAM FM and Town Centre Securities. We've also completed the consultation on the building user guide with all the staff network groups, the guide is now being distributed through HR Business Partners.
- Facilities Management have been heavily involved in the successful vacation and clearance of Belgrave House, Landmark Court and Westfield House and the relocation of staff from all these buildings into council premises.
- We are continuing to consolidate LCC buildings that we don't clean or deliver FM. This increases our income and bottom line and reduces the costs to the council as we deliver these services more efficiently

- We are actively marketing to schools in Leeds that we don't clean (125) recent successes include Boston Spa High and Park Springs Primary. We have seen consistent growth in this area, continuing with our productivity studies comparing our hourly rates and productivity rates across our portfolio and that of neighbouring Authorities and the private sector
- We continue to actively market to schools just outside the Leeds Boundary in areas such as Tadcaster and Outwood
- We are building up a relief caretaking service which schools buy in, seen good growth in this area with business up 15%
- The specialist team are actively marketing our window cleaning services to schools and other organisations, working with LTHT to take over the window cleaning at Leeds Hospitals which they currently subcontract
- FM are marketing to other organisations such as Housing Associations and social Landlords for routine and specialist cleaning works, working with other local authorities to deliver specialist cleaning

E-schedule – Facilities Management

		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Task Totals
1/4 Inspection	Schedule d	77	0	0	77	0	0	77	0	0	77	0	0	308
	Comple t e	75 97%	0	0	75 97%	0	0	77 100%	0	0	0	0	0	188 61%
	Outstandi ng	2 3%	0	0	2 3%	0	0	0 0%	0	0	77 100%	0	0	120 39%
Bi-monthly Cleanin g Monitori ng	Schedule d	129	0	131	1	130	0	129	0	129	0	129	0	778
	Comple t e	125 97%	0	130 99%	1 100%	126 97%	0	128 99%	0	0	0	0	0	406 52%
	Outstandi ng	4 3%	0	1 1%	0 0%	4 3%	0	1 1%	0	129 100%	0	129 100%	0	372 48%
BRM	Schedule d	4	4	14	9	4	4	11	5	3	2	13	5	78
	Comple t e	3 75%	4 100%	13 93%	8 89%	4 100%	4 100%	11 100%	0 0%	0 0%	0 0%	0 0%	0 0%	33 42%

Yearly EIO/Fire Warden Briefing Session	Outstanding	1	25%	0	0%	1	7%	1	11%	2	0%	2	0%	0	0%	5	100%	3	100%	2	100%	13	100%	5	100%	45	58%		
	Scheduled	0		0		16		3		0		18		0		0		0		0		0		0		37			
	Complete	0		0		5	31%	0	0%	0		1	6	89%	0		0		0		0		0		0		21	57%	
	Outstanding	0		0		11	69%	3	100%	0		2	11%	0		0		0		0		0		0		16	43%		
Fire Risk Assessment Review	Scheduled	5		2		4		10		1		7		3		4		0		6		2		3		47			
	Complete	5	100%	2	100%	4	100%	10	100%	1	100%	7	100%	3	100%	1	25%	0		1	17%	0	0%	0	0%	0	0%	22	47%
	Outstanding	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	3	75%	0		5	83%	2	100%	3	100%	25	53%		
6 Monthly Evacuation	Scheduled	2		3		4		5		0		1		5		4		12		12		3		0		51			
	Complete	2	100%	3	100%	4	100%	5	100%	0		1	100%	2	40%	0	0%	2	17%	1	8%	0	0%	0		0		20	39%
	Outstanding	0	0%	0	0%	0	0%	0	0%	0		0	0%	3	60%	4	100%	10	83%	11	92%	3	100%	0		31	61%		

Risk Assessment Review	Scheduled	9	0	4	32	1	0	0	0	2	0	11	2	61													
	Completed	9	100%	0	4	100%	32	100%	1	100%	0	0	0	0	0	0	1	9%	0	0%	44	72%					
	Outstanding	0	0%	0	0	0%	0	6%	0	0%	0	0	0	0	2	100%	0	10	91%	2	100%	17	28%				
Inclusive and Diversity Review - INSITE	Scheduled	0	0	0	0	0	0	0	0	0	0	0	5	5													
	Completed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0	0%						
	Outstanding	0	0	0	0	0	0	0	0	0	0	0	0	5	100%	5	100%										
Totals by Month	Scheduled	226	9	173	137	136	30	225	13	146	97	158	15	1365													
	Completed	219	97%	9	100%	160	92%	131	96%	132	97%	28	93%	221	98%	1	8%	2	1%	2	2%	1	1%	0	0%	734	54%
	Outstanding	7	3%	0	0%	13	8%	6	4%	6	4%	4	7%	4	2%	12	92%	144	99%	95	98%	157	99%	15	100%	631	46%

## Catering

Catering delivers welfare and commercial catering activities to:

- Schools – Catering provides a fully managed school meals service. This includes planning menus, training staff, cooking and serving meals, developing and marketing the service to all schools. Catering Leeds also offers provision for after school clubs catering and supporting the healthy eating curriculum in schools.
- Early Years – Catering provides breakfasts, lunches and teas in nurseries including food and menus that are suitable for very young and weaning infants
- Adult Social Care – Catering Leeds provides a full 7 day catering services in Council residential homes and day centres
- Civic Flavour is the commercial catering arm of Catering Leeds. It is primarily located within Civic Hall and provides commercial catering across Leeds to both internal and external clients

## Q2 Highlights

- Catering Leeds are trialling a Digital Information System. Live Kitchen, within 5 schools which started in September and is going well. Catering is continuing to work with partners in ICT to build a business case to identify if a procurement exercise is feasible.
- Catering have initiated Partnership working with external organisations such as Leeds Teaching Hospitals Trust and Leeds Beckett
- Catering has identified Workplace Champions across CEL to be shared with frontline staff in regards to the different minority groups
- Catering has extended its partnership with a frozen food provider to continue to control food costs
- Catering developed and served an American independence themed menu served across the city within schools
- Picnic menu was served supporting schools with sports days and Summer Picnic days, helping ensure these special days were even more fun and engaging for the children taking part.
- The Head Teacher Forum session took place, engaging with 5 schools in partnership with the Health and Wellbeing Service.
- Catering are actively marketing the business to all schools in the city particularly academy groups who are seeking best value 2 schools have just returned to service from private sector
- Consistently maintain the majority share of primary catering across the city with 187 sites still with Catering Leeds £2.15m net managed budgeted return for Primary School catering in 2017/18. Record level of meal numbers (6.4 million) achieved in 2016/17 and we continue to pay the living wage.
- Delivered training to partners in Adult Social Care in relation to Improving Nutritional Care with service users
- Invested in and developed dining area within John Charles Centre for Sport.
- Civic Flavour work has significantly increased with additional private sector customers now using the service, including PWC, IoD, Turner Townsend etc.

and contract for commercial catering now established with Leeds Teaching Hospital Trust but this is early days. £115k net managed budgeted return for Civic Flavour in 2017/18.

- Civic Flavour have taken over the full catering offer at John Charles Stadium from August 17, this includes the Aquatics Café, Gala Catering, Conference and Commercial bookings and a new relationship with Hunslet Hawkes has been established.
- In discussions with Sport regarding a potential Commercial catering offer at the newly refurbished Aireborough Leisure Centre.
- The potential for converting Yeadon Tarn Sailing Centre site into a fully functioning café is being considered Civic Flavour ready on this but being led by Ian Waller in Sports and discussions around the building space.
- For 2 years running now, Civic Flavour are the supplier of choice for Columbia Threadneedle and Mongoose for Leeds Triathlon, this includes VIP and crew catering. Also supplier of choice for British Triathlon in Leeds.
- Shulmans Solicitors are using Flavour for annual conference within Civic Hall in November, the expected attendance is 100 over a weekend.

#### Q2 Indicators

<b>81%</b>	% of primary school market share	<b>1</b>	Contract(s) won	<b>2</b>	Contract(s) not retained
<b>71p</b>	Spend on plate	<b>33062</b>	Number of meals per day	<b>87%</b>	Average monitor scores
<b>85%</b>	of very/good client rating	<b>3</b>	Number of customer complaints	<b>2</b>	Number of compliments



## Passenger Transport

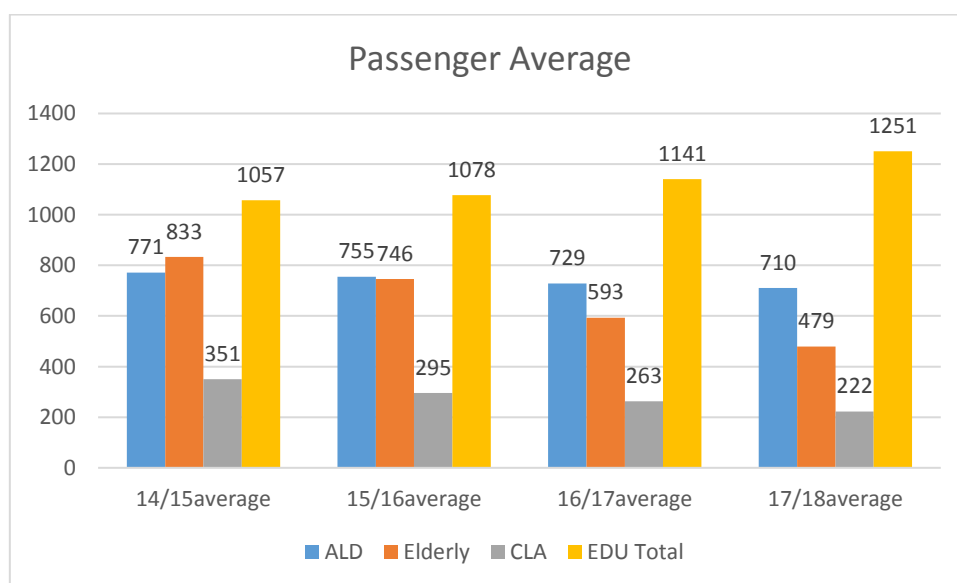
- Passenger Transport provides transport on behalf of Children's Services and Adult Social Care. The service has 175 drivers and 300 escorts and transports over 3,000 passengers daily to day services and schools. These are adults with learning difficulties and children special educational needs provided through a mix of in-house services and taxi and private hire.
- Meals on Wheels – A service which provides hot, cold and frozen food to elderly customers who either self-refer or are referred by Adult Social Care
- Presto – a service which supports adults to live independently through a variety of services including companion care, cleaning services and drivers
- School Crossing Patrol – provision of 119 school wardens for the safe crossing of children

## Q2 Highlights

1. The number of passengers is as follows:-

	2 <sup>nd</sup> Quarter 2017-18
Elderly	470
Adults with Learning Difficulties	718
Children With Special Educational Needs and Disabilities (SEND)	1281
Children Who Are Looked After By The Authority (CLA)	280

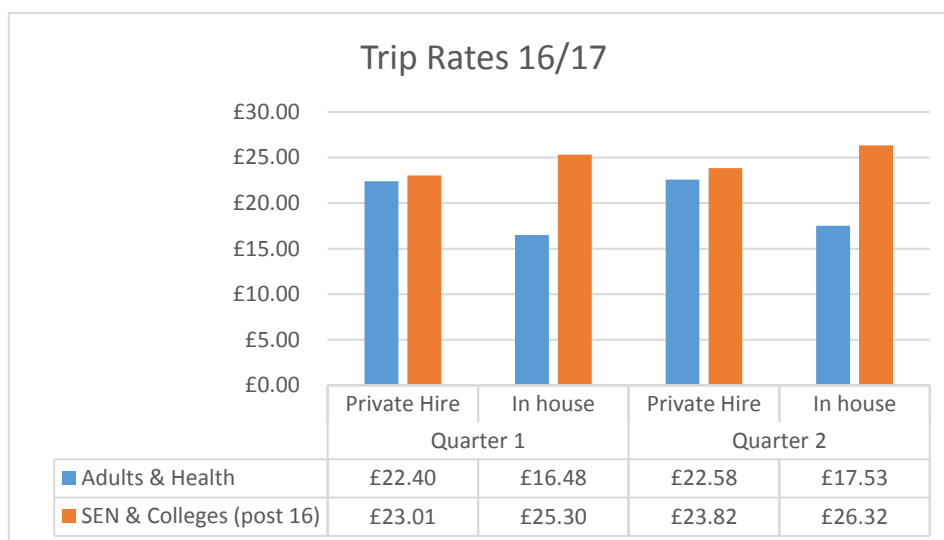
Below also shows the passenger trends for the past four years:



- The yearend position for 2016-17 was a charge of £4.7m to Adults and Health, as at month 6 we are projecting a charge of £4.6. This is a 2% reduction on the previous year and 11% saving on the OE of £5.18m. The charge to Children's and Families in 2016 was £11.2. The service is projecting a spend of £11.8m as at month 6.

The service monitors its financial performance on a trip rate, the rates for 2017-18 are as follows:-

Service	Quarter 1		Quarter 2	
	Private Hire	In house	Private Hire	In house
Adults & Health	£22.40	£16.48	£22.58	£17.53
SEN & Colleges (post 16)	£23.01	£25.30	£23.82	£26.32



Adults:

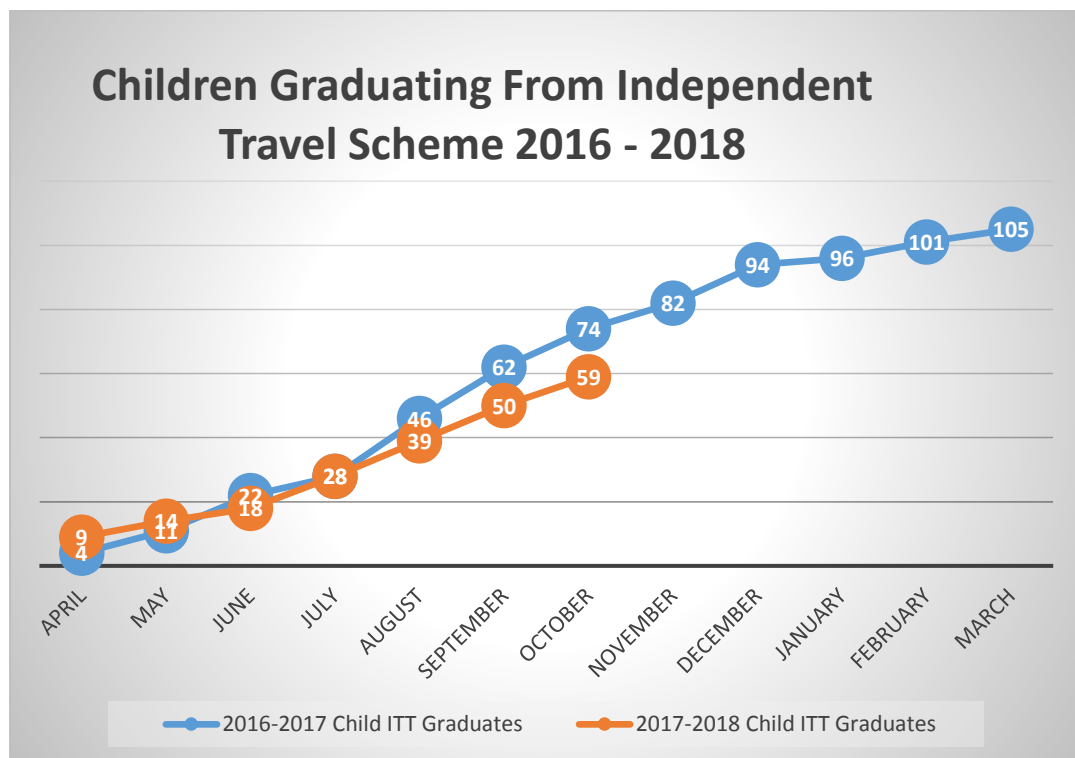
- The increase in quarter 2 in house is due to 4204 fewer trips in the quarter than in quarter 1. Moreover, the increase in private hire is due to 2096 fewer trips in quarter 2 than in quarter 1

SEN & Colleges (Post 16):

- The increase is due to 5749 fewer trips in quarter 2 than in quarter 1

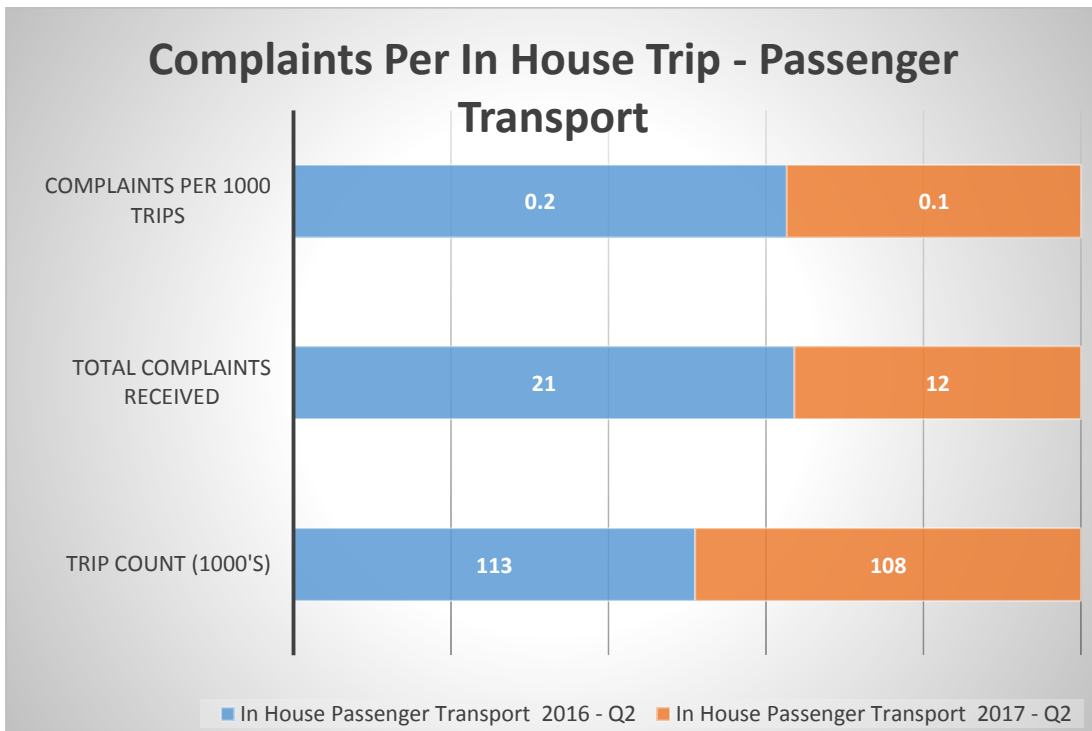
- As of the 31<sup>st</sup> March 2016 there were 101 Presto customers, this has increased to 120 as at the end of June; an 18% increase.
- As at the end of September 2016 the number of daily meals delivered to customers who had been referred to the service by Adults and health was 214. This has reduced to 114 in September 2017. An 87% reduction.

- The number of customers who self-refer has increased from Sept. 2016 148 nos. to 176, a 19% increase.
- As at the end of September 59 children and young people were successfully trained and are now able to travel independently. The new provider is working well with the service and the targets should be met by the end of the year to train 130 children and young people. The following graph charts are progress in this area of our work:



- Meetings have been held with the NHS and the Older Peoples transport group, with a view to working in partnership with both the NHS and WYCA.
- Scoping of current arrangements is planned and the findings from this and the various opportunities will be discussed later in the year. Whilst these are seen as long term projects the opportunities are enormous for the service and the Council.
- Presto continues to expand; the number of customers now exceeds 120 from 100 in March 17, a 20% increase.
- Meals on Wheels service continues to be promoted where ever possible, to Tenants Associations, Medical Centres and Social work teams. The service now provides over 630 meals per day. The number of customers who self-refer has increased by 16% from Sept 2016 to Sept 17, yet, the number referred from Adults and Health show a reduction. This is regularly reported to Adults and Health.

11. A new offer of a hot soup is to be rolled out November, hopefully this may generate additional interest from both new and existing customers and in turn generate additional income.
12. The Independent travel training team continue to sell travel training to other Authorities, in particular Transport for London, as well as providing a consultancy service to Doncaster CC. Expected income from this is projected to be £30k in 2017/18.
13. The following graph compares Q2 2016 & 2017 in-house trips completed by Passenger Transport compared to complaints received:



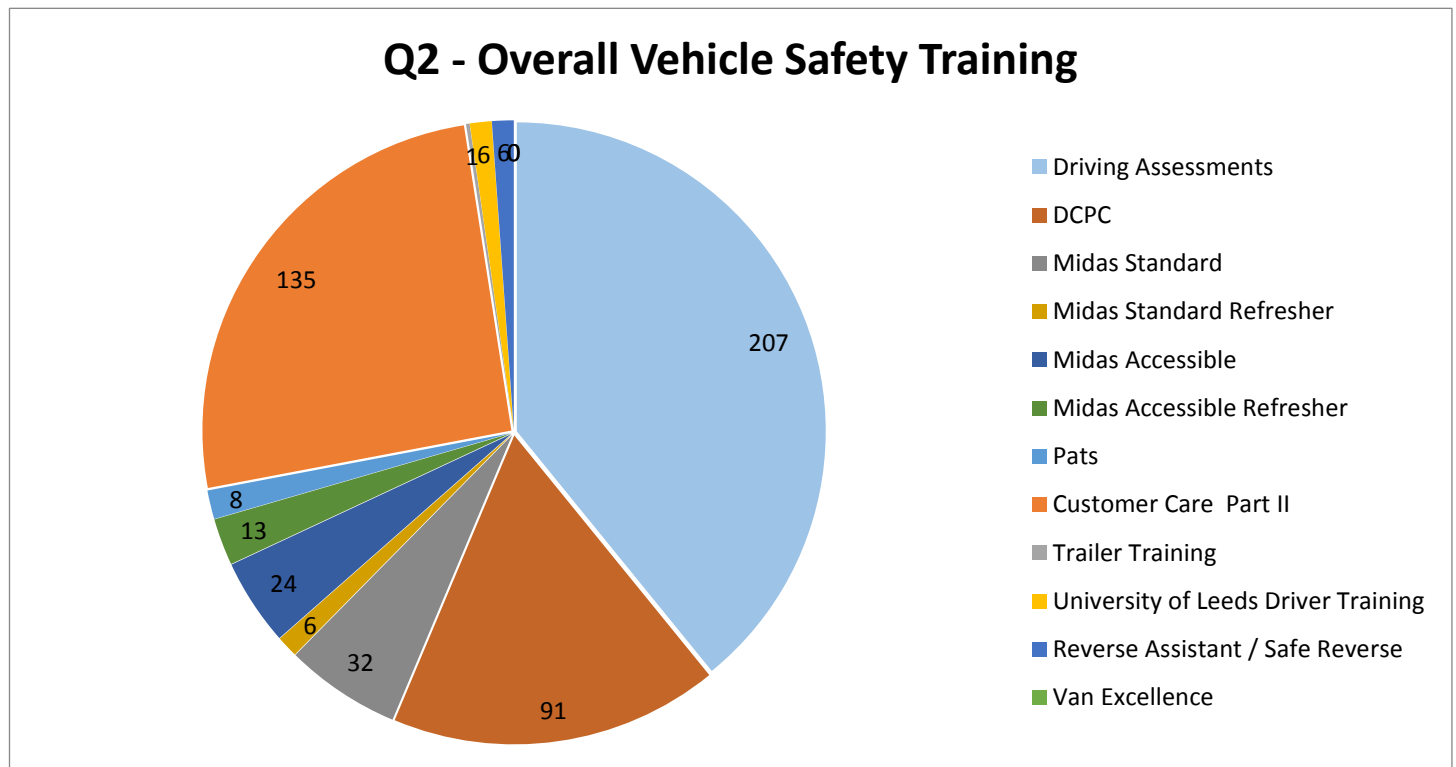
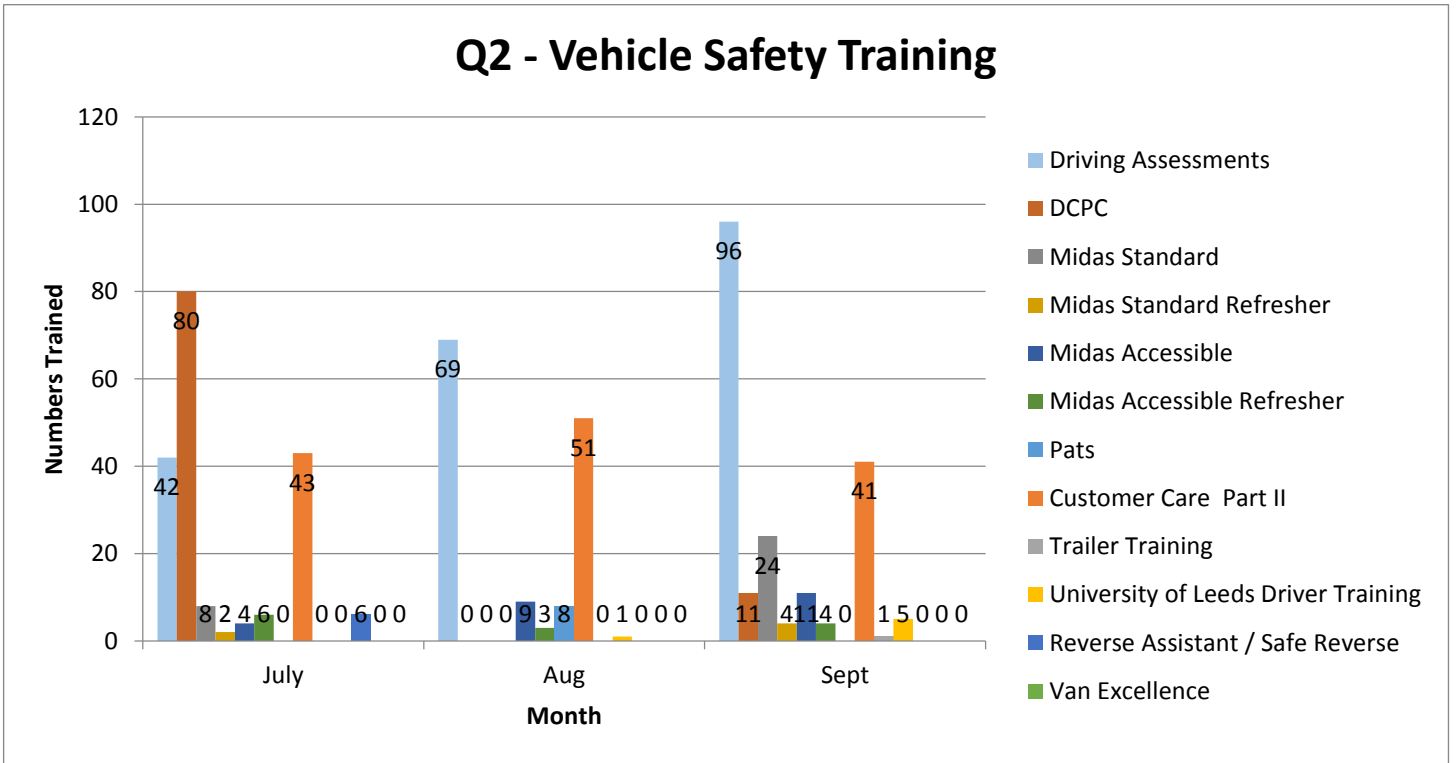
## Fleet Services

Fleet Services provides fleet management and maintenance functions for the Council's 1200 mixed municipal fleet and has a regulatory role in ensuring compliance with Regulations and the Goods Vehicle Operator Licence including:

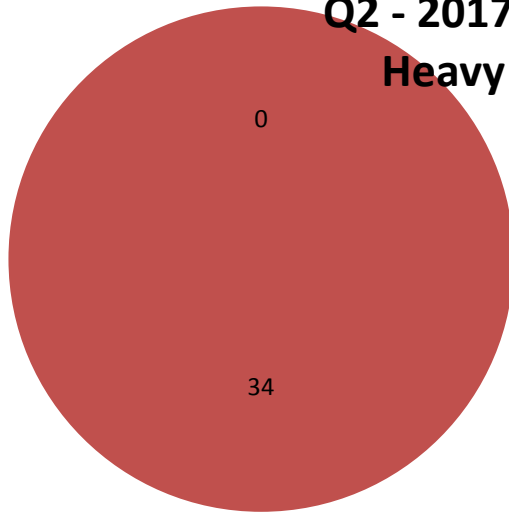
- Stores – holding maintenance and avoidable repair parts
- Fleet Deployment – managing the hire Framework Contract, client liaison and managing driver logistics for the service
- Fleet Management – management of the procurement and disposal of fleet, servicing and MOT schedule. Regulation of O Licence, Licence Mandate Checks, management of traffic offences and fuel management
- Fleet Maintenance – servicing, routine planned and reactive works, light and large goods vehicle MOT

## Q2 Highlights

- Advertising on fleet is progressing and the clean air campaign has landed. Advertising logos are being applied to fleet vehicles. Various internal services are now working with Fleet on advertising internal services to generate new business. Fleet is now established as the ISP for fleet advertising. Signage is appearing on fleet offering the availability of advertising spaces.
- Commercial MOT offer continues which is, income generating. Approximately £120k MOT income generated in 2016/2017. Fleet continue to operate private test lanes for members of public and staff.
- We are working with the University Fleet and Leeds Teaching Hospital Trust for maintenance of both their fleets.
- Exploratory work continues with the LTHT regarding the provision of transport services, 6 pilot vehicles are in place and the service is being supported by us in a number of areas.
- The vehicle safety team are providing training to Harrogate and York Councils which are income generating.
- Vehicle telematics is in the process of being procured, this technology is a monitoring system which will be utilized in council vehicles. The system collects a suite of fleet management reports providing feedback on driver behaviour styles routes, location, fuel use and details of emissions. Potential 5% savings on fuel and may aid in a reduction in vehicle damage and insurance claims.
- Long term hire fleet review work has been completed which captures savings while bringing the vehicle usage numbers down and at the same time introducing alternative fuels and maintains savings to the Authority.



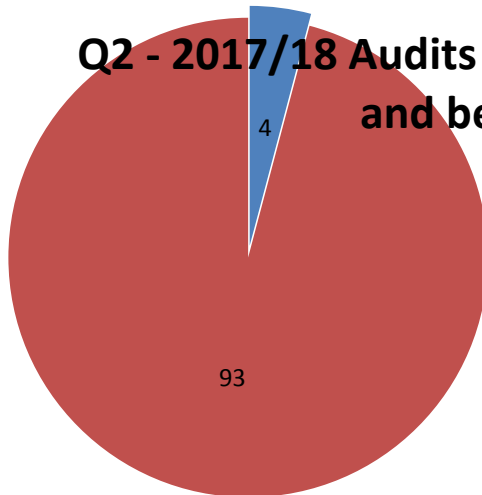
### Q2 - 2017/18 Audits- Heavy Vehicles



34 Heavy vehicles checked of which 0 had tyres outside the required LCC Policy or legal limit.

- vehicles with tyre 2mm & under
- vehicles with tyre 2.5mm & Over

### Q2 - 2017/18 Audits Vehicles 3.5 tonne and below

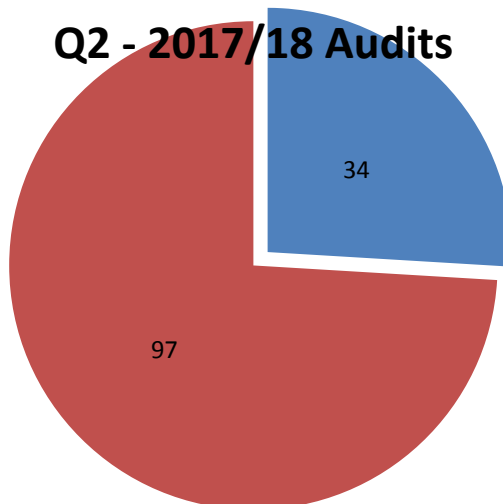


97 Light vehicles checked, of which 4 had tyres outside the required LCC Policy or legal limit

- vehicles with tyre 2mm & under
- vehicles with tyre 2.5mm & Over

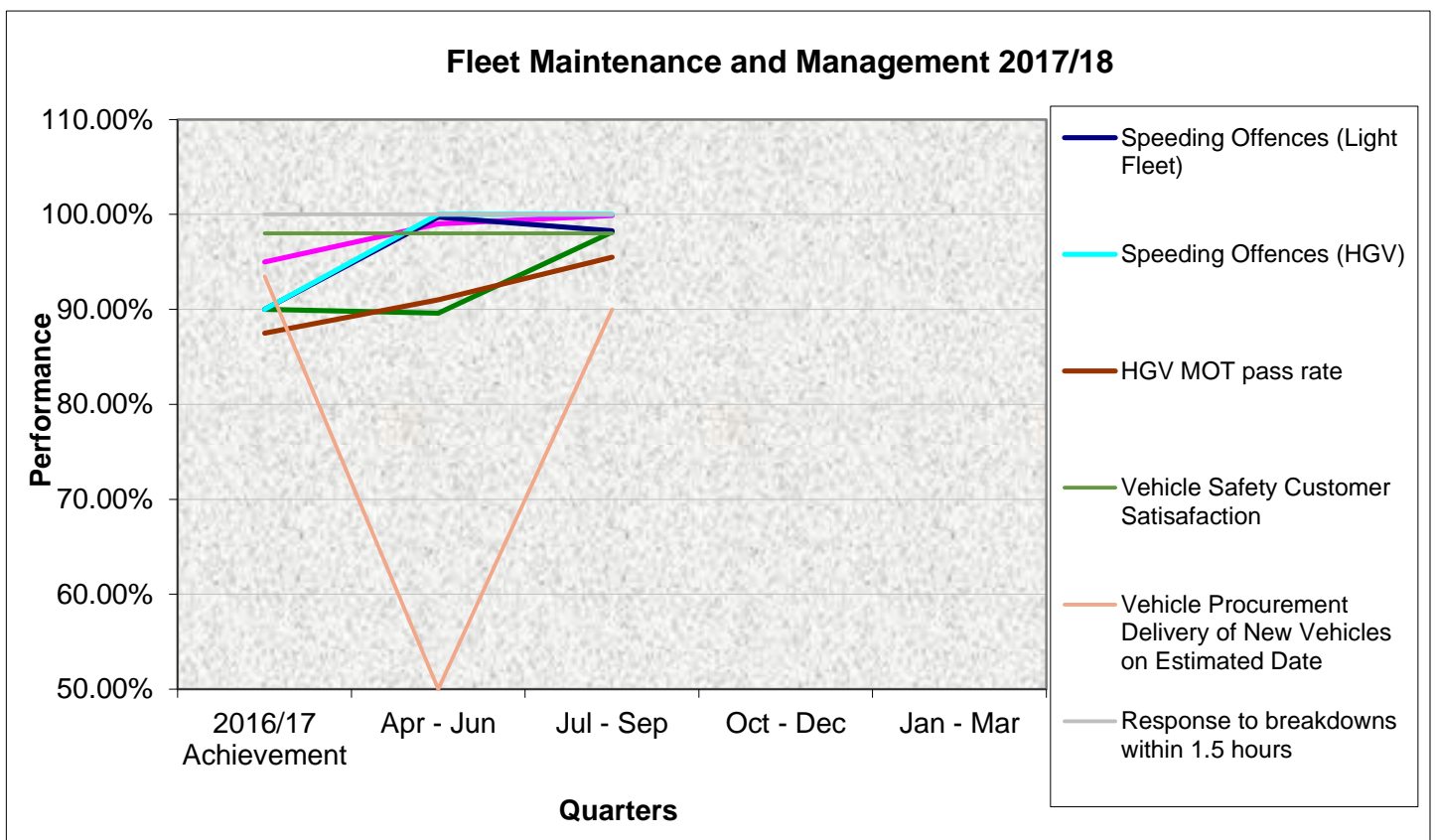
### Q2 - 2017/18 Audits

131 checks made at various sites. The ration of < 3.5 tonnes > to represent the LCC fleet of large and small vehicles



- Over 3.5t
- Under 3.5t

Performance Indicator	2016/17 Achievement	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar
Speeding Offences (Light Fleet)	90.00%	99.70%	98.28%		
Speeding Offences (HGV)	90.00%	100.00%	100.00%		
HGV MOT pass rate	87.50%	91.00%	95.50%		
Vehicle Safety Customer Satisfaction	98.00%	98.00%	98.00%		
Vehicle Procurement Delivery of New Vehicles on Estimated Date	93.50%	50.00%	90.00%		
Response to breakdowns within 1.5 hours	100.00%	100.00%	100.00%		





## Cost

Below outlines the financial position of Civic Enterprise Leeds at Month 6:

A balanced position is currently forecast through Directorate action plans to be identified. As a result of the marginal financial impact of the reduced number of feeding days in 2017/18 and inflationary pressure on food costs there's likely to be a £379k pressure for the Catering service, partially offset by savings/actions within the rest of the division to leave a net £200k pressure. There is also likely to be a financial impact of Merrion House re-opening in this financial year. The Facilities Management element of the CEL budget is expected to balance and achieve the £100k budgeted savings for the year.

## Financial Reporting

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		
			CEL	71,090	(63,551)	7,539	289	43	184	(285)	(60)				

Key Budget Action Plans and Budget Variations:						Forecast Variation against Plan/Budget £m
		Lead Officer	Additional Comments	RAG	Action Plan Value £m	
<b>A. Key Budget Action Plans</b>						
<b>Efficiencies</b>						
1	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.		0.50	0.00
2	Management Staff reductions	Sarah Martin	Reduction in level of JNC management support, delivered through a reconfiguration of roles and responsibilities.		0.20	0.00
3	Facilities Management Savings	Sarah Martin	Planned realignment of the service to be delivered through a restructure.		0.10	0.00
4	Fleet	Sarah Martin	Combination of maximising existing external income streams whilst developing new ones together with the aim of reducing costs.		0.10	0.00
5	Commercial Catering	Sarah Martin	Based on internalising commercial catering for some of the services within the Civic Quarter and expanding retail offer.		0.10	0.00
<b>B. Other Significant Variations</b>						
1	CEL	Sarah Martin	Shortfall against Catering income			0.20

## People

Civic Enterprise Leeds employees are integral to the directorate and providing services to the people of Leeds.

Below details a high level comparison of Q2 2016 with Q2 2017 to understand our position versus 12 months ago. As demonstrated below, Civic Enterprise Leeds has seen a reduction in its overall headcount, FTE and number of sick days across the services.

### Q2 2016

Q2 2016	Headcount	Full Time	FTE
Catering Services	1140	62	563.4208
Fleet Services	57	52	55.4865
Passenger Transport	620	116	389.6987
Facilities and Cleaning	1002	262	604.9738
Total	2819	492	1613.58

### Q2 2017

Q2 2017	Headcount	Full Time	FTE
Catering Services	1126	60	556.9983
Fleet Services	52	48	50.5475
Passenger Transport	635	111	400.2936
Facilities and Cleaning	947	266	584.5158
Total	2760	485	1592.355

### Comparison

Q2 2017	Headcount	Full Time	FTE
Catering Services	1%	3%	1%
Fleet Services	9%	8%	9%
Passenger Transport	-2%	4%	-3%
Facilities and Cleaning	5%	-2%	3%
Total	2%	1%	1%

## Attendance Management

The below figures indicate that Civic Enterprise Leeds is maintaining below the Leeds City Council target at a cumulative total of 3.83 days per FTE.

	Average FTE	FTE Days Sickness	Total days sick per month per FTE 17/18	Cum. Days per FTE	Target	Variance
Apr-17	224.68	158.51	0.55	0.55		0.55
May-17	223.74	366.59	0.74	1.28		1.28
Jun-17	224.04	549.18	0.72	2.01		2.01
Jul-17	223.35	715.92	0.61	2.62		2.62
Aug-17	223.64	862.32	0.57	3.18		3.18
Sep-17	223.05	1024.55	0.65	3.83		3.83
Oct-17	0.00	0.00	-3.83	0.00		0.00
Nov-17	0.00	0.00	0.00	0.00		0.00
Dec-17	0.00	0.00	0.00	0.00		0.00
Jan-18	0.00	0.00	0.00	0.00		0.00
Feb-18	0.00	0.00	0.00	0.00		0.00
Mar-18	0.00	0.00	0.00	0.00		0.00

As evidenced in the below figures, Civic Enterprise Leeds is also performing better than last year's Q2 cumulative figure of 5.74 (1.91 reduction).

	Total days sick per month per FTE 16/17	Cum. Days per FTE	Target	Variance
Apr-16	0.62	0.62		0.63
May-16	0.75	1.37		1.50
Jun-16	0.81	2.18		2.15
Jul-16	0.81	2.99		3.07
Aug-16	0.52	3.51		4.24
Sep-16	1.11	4.62		5.72
Oct-16	1.12	5.74		7.48
Nov-16	1.13	6.86		9.43
Dec-16	0.80	7.66		10.99
Jan-17	0.98	8.64		12.38
Feb-17	0.92	9.56		13.81
Mar-17	0.94	10.50		14.98

Below lists some of the actions that Civic Enterprise Leeds are currently taking to support our colleagues who are absent from work.

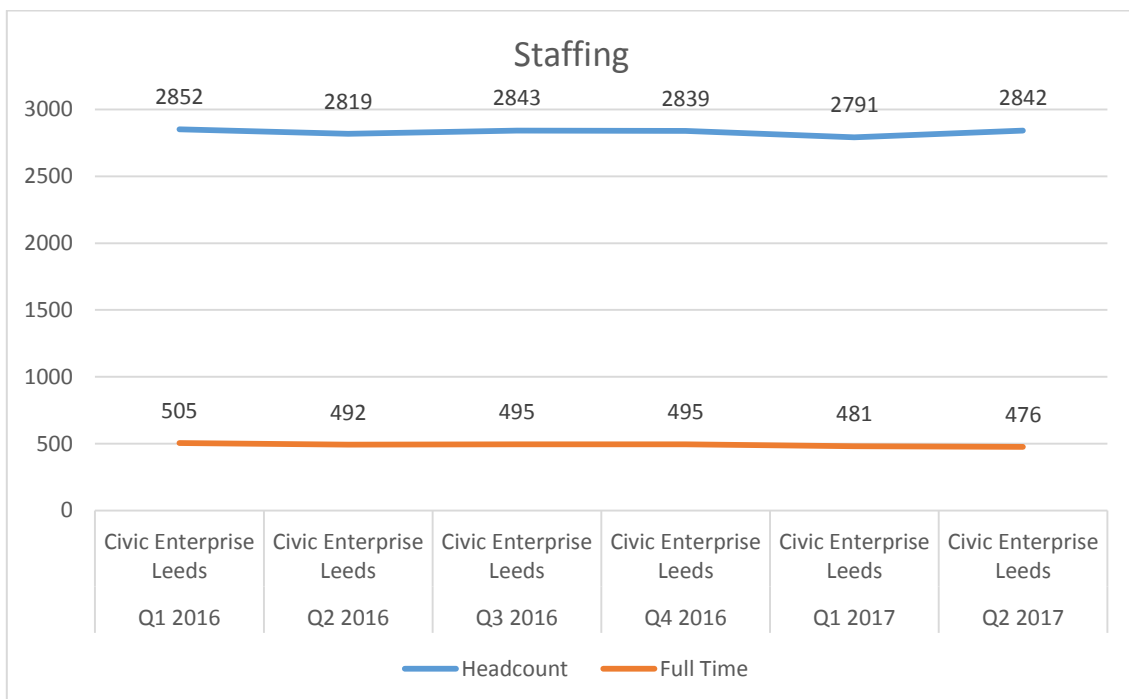
- We have produced a Health and Well Being Plan which details actions to support employee wellbeing.
- We have continual focus and support from HR to work with managers to better manage long term sickness cases.
- We have set up monthly surgeries between HR and Managers to give access to guidance on health and wellbeing issues

- We have increasing numbers of wellbeing champions in the service and provide them with appropriate training and guidance to provide front line support and signposting to relevant services
- We are rolling out further Stress Management and Mental Health First aid training so we have the necessary support in place for staff
- We are taking part in a joint initiative with Public Health to reduce blood pressure in the work place.
- We are currently rolling out further training on reasonable adjustments and how we can accommodate them.

### Number of staff

One of the ways we are becoming more efficient is through reviewing our staffing structures across all of Civic Enterprise Leeds to ensure that the services are working as optimally as possible.

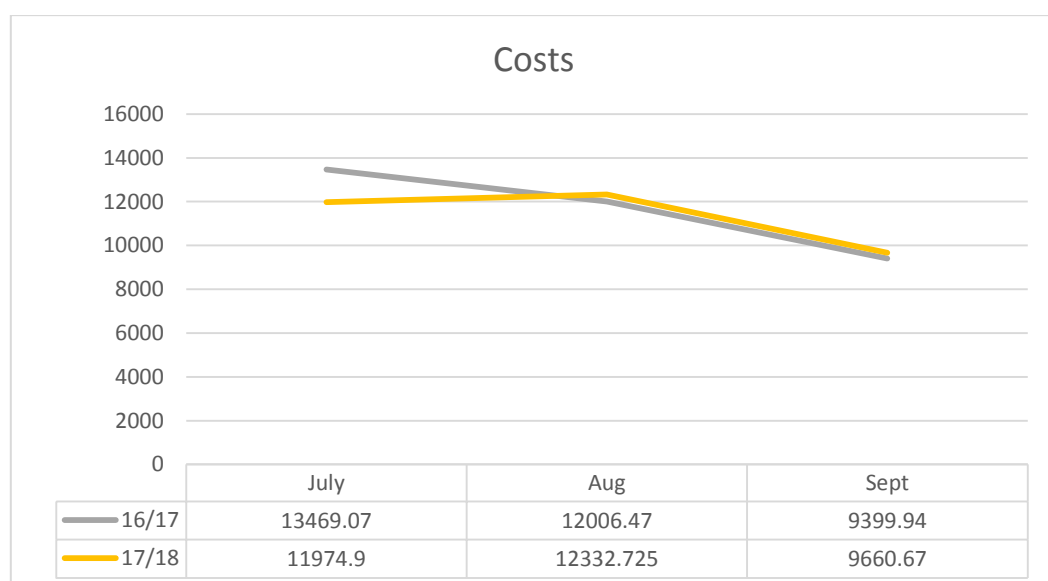
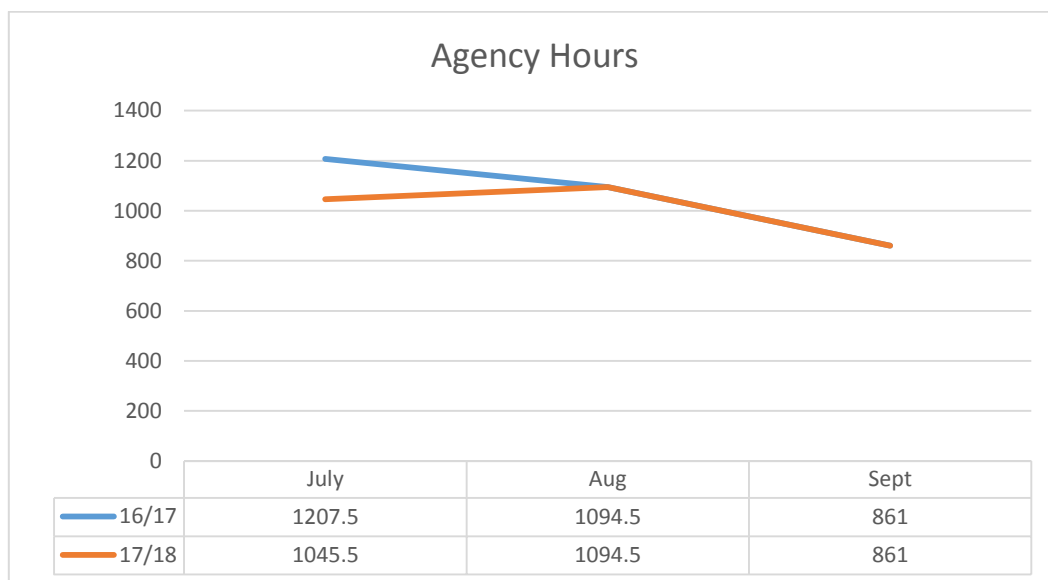
Results: quarterly reduction on number of staff within Civic Enterprise Leeds (as shown from a headcount perspective and a full time equivalent perspective) over the last three quarters.



## Agency Staff

Civic Enterprise Leeds are committed to providing sustainable and permanent vacancies within our departments. Agency staff, however, is sometimes required to ensure the flexibility of some departments is maintained. It is our aim to reduce the total number of agency staff in line with the Council's objectives regarding employment within the city. Below provides a comparison of agency hours and spend from quarter 2 for 16/17 and 17/18.

The commercial catering arm, Civic Flavour, may have an impact on this area. As business grows, so may agency staff usage i.e. waiting staff for a dinner for 250 will require agency staff. In this type of situation we would hope to use staff from our own casual pool of staff, but where large numbers are required, agency may be required.



## Health and Safety

Health and Safety is at the heart of everything we do in Civic Enterprise Leeds. The welfare and safety of our staff and customers is our biggest priority. Our commitment to Health and Safety is demonstrated and evidenced with our ROSPA Level 5 and OSHAS 18001 accreditations which we are very proud of. We work closely with colleagues in Health and Safety to regular review our processes and ensure that we are complying with legislation and best practice.

The information in this section highlights our overall Health and Safety Performance and provides updates on both an overall and service specific level.

### Accident Report

Type of Incident	CEL
RIDDOR	3
Other Kinds of Incidents	62
Physical Abuse	1
<b>Total</b>	<b>66</b>

RIDDOR Reportable Incidents			
Injury	Service Area	Type of RIDDOR	Cause of Incident
Torn tendon and muscle and nerve swelling to back	CEL	Over 7 days absence	Injured whilst handling, lifting carrying - Side step on mini bus was stiff when pulling this out jarred back.
Scal to left side of waist	CEL	Over 7 days absence	When retrieving boiled kettle this was not unplugged from socket causing it to overbalance and spill boiling water.
Left knee swollen	CEL	Over 7 days absence	Window had been left open in the building, cleaner used a chair to reach the window lost balance and banged knee against the window

The below table illustrates the total number of incidents within Civic Enterprise Leeds:

Incident Category	CEL
Contact with electricity	1
Contact with Sharps	7
Exposed to Fire	4
Exposed/contact with a harmful substance	6
Fall from height	1
Hit by a moving vehicle	2
Hit by a moving, flying or falling object	3
Injured whilst handling, lifting or carrying	11

Other kinds of accident/incident	4
Slipped, tripped or fell on the same level	6
Struck against something fixed or stationary	5
Trapped by something collapsing	1
Verbal abuse only	1
Verbal abuse with threats of violence	1
Physical abuse	1
Damage to Property or Vehicle	12
Total	66

### Training

Below demonstrates our commitment to training, especially with Health and Safety. 2017 has seen an increase in training provision through identification of requirements within the appraisal system.

	2016	2017
Fire Warden Training		31
Fire Safety Training	3	13
Emergency First Aid at Work		4
Nebosh General Certificate		4
Nebosh Fire Certificate		25
IOSH Managing Safety		8
Manual Handling Catering	50	57
Food Hygiene	20	38
Fresh Raw Meat		72
Total	73	252

### H&S Work

Below lists the proactive work that has been completed within 2017 from a Health and Safety perspective.

Proactive H&S Work Q2
Health, Safety and Wellbeing plan in place and actions taken place
Telematics policy put in place via Fleet in conjunction with PPPU
Van Excellence training centre within Fleet
CEL newsletter (healthtalk) identifying key health and safety messages circulated monthly to all employees
Fleet Services ergonomics booklets produced for drivers
Musculoskeletal training within Passenger transport and booklets produced
Security measures within facilities managed buildings progressing well
A review of PPE and uniforms taking place for catering staff
Uptake on referrals for HELP and physiotherapy across the council

## Quality

Civic Enterprise Leeds always strives to deliver the highest possible levels of service that we can to our colleagues and customers. We are proud of our ISO9001 accreditation and have a robust management system in place that continually holds up to robust scrutiny from both internal and external auditors to ensure we maintain the standard.

Below is a high level summary of our quality monitoring results, compliments and complaints and internal and external audit results which demonstrate our commitment and ability to deliver first class services.

### Service Specific Monitoring

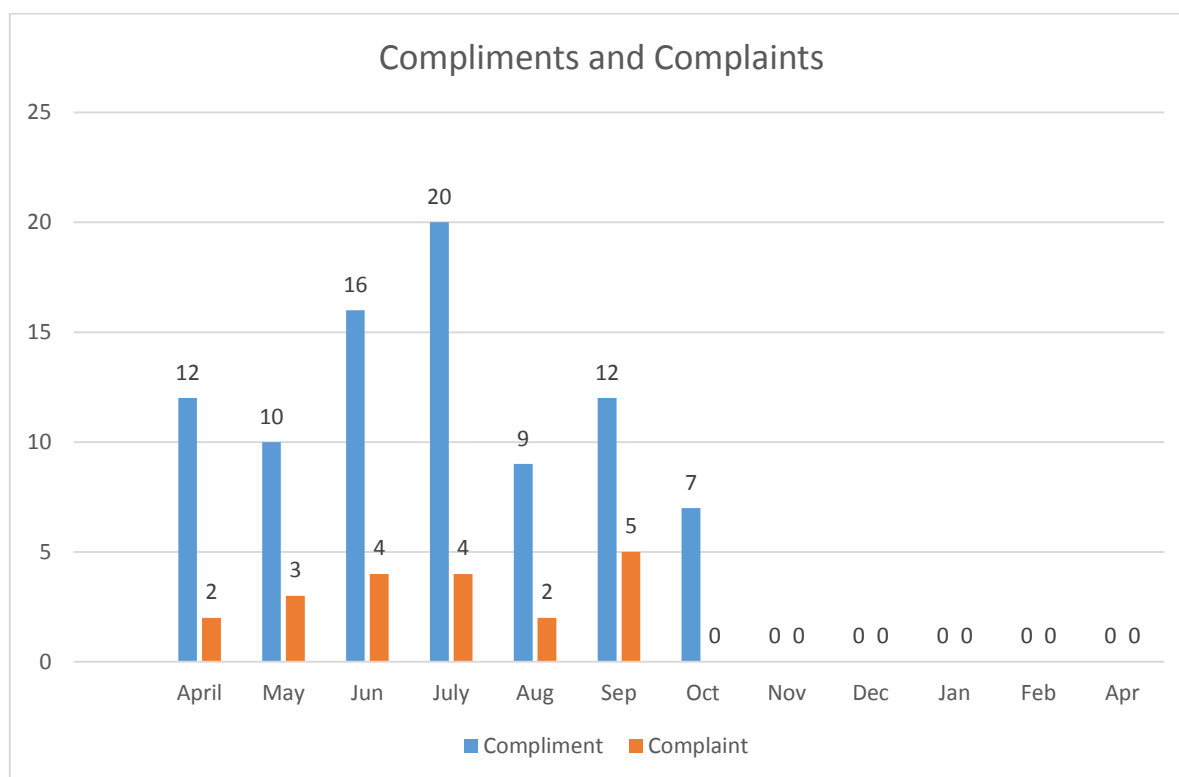
Below indicates the quality monitoring results across all services in 2017:

Service	Type	Q1 Result	Q2 Result
Facilities Management	Cleaning Monitoring Result	92%	93%
	E-Schedule	92%	92%
	Fire Safety Audits	No non-compliances	No major non-compliances
Catering	Performance Monitoring	86%	85%
Passenger Transport	Quality Inspection	89%	98%
Fleet Services	Performance Monitoring	87%	88%



## Compliments and Complaints

Civic Enterprise Leeds is committed to providing excellent customer satisfaction across all services in line with the Leeds City Council values. Below indicates compliment and complaints figures for year to date.



## Audits

Audits and Inspections		
Body / Service	Location	Outcome
West Yorkshire Fire Service	Knowsthorpe Gate visit	Minor Intervention
ROSPA	CEL Health and Safety Review	Platinum reward
ISO18001	Fleet H&S Management System	Accredited
H&S Business Partner	Passenger Transport – Risk Assessments	Acceptable Assurance
H&S Business Partner	Catering – PPE provision	Acceptable Assurance
CEL	Workplace Inspections	Taken place as per program
Assurances		
CEL H&S Business Partner HR Business Partner Union reps / conveners	Consultative Committees local and directorate	Taken place as per program
CEL	Risk Assessments Fire Risk Assessments	Reviewed at consultative committees – all in date

## Feedback and Key Contacts

Your views are very important to Civic Enterprise Leeds. If you have any comments on what you have read in this Performance Summary, or on any service provided by our department, please let us know:

Sarah Martin – Chief Officer

[Sarah.martin@leeds.gov.uk](mailto:Sarah.martin@leeds.gov.uk)

Richard Jackson – Head of Service & Reporting Lead

[Richard.n.jackson@leeds.gov.uk](mailto:Richard.n.jackson@leeds.gov.uk)



## **Appendix 2**

# **Digital & Information Services Performance Report Q1 & Q2**

## **Contents**

1. Introduction
2. Service Operation & Delivery
3. Digital and Information Service Plan
4. Performance Indicators Scorecard
5. Performance Indicators Scorecard – Customer Feedback 1
6. Performance Indicators Scorecard – Customer Feedback 2
7. SOCITM Benchmarking 2017 and ICT Growth
8. Service Level Management Dashboards (Service Centre and Service Availability)
9. Service Level Management Dashboards (Service Achievements) ICT4Leeds
10. Service Level Management Dashboards (Service Achievements) WYJS
11. Conclusion - Summary

## 1. Introduction

The role of the service is to ensure that the Council and partners exploits their investment in information, communication and digital technologies.

This report is intended to report the operational performance of the service during the 2017/18. The City Partners are Leeds City Council (LCC), Leeds Teaching Hospital Trust (LTHT), Leeds Clinical Commissioning Group(s), (CCG), Leeds Community Health (LCH), Leeds York Partnership Foundation Trust (LYPFT). In addition we also support West Yorkshire Joint Services (WYJS), Aspire Group, '1 Adoption' and a large number of Schools under the 'ICT4Leeds' service.

We currently provide day to day support to council and partner staff using Information, Communications and Technology to carry out their job. This includes providing and supporting all hardware, software and infrastructure used across the Council and partners.

Some of our normal activities include:-

- getting 12,000 computer users switched on and connected to the network each day
- managing 23,000 telephony connections
- ensuring 30 million emails get to their destination each year
- supporting around 500 business applications and software (one of the most diverse set of applications in the country)
- Keeping the data on our network available, backed up and secure.

## 2. Service Operation & Delivery

A brief update of work actioned to date within the DIS Service Operation and Delivery functions:-

<b>April 2017</b>	<ul style="list-style-type: none"> <li>• Line upgrades took place at a number of ICT4Leeds sites. This work was arranged and communicated by Service Centre staff.</li> <li>• Upgrade of Iclipse Live to latest version.</li> <li>• The Service Centre has continued a project to add additional security to folder access (in line with current configuration). This will provide the same high level of secure folder access and prevent top level folders being inadvertently moved.</li> </ul>
<b>May 2017</b>	<ul style="list-style-type: none"> <li>• The Drop In Clinic were involved in supporting the local Election. Then they ensured the smooth transition of new councillors with the provision of their accounts and IT equipment. In order to help new Members to become accustomed to their new IT systems, training was provided where necessary and home visits were arranged if required.</li> <li>• The Drop In Clinic have also been working with the Changing the Workplace team (CTW) and have helped configure bespoke devices where needed; they have offered support to people who needed extra assistance with their new devices.</li> <li>• There was also a very successful PrintSmart Innovation Day with Canon. It resulted in various initiatives with multiple departments to further utilise the Multi-Functional Printers (MFP's) that we have across the Corporate and Public Access estates.</li> <li>• Line upgrades continue to take place at a number of ICT4Leeds sites. This work was arranged and communicated by Service Centre staff.</li> </ul>
<b>June 2017</b>	<ul style="list-style-type: none"> <li>• The Drop In Clinic and technical teams provided support to teams organising and co-ordinating the European Union (EU) Referendum vote. This involved providing on-call and office based support leading up to and after both the vote and the count.</li> <li>• The Service Centre rolled out the upgraded Staff Plan Roster application to approximately 65 users.</li> </ul>
<b>July 2017</b>	<ul style="list-style-type: none"> <li>• Upgrade of the SAP HR Payroll system 'client' began with a pilot rollout.</li> <li>• IDEAR Pupil Record System was upgraded to the latest version.</li> </ul> <p>There were 8 Major Incidents during July relating to GCSx Mail, GIS Mapping, LCC &amp; WYJS Network Performance which were all completed with minimal disruption to services. Landline Phones, Libraries Public Access clients, Orchard and BT Internet. In all instances, the root cause of the incident was identified and service restored. The Major Incident for performance issues related to the McAfee security package was closed following a successful update.</p>
<b>Aug 2017</b>	<ul style="list-style-type: none"> <li>• Collective Upgrade Release 13.0.0.7</li> <li>• Hundreds of Smartphone installs at Yeadon &amp; Pudsey</li> <li>• 5 Mobile drop-in clinics held at different sites</li> <li>• Ongoing TimePlan PC upgrade</li> <li>• The addition of the Global Address List onto each Canon Multi-Functional Devices as well as an update to the Proxy Settings on each device; this had to be amended on each device manually so took a few weeks to implement. Volumes dropped over the holiday period in line with expectations.</li> </ul>
<b>Sep 2017</b>	<ul style="list-style-type: none"> <li>• BSC - Rollout of access to E-Forms</li> <li>• Multi-Council access to a SharePoint for White Rose. This is a West Yorkshire wide rollout and the work is ongoing</li> <li>• Caspar - Upgrade rollout to 100+ users, Skype Mobility - Pre-work for the Skype Mobility rollout. Due in mid-October</li> <li>• TRANMAN for Parks - Upgrade rollout to 40 users; BARTEC Collective - Upgrade rollout to 200+ users</li> <li>• Yeti - Upgrade rollout to 40+ users</li> <li>• WinSCP - Upgrade rollout to 200+ users</li> <li>• RightFax: Server configuration for the update of the RightFax solution; Update to the PrintSmart configuration.</li> </ul>

The above information relates to service delivery for the half year and is taken from the narrative which is supplied each month as part of the SLA Trend report. The teams have been working behind the scenes to 'keep the lights on' whilst upgrading mission critical systems and concentrating on 'Business As Usual' activities. July was a particular busy month with 8 major incidents to resolve. All were satisfactorily resolved

within a very short timescale. Systems upgrade and rollouts were also in progress. The drop in clinic feature in May and June and were busy with Elections and assisted in Change in the Workplace (CtW) work.

### 3. Digital & Information Service Plan

The initiatives below relate to the DIS Service Plan and appear under the following headings:

- Things we are doing for Leeds and Wider City
- Projects and Programs managed by DIS for the Council and the City
- Initiatives specifically for the DIS service

The headings have been given a RAG status to identify the current state of play as at the half year period.

<b>BETTER OUTCOMES FOR LESS THROUGH THE EFFECTIVE USE OF DIGITAL TECHNOLOGY &amp; INFORMATION IT FUTURES – DEVELOPMENT OF THE SERVICE Leeds and the wider city</b>		<b>Rag Status</b>
<b>1</b>	<b>Establish and embed the Health and Care hub</b>	<b>AMBER</b>
<b>2</b>	<b>Develop a Shared City Infrastructure Platform for Leeds CC and Partners</b>	<b>AMBER</b>
<b>3</b>	<b>Deliver the City as A Platform Smart City Approach – across ‘Breakthrough’ projects</b>	<b>AMBER</b>
<b>4</b>	<b>100% Digital Inclusion - making the best use of current consumer and public sector digital technology and information and Best City for Digital &amp; Data</b>	<b>AMBER</b>
<b>5</b>	<b>Adoption of new General Data Protection regulations (GDPR)</b>	<b>GREEN</b>
<b>Essential Services Plan (ESP) 2017-18 progress:-</b>		
<b>6</b>	<b>Information Management &amp; Governance</b>	<b>AMBER</b>
<b>7</b>	<b>Cyber Security &amp; improving Security capabilities. Payment Card Industry Data Security Standard – (PCI DSS)</b>	<b>GREEN</b>
<b>8</b>	<b>Leeds Digital Roadmap Programme ( Digital Collaboration)</b>	<b>AMBER</b>
<b>9</b>	<b>Refresh End of Life Hardware devices</b>	<b>GREEN</b>

<b>Projects &amp; Programmes led by DIS for the Council and the City</b>		
<b>10</b>	<b>CCTV Platform – Development of a digital platform for the delivery of CCTV across the City.</b>	<b>GREEN</b>
<b>11</b>	<b>Changing the Workplace initiatives (ongoing)</b>	<b>GREEN</b>
<b>12</b>	<b>Mosaic Upgrade – Children’s Social Care systems</b>	<b>GREEN</b>
<b>13</b>	<b>Child Index – Develop the first phase of an Index of Children and Young People</b>	<b>GREEN</b>
<b>14</b>	<b>Highways System Replacement – (Insight)</b>	<b>GREEN</b>
<b>15</b>	<b>Libraries system Replacement (TALIS and Chorus)</b>	<b>AMBER</b>
<b>16</b>	<b>Property &amp; Contracts – Implementation of Total Mobile solution for Property and Contracts</b>	<b>GREEN</b>
<b>17</b>	<b>Telephony and Contact Centre – replace telephone systems with new platform</b>	<b>GREEN</b>
<b>18</b>	<b>Housing Systems Replacement – complete the replacement and implementation of the Council’s Housing systems (including Orchard)</b>	<b>GREEN</b>

19	Housing e-Files – Implement Housing e-files and offer as a corporate e-files solution	GREEN
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DIS Initiatives for the DIS Service		
20	Application Portfolio review and rationalization	GREEN
21	Effectively deliver on Invest to save projects	AMBER
22	Essential Software Upgrades & Development Improving Technical Security Capabilities	AMBER
23	Commission and deliver small ICT led projects	GREEN
24	Digital & Information Service Model (1)- Improve the flow of work through the service removing inhibition and bottlenecks	RED
25	Digital & Information Service Model (2) – Effectively manage the service management aspects of the service to be able to take on external partners as a shared service.	RED
26	Digital & Information Service Model (3) – Develop Applications Development strategy and approval framework.	RED
27	Develop accelerated and traditional delivery models.	Withdrawn
28	Back Office Core Systems Review and Plan of core business systems	AMBER

## Summary

The Service Plan for 2017-18 shows us that 25 of the 28 “Live” objectives are progressing and are at either **GREEN** or **AMBER** status (89%).

The 3 objectives currently at **RED** status have had investment in terms of ‘Invest to Save’ resources recently injected in order to move these important initiatives forward during the next 6 months.

Of the 28 separate objectives 14 actions are at **GREEN** status (50%), 10 actions (35%) are currently at **AMBER** status, 3 actions at **RED** status (10%) with one action now withdrawn from the plan.

This report is intended to provide an overview of performance. More detailed information is available on request that relates to the progress of each of these major initiatives.

It is important to state that the focus and priority of the DIS service is to further the requirements and objectives of the Best Council Plan and the City of Leeds (and wider city) projects and initiatives. This has come at a cost of not developing and therefore progressing some of our own service priorities. The intention during the second half of the year is to make progress on all Service Plan initiatives, particularly initiatives which can be income earning opportunities – refer to ‘Invest-to- Save’ note above.



#### 4. Operational Performance Indicators Scorecard

All KPI scores (below) are based on current targets as defined in Service Level Agreements. These targets are based on (SOCITM) best practice KPI's which are (ICT) industry based which shows organisational performance in the Upper Quartile range.

PI Code	Description	Target	Q1 2015/16	Q2 2015/16	Q1 2016/17	Q2 2016/17	Q1 2017/18	Q2 2017/18	Narrative
O1	Service / System Availability – SOCITM KPI 15 (%)	99%	99.89	99.36	99.92	99.93	99.89	99.70	Excellent performance to date and consistently well above the stated target over 3 years
O2	Service Reliability - Mean Time Between Service Downtime (average per service)	300 hours	577	575	577	593	590	573	Services are showing great resilience and reliability to date and are well ahead of the target set.
O3	Service Maintainability - Average time taken to restore a service where downtime occurs - KPI 15	4 hours	00:10	00:42	0:002	00:08	00:09	00:17	Service restore times and downtime figures are well within target for the whole period.
O4	% Service Desk calls met within Service Level Agreement target	80%	93%	92%	93%	94%	92%	93%	Targets are being exceeded consistently.
O5	% Service Desk calls fixed at first point of contact.	70%	76%	74%	80%	77%	77%	74%	First point of contact calls are well above targets set showing staff have Good all round knowledge and skills.
O6	% Service Desk calls answered within 30 seconds	70%	87%	84%	46%	82%	48%	39%	There was a significant dip in service during Q1 and Q2 2017. This is due to a significant amount of internal promotion of staff and movement of individuals for various projects (inc PSN, and Enterprise Voice). We have also seen a 10% increase on calls in comparison to Q2 from the previous years. We are in the process of recruitment and hope to have 7 additional people in post shortly. We are also reviewing our call routing in line with resourcing. It is expected that we should start to see real improvement in these figures in Q4.
C1	Average Customer Satisfaction Score (annual survey – all users)	70%	70%	70%	70%	70%	70%	70%	Customer Satisfaction target met. This is an annual survey so these results are set for the rest of the year. Results show that 70% of all participants have scored the survey 5 and above (out of 7). 30% have scored the service between 1 and 4 (out of 7).
C2	Average satisfaction with overall service received for an incident (auto) Question 3 (IM3.1) KPI2	70%	70%	94%	94%	94%	96%	93%	Great consistency of excellent results across the 3 years. Targets are to be reviewed and raised in the next SLA.
C3	% of Customer Complaints where the customer is satisfied with formal response and corrective action(s)	70%	100%	100%	100%	100%	100%	100%	Excellent customer satisfaction return for the year. Targets are to be reviewed and raised in the next SLA.

Value for Money & Finance		Target	QTR 1	QTR 2	QTR 3	QTR 4
V1	DIS Small Projects on-time and to-budget	90%	89%	91%		On target.
V2	DIS efficiency and financial savings (including cost avoidance measures)	£750k per annum	See Qtr. 2	£615k		Great start to the year on this KPI. It is now expected that overall service efficiencies and savings will exceed the target set for the year.
Page 54	% Breakdown of resource time spent on SLA work and Project work	60 /40	70 / 30	70 /30		Resource splits are as expected. The new organisational model and pipeline process will address this going forward with the aim being to maximise resource time on income earning projects.
V4	Progress against service income targets (cumulative)	£750k	£256	£397		On target to meet the required budget income expectation. We are already expecting to exceed the target set for the year.

## 5. Performance Indicators Scorecard - Customer Feedback 1

Upon the resolution of a reported incident to the DIS Service Centre we ask users to complete a short satisfaction survey. Customers are asked to rank their experience with the incident resolution service on a scale of 1 to 7, where 7 is the ranking for excellent performance. We aim to exceed a target of 5 (which equates to our target of 70% user satisfaction) on each of the four questions below:-

**Q1 How satisfied were you with the level of customer service received in relation to this incident?**

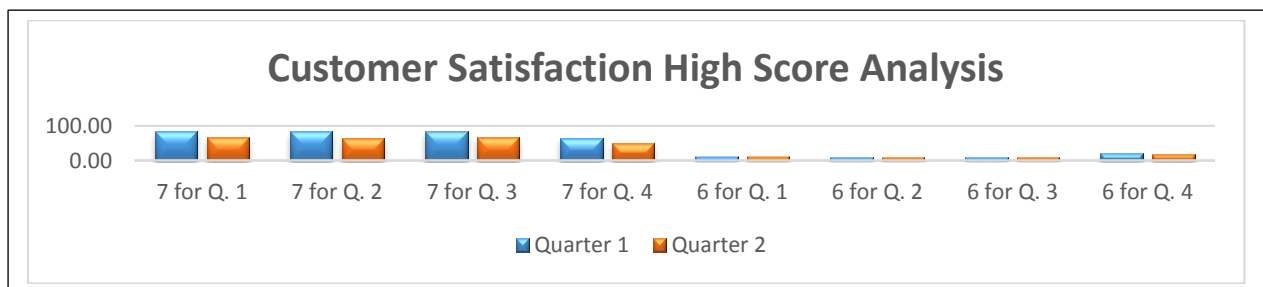
**Q2 How satisfied were you with the time taken to resolve this incident?**

**Q3 Overall how satisfied were you with the way in which the problem was dealt with?**

**Q4 Outside of this incident how satisfied are you with the services provided by ICT overall?**

Below is an analysis of the high end (greatest satisfaction) ranking of the ICT Service Desk Short Survey. It shows the distribution of user's allocations of sixes and sevens scores for each of the survey's four questions (above).

2017 / 2018	7 score for Question 1	7 score for Question 2	7 score for Question 3	7 score for Question 4	6 score for Question 1	6 score for Question 2	6 score for Question 3	6 score for Question 4	Surveys completed
Quarter 1 2017-18	84%	83%	82%	63%	12%	10%	10%	22%	726
Quarter 2 2017-18	65%	64%	65%	50%	11%	10%	10%	19%	614
2016 / 2017	7 score for Question 1	7 score for Question 2	7 score for Question 3	7 score for Question 4	6 score for Question 1	6 score for Question 2	6 score for Question 3	6 score for Question 4	Surveys completed
Quarter 1 2016-17	77%	75%	77%	51%	15%	13%	14%	29%	480
Quarter 2 2016-17	80%	79%	79%	56%	14%	12%	12%	27%	777
Quarter 3 2016-17	79%	79%	81%	58%	17%	14%	13%	24%	508
Quarter 4 2016-17	81%	81%	82%	59%	13%	11%	11%	24%	880



## 6. Performance Indicators Scorecard – Customer Feedback 2

### Customer Satisfaction Ratings 1's & 2's ('Very Poor' and 'Poor' scores)

Whenever a customer rates any one or more of the questions in the Service Desk short survey with a score of one or a two, we contact the customer to get a better understanding of why they have such a poor perception. We categorise the areas in which these poor results are associated with and chart them as below.

The results for Q1 and Q2 are below made up of new categories. The previous categories can be found below as a compare over the years 2013-2016.

Categories	Q1	Q2	Totals
Delay - Printer	0	2	<b>2</b>
Delay - Sales Team	1	2	<b>3</b>
Delay - Service Centre	6	8	<b>14</b>
Delay- User	0	1	<b>1</b>
Hardware Fault - Laptop	1	1	<b>2</b>
Hardware Fault - Phone	1		<b>1</b>
Software Fault -Academy	0	1	<b>1</b>
Software Fault -Orchard	1		<b>1</b>
Unable to Contact Customer	8	13	<b>21</b>
Poor Customer Service	6	6	<b>12</b>
Delay: Software - Excel	2		<b>2</b>
Delay: Software - Outlook	2		<b>2</b>
Delay: Software- SharePoint	1		<b>1</b>
Totals	29	34	<b>63</b>

Categorisation of root causes over the period showed high calls to the service centre. This is due to acute resourcing issues. Plans to resolve this via additional training are currently underway.

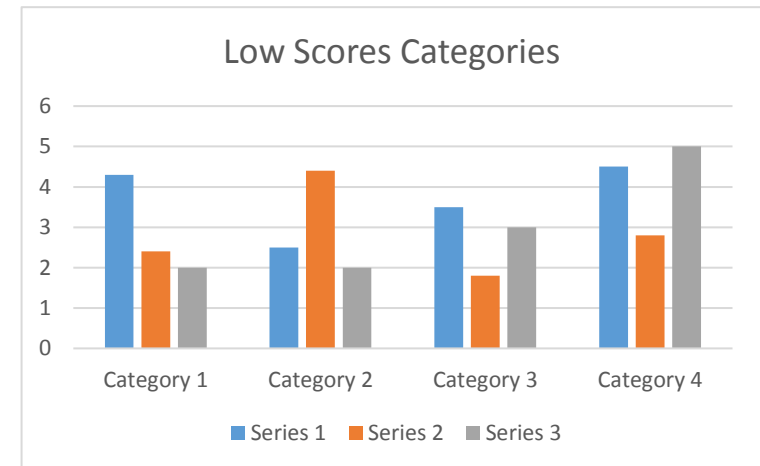
The category of 'unable to contact the user' is also high. This is where the Service Centre cannot make contact verbally or where we have tried to make contact via email but have received no reply from the customer.

Tickets closed without a suitable resolution caused a third high category.

Further investigations into why tickets are closed prematurely are under consideration.

Q1 represents 46% of the tickets

Q2 represents 54% of the tickets



## 7. SOCITM Benchmarking 2017 and ICT Growth

In order to benchmark our services with peer organisations DIS undertakes the SOCITM Annual Benchmarking survey. Then results of the latest survey are summarised below.

### Key metrics relative Performance Summary

The table below summarises DIS performance measured against ourselves over the last 2 years based on a selection of SOCITM key metrics.

	2016/17	2017/18		RAG Status
User Satisfaction-based upon a full survey of all users (max score=7)	70%	70%	Due to the Skills and the Engagement survey being released, it was felt that the Customer satisfaction survey should be hosted next year. A new survey is in the pipeline for 2018/19.	↔
% operational incidents when a service is restored within the agreed service levels (in the SLA)	93%	92%	The score has only dropped 1% considering the issues around resources and the high call volumes the service centre have been experiencing. This is good.	↓
% operational incidents resolved within 0-4 hours – Critical SLA calls	74%	75%	Slightly up on last year	↑
% operational incidents resolved within fifteen minutes	77%	43.5%	This is significantly lower for the first 2 quarters of the year, resourcing and high call volumes are responsible. Q3 and Q4 should see some improvement	↓
Networks and key applications Availability Index (Max = 100)	98.13	99.89	Availability remains high across systems	↑
Average cost of Desktop PC (£)	£603	£636	Costs of devices have increased over the period showing a £33 increase in cost in 2017. This increase is largely down to the decreasing value of the £. However it must be borne in mind that the standard device is of a mid-range specification.	↑
Average cost per Laptop PC (£)	£678	£696	Laptop prices have increased by £18 over the period. See above for reasons behind this.	↑
Average cost of IT provision per FTE	£5985	£6320		↓
% total revenue expenditure spent on ICT	2.5%	2.6%		↓
Number of DIS staff (FTE)	250	246.9	Slight reduction of 3.1 FTE from 2016/17	↓

SOCITM survey results are divided into three separate areas, Cost, Estate and Performance. Below are a sample of some of the questions in each area detailing how we have performed against other Metropolitan Borough Council's (Bradford MBC and Trafford MBC).

#### COST SUMMARY

QUESTION	LEEDS	BRADFORD	TRAFFORD	NARRATIVE
% Spend on ICT	<b>1.99</b>	1.41	0.98	Leeds spends approximately 2% of its overall revenue annual budget on the provision of ICT which is the highest of the 3 large Council's surveyed in 2017 but still less than the best performing ICT organisations over the last 5 years. The SOCITM Median % is around 4.5% nationally.
Spend on devices per user	<b>£141</b>	£235	£43	Whilst not the highest investors in devices we have a comprehensive 'Refresh' programme which keeps devices current and close to the pace of technology hardware change.
ICT Spend per head of population	<b>£36</b>	£34	£18	The Leeds figure is about par for Metropolitan Council's right now and reflects the investment in Wi-Fi, Broadband, Fibre and other digital initiatives.
ICT Spend per user	<b>£1,719</b>	£2,582	£1,311	The figure for this KPI is close to the national average for large organisations in 2017. This figure needs to rise over the next few years to keep pace with technological change.
Spend on training per ICT staff member	<b>£248</b>	£2	£130	Despite year on year reducing budgets in this area we are close to the average of £300+ per person SOCITM average for participants. This is being achieved via a blended learning approach.

#### ESTATE SUMMARY

QUESTION	LEEDS	BRADFORD	TRAFFORD	NARRATIVE
% of ICT staff working on 'change projects'	<b>18%</b>	17%	3%	1 in 5 DIS staff are working on change projects which is about average across all participants. This needs to be higher if the cities change programme is to be realised and effective.
Number of devices per user	<b>2.65</b>	2.60	2.96	This KPI is rising due to the need for increased mobile and flexible working.
Users per ICT FTE	<b>66</b>	31	107	Leeds is faring well in this KPI. Support systems are in place, system reliability is good and customer satisfaction is high.
Users per printer	<b>19</b>	23	26	The higher the figure reflects good practice in this KPI. Leeds is quite low in comparison with peers which suggests that further rationalisation of the printer estate is required.

**PERFORMANCE SUMMARY**

QUESTION	LEEDS	BRADFORD	TRAFFORD	NARRATIVE
Delivery of ICT Services	<b>Mostly in-house, some shared services</b>	Fully in-house	Mostly in-house, some outsourced some shared	Leeds is following the current industry trend in this KPI with a largely in-house service delivery model. The alternative solution of outsourcing services seems not to be popular now with a number of previously outsourced Councils reverting back to being in-sourced organisations.
% operational incidents when a service is restored within SLA	<b>93%</b>	Not Provided	91%	This is an excellent return for Leeds but the standard across the industry is rising. The DIS SLA is in line with industry standards with tight performance targets set. The variable here is that some participant SLA have 'soft' easy to attain targets which makes it difficult to compare.
Number of service desk incidents per user	<b>6.9</b>	Not Provided	3.2	The Leeds figure is high in comparison with peers. This could show that users are confident in ringing the Service Desk for a solution to their problems. This is borne out by the above KPI.
Number of service desk incidents per service desk FTE	<b>2074.1</b>	7067.2	2785.1	This KPI is on a par with the average score for survey participants.
Composite % index of quality in Small Projects	<b>96%</b>	45%	86%	Best practice Project Management standards in Leeds are well established and followed and this is reflected in the high score in the KPI.
Implementation of cloud computing	<b>Implemented</b>	Implemented	Not Implemented	Cloud based computing is now becoming well established within the industry with most organisations nationally adopting this method of delivering ICT services.
% operational incidents resolved in 0-4 hours 4-8 hours 8-16 hours 16+ hours	<b>75%</b> <b>4%</b> <b>3%</b> <b>18%</b>	No information provided	86% 4% 3% 7%	These figures are within the middle to upper quartile in terms of standard SLA performance across the industry and Leeds is keeping pace in this respect.
Number of service desk incidents	<b>111,793</b>	70,672	10,305	This figure is high for Leeds but this is acceptable for such a large organisation with a complex and varied technical infrastructure and over 350 different systems, services and software applications to support.
Number of users per Service Desk FTE	<b>301.80</b>	317.20	872.40	This KPI suggests that the current level and number of Service Desk operatives is about right for our particular service delivery model, user base and current user requirements.

## ICT Growth - Year on Year to date

Description	Category	2012	2013	2014	2015	2016	2017	Change 2016/17	Change 2012-17	Comments
No. of Desktops	Device	11727	7678	6648	6312	5497	4121	↓ 1376	↓ 7606	Expected decrease as we move more to mobile working, this figure is still reducing with an 86% decrease from 2012
No. of Laptops	Device	1559	4324	5137	6389	6226	7337	↑ 1111	↑ 5778	Expected increase due to requirements for mobile working, This can be seen as a 90% increase since 2012
No. of Tablets	Device	0	252	227	310	482	700	↑ 218	↔ 0	This figure contains both iPads and Tablets and is increasing as above
No. of Printers	Device	1134	1271	1271	876	785	837	↑ 52	↑ 297	Slight increase on last year but overall reduction since 2012
No. of Monitors	Device	13286	120002	11785	12071	12021	11100	↓ 921	↓ 2186	Expected decrease due to CtW and desk to staff ratio decreasing. Figures are still reducing year on year
No. of Physical Servers	Device	183	223	280	188	177	193	↑ 16	↑ 10	Slight increase due to server moves into the data centre
No. of Virtual Servers	Device	300	421	643	838	765	920	↑ 155	↑ 620	Expected increase utilising virtual servers and storage
No. of Access Tokens	Device	5124	5402	6056	5878	8100	11078	↑ 2978	↑ 5954	Increase due to CTW and increased mobile working
No. Bring Your Own Devices (BYOD)	Device	292	398	347	679	3270	3441	↑ 171	↑ 3149	Large increase in the last year promoting BYOD on ICT Online
No. of network devices dongles etc	Device	50	120	280	295	565	347	↓ 218	↑ 0	Housekeeping exercise combined with leavers have decreased this total .Contract re-sign in May terminated a lot of numbers as well as separating into categories. Dongles MiFi etc.
No. of Phones- Landlines	Telephony	14000	12685	13250	14843	14043	1000	↓ 13043	↓ 13000	Expected Major Decrease due to advent of Enterprise Voice and CTW
No. of Mobiles	Telephony	9693	10019	10190	13312	10048	10127	↑ 79	↑ 434	Steady Increase due to mobile working
No. of IP desk telephones	Telephony	120	989	2843	5340	5340	4099	↓ 1241	↑ 3979	Expected decrease next year due to Skype for Business solution
No. of Smart Phones	Telephony	879	1385	1483	1646	3400	3671	↑ 271	↑ 2792	Large increases over the period due to new ways of working
No. of Sites (Wide Area Network)	Datacomms	630	495	565	600	450	450	↔ 0	↔ 0	Expected decreases as we implement CtW and reduce sites across Leeds CC.
No. of data connections	Datacomms	14000	14000	13495	13657	16288	16835	↑ 547	↑ 2288	Increase in devices which have a data connection due mainly to mobile working/CtW.
No. of voice connections	Telephony	13000	13000	14500	15000	14109	14082	↓ 27	↑ 1082	Decrease from 2015-16 due to the ceasing of featureNet and Commencing Enterprise Voice Project.
TB of Storage (TB)	Networks	320	320	785	1028	1000TB	1000TB	0	↑ 680	Increased storage of data and move away from hard copies
No. of Staff in ICT	Resource	268	278	251	235	246	246.9	↑ .9	↓ 21.1	Further Staff reduction expected as we manage budget cuts and implement self service solutions
No. of Public WIFI Sites	Networks	0	10	35	115	120	120	↔ 0	↔ 0	Ongoing project to enable Wi-Fi across LCC sites and the City Centre
No. of Operations Incidents - Faults	KPI	51584	56212	43576	76970	63796	72619	↑ 8823	↑ 21035	Expected increase over the 5 years due to increased use of technology by LCC staff .



No. of Change Management /Service Requests	KPI	647	683	740	801	859	901	↑ 42	↑ 254	Significant difference from 2015-16 due to the new way SOCITM r
No. of Work Orders/Request Fulfilment	KPI	38220	39603	38412	37910	38121	34673	↓ 3448	↓ 3547	Lower figures reported in 2015 as this did not include some service requirements
ICT Satisfaction Survey Score(1-7)	KPI	3.64	4.67	6.33	6.56	6	6.58	↑ 0.58%	↑ 2.94%	Fantastic result again for 2017
No. of ICT Small Projects	PPPU	154	120	125	112	100	140	↑ 122	↓ 14	Slightly less projects however income received met the target set
Budget £m	Finance	28,823	29,366	24,433	24,043	28,058	18,281	↓9,777	↓10,542	Budget decrease expected due to austerity and resourcing cuts
Skype for Business	Finance	N/A	N/A	N/A	£76,371	£172,942	£105,164	↓£67,778	↔ 0	
Skype for Business: Total AV conferences	Operations	N/A	N/A	N/A	4106	6911	8941	↑2030	↔ 0	

The table above is intended to chart the ICT growth in ICT from 2012 through to 2017.

- The overall trend is that there has been a significant growth in the use of ICT since 2012. Much of this growth is as expected and is likely to continue over the next few years.
- The largest area of growth is in the use of mobile technologies and it is now becoming commonplace that Council users of technology are now legitimately using 3 or 4 separate devices from multiple locations.
- Whilst managing the current levels of growth staffing resources have stayed constant over the last 3 or 4 years as has the percentage of ICT budget allocated to the service. It is also interesting that the percentage of overall Council spend on Information Technology is low at 2.5% of overall Council spend. The industry benchmark of total organisational spend on ICT amongst peer organisations is currently around the 4% mark.

## 8. Service Level Management Dashboards (Service Centre KPI's and Service Availability)

Service desk	Target	January	February	March	April	May	June	July	August	September
SLA 01 - % of incoming calls answered within 30 seconds	>= 70%	64.87	70.92	61.93	48.79	46.32	47.85	30.39	45.57	38.69
SLA 02 - % of calls queued to an operator but abandoned prior to pickup	<= 7%	3.76	3.05	4.36	7.40	7.59	6.60	21.41	12.16	13.49
SLA 03 - % incidents resolved at first point of contact	> = 70%	80.77	81.75	79.87	80.43	80.51	78.92	75.69	78.21	81.16
Availability of key services	Target	January	February	March	April	May	June	July	August	September
Children's Mosaic	99%	100.00	100.00	100.00	100.00	99.93	100.00	100.00	100.00	100.00
SLA 13 - Contact Leads	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.64
SLA 14 - Network Access	99%	95.14	100.00	100.00	100.00	100.00	100.00	100.00	99.81	99.98
SLA 15 - Iclipse	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 16 - e-Mail Service	99%	100.00	99.97	100.00	100.00	100.00	100.00	97.33	100.00	99.98
SLA 17 - ESCR	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.27
SLA 18 - FMS	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 19 - Internet Access	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 20 - Academy CT & Benefits	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 21 - Leeds City Council Website	99%	99.98	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 22 - Network Security PDMZ (Partial de-militarised zone)	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 23 - NetApp File and Data Access	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 24 - Orchard Housing Services	99%	99.65	100.00	100.00	99.47	100.00	100.00	100.00	100.00	100.00
SLA 25 - InSite	99%	100.00	100.00	100.00	100.00	100.00	99.84	100.00	100.00	100.00
SLA 26 - SAP/HR Payroll	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 27 - Landline Phone Network (Voice)	99%	99.45	100.00	99.97	100.00	73.30	99.13	99.88	100.00	97.25
SLA 28 - Mobile Phone Network	99%	100.00	100.00	100.00	100.00	100.00	99.13	100.00	100.00	100.00
SLA 29 - User's Desktop Environment	99%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SLA 30 - ASC Client Information System (CIS)	99%	93.68	100.00	100.00	100.00	99.39	100.00	98.66	99.76	100.00
Smart & Mobile Phones & Tablets	99%	99.09	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Service and systems availability on core/corporate services are consistently high with only a few complete service outages encountered. It is important to understand that 'Availability' is defined in line with best practice guidelines and SLA times (0800-1730hrs Monday to Friday). These figures therefore exclude system slowness, network issues affecting a small number of sites, sporadic low performance, planned downtime and general service degradation.

## 9. Service Level Management Dashboards (Service Achievements) ICT4Leeds

SLA Ref	Service	Definition	Target (per Month)	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
<b>Service Desk</b>									
	<b>Key Performance Indicator</b>	<b>Target</b>							
ICT4Leeds 01	Call Abandonment Rate (per month)	No more than 7% of total calls abandoned	<= 7%	7.5%	9.4%	6.5	12.9%	12.4%	9.9%
ICT4Leeds 02	Calls Answered within 30 secs (per month)	70% of calls answered in 30 seconds	>=70%	63.6%	68.9%	68.9%	43.8%	61.2%	62.1%
ICT4Leeds 03	First time fix rate (Incidents) percentage of calls resolved by an operator during the initial call.	70% or more calls to be resolved on first contact	>=50%	49.3%	43.6%	44.9%	46.7%	40.0%	65.7%
<b>Incident Management</b>									
		<b>Level of Priority</b>							
ICT4Leeds 04	Incidents met within agreed timescale.	<b>Critical</b> priority incidents resolved within <b>1 working day</b>	>=85%	No calls raised	No calls raised	No calls raised	No calls raised	No calls raised	No calls raised
ICT4Leeds 05	Incidents met within agreed timescale.	<b>High</b> priority incidents resolved within <b>2 working days</b>	>=80%	No calls raised	No calls raised	No calls raised	No calls raised	No calls raised	No calls raised
ICT4Leeds 06	Incidents met within agreed timescale.	<b>Medium</b> priority incidents resolved within <b>2 working days</b>	>=80%	No calls raised	No calls raised	No calls raised	No calls raised	No calls raised	No calls raised
ICT4Leeds 07	Incidents met within agreed timescale.	<b>Low</b> priority incidents resolved within <b>7 working days</b>	>=80%	100.0%	100.0%	100.0%	100.0%	100.0%	No calls raised
ICT4Leeds 08	Change Request	URL Block applied within 4 working hours	<=90%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

ICT4Leeds statistics show that First time fix rate has improved in September, hopefully this will continue. The resources issues should finally be on a path to resolution to be able to assist with times of high call volumes.

## 10. Service Level Management Dashboards (Service Achievements) West Yorkshire Joint Services (WYJS)

Service Desk	Target (per Month)	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
SLA 01 - % of incoming calls answered within 30 seconds	>= 70%	64.87	70.92	61.93	49.28	46.32	47.85	30.39	45.57	38.69
SLA 02 - % of calls queued to an operator but abandoned prior to pickup	<= 7%	3.76	3.05	4.36	7.36	7.59	6.60	21.41	12.16	13.49
SLA 03 - % incidents resolved at first point of contact	> = 70%	80.77	81.75	79.84	80.43	80.47	78.92	78.92	78.37	81.16
Incident Management	Target (per Month)	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Critical priority incidents resolved within <b>2 Working Hours</b>	>=85%	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls
High priority incidents resolved within <b>4 Working Hours</b>	>=80%	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls	No Calls
Medium priority incidents resolved within <b>8 Working Hours</b>	>=80%	100.0%	No Calls	No Calls	No Calls	100.0%	100.0%	No Calls	50.0%	100%
Low priority incidents resolved within <b>16 Working Hours</b>	>=80%	97.73%	93.10%	89.30%	93.22%	90.59%	93.94%	98.65%	90.57%	86.96
Total Number of incidents reported in reporting month	N/A	89	97	65	59	86	66	74	55	47
Total Number of Work Orders reported in reporting month	N/A	37	32	34	28	40	49	96	60	53

The above dashboard relates to Leeds City Council as a whole and are not specific to West Yorkshire Joint Services.

## 11. Conclusion – Summary

We are operating in difficult times and “keeping the lights on” is still the main objective of the service.

Demand for DIS services continues to grow and with future growth of new customers “on boarded” onto our services, resources will be an issue particularly as service resources reduce Council wide.

Operational Performance across the service is excellent across many KPI’s:-

- General customer feedback is excellent with high scores registered on survey returns.
- Service reliability, availability and durability is good and on a par with peer organisations nationally.
- (Small) ICT Projects are well managed within the service with good practice being followed.

Partner organisations are currently happy with the services provided to them under mutually agreed SLA’s.

The DIS ‘Change’ agenda is highly concentrated on providing resources to assist and/or lead City and external partner based programmes and income earning initiatives which is impacting on our ability to deliver the required level of change to the internal DIS service.

The service is managing to deliver on its Service Plan with 89% of objectives at Green/Amber status.

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Appendix 1: Updated 2017/18 performance reporting timetable for Strategy & Resources Scrutiny Board

Meeting date	October 26 <sup>th</sup>	November 29 <sup>th</sup>	December 21 <sup>st</sup>	January 18 <sup>th</sup>	February 22 <sup>nd</sup>	March 22 <sup>nd</sup>
<b>Finance</b>	Finance Health check report	Finance Health check report	Finance Health check report Initial budget proposals	Finance Health check report	Finance Health check report	Finance Health check report
<b>DIS</b> <i>Digital &amp; Information Service</i>		DIS Performance progress report (Q1 & Q2)				DIS Performance progress report (Q3)
<b>Electoral, Registrars and Licensing</b>					Report in Feb after the Dec'17 update	
<b>HR</b>	LCC Response to the Government Apprenticeship Levy		Can Do and Recognition	Workforce Development Health, Safety and Wellbeing (including sickness)	Appraisals Engagement Pay/pay gap	
<b>Equalities</b>						Progress report: Equality Impact Priorities refresh (including input and storyboard from HR)
<b>Projects, Programmes and Procurement</b>			Effective Procurement			
<b>Civic Enterprise Leeds</b>		CEL Operational Performance				CEL Operational Performance (Q3)

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

**Report of Head of Governance and Scrutiny Support**

**Report to Scrutiny Board (Strategy and Resources)**

**Date 29 November 2017**

**Subject: Financial Health Monitoring**

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

**Summary of main issues**

1. 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.
2. The following reports considered by the Executive Board at its meeting on 15 November 2017 are appended to this report
  - Financial Health Monitoring 2017/18 – Month 6
  - Treasury Management Strategy Update 2017/18
  - Capital Programme Quarter 2 Update 2017-2021
3. Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

**Recommendations**

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

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

5. None.

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

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**Report of the Chief Officer Financial Services**

**Report to Executive Board**

**Date: 15<sup>th</sup> November 2017**

**Subject: Financial Health Monitoring 2017/18 – Month 6**

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 as at month 6 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 and the projected overspend reflects this challenge.
4. 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 stage of the financial year, it is clear that the majority of these actions are on track to be delivered, and where there are variations, compensating savings have been identified.

5. At month 6, there is a no projected variation on the General Fund and the Housing Revenue Account is projected to break even.

**Recommendation**

6. (i) Note the projected financial position of the authority as at month 6.

## **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 month 6.
- 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 was £20.1m which was £2.6m higher than the amount assumed when the 2017/18 budget was approved. A sum of £1.4m has been released into the Children and Families budget for 2017/18 which has subsequently reduced the level of general reserve to £18.7m. The 2017/18 budget does not assume any further 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 month 6 no variation on the general fund budget is currently projected.

*Table 1*

## Summary Position - Financial Year 2017/18 Period 6

### Reporting Period September 2017

Directorate	Director	(Under) / Over spend for the current period				Month 5 Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(836)	7,437	(7,437)	0	0
Children and Families	Steve Walker	(176)	(45)	45	0	0
City Development	Martin Farrington	(772)	(254)	254	0	0
Resources & Housing	Neil Evans	(2,888)	(2,760)	2,760	0	0
Communities & Environment	James Rogers	1,448	1,880	(1,880)	0	482
Strategic	Doug Meeson	(230)	(920)	920	0	0
<b>Total Current Month</b>		<b>(3,454)</b>	<b>5,338</b>	<b>(5,338)</b>	<b>0</b>	<b>482</b>

<b>Previous month (under)/over spend</b>	<b>(2,834)</b>	<b>5,951</b>	<b>(5,469)</b>	<b>482</b>
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- 3.2. The major variations within Directorates are outlined below with additional detail provided on the Directorate dashboards which are included as appendix 1 to this report.
- 3.3. Adults and Health
- 3.3.1. Adults and Health are currently projecting a balanced budget position. Though it should be highlighted that there are potential pressures building, related to fees paid for care homes and home care and the impact of recent case law on the payments for sleep-ins, that may impact on this and future years finances.
- 3.3.2. Members approved the injection of £14.7m of additional grant (integrated into the Better Care fund) into this budget at the June meeting of Executive Board. 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.
- 3.3.3. The report assumes that £8.0m of the additional £14.7m additional grant will be used to offset an income target set against Leeds CCGs. Post the budget setting it has become apparent that both local and national pressures within the NHS mean that this target is no longer realistically achievable.
- 3.4. Children and Families
- 3.4.1. Children and Families are projecting a balanced position at Period 6. Given the demand led pressures within services in the Directorate these budgets will

continue to be closely monitored throughout the rest of the year.

3.5. 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, partly offset by savings in the Early Years Block. Whilst a number of savings proposals have been actioned in the High Needs Block budget including transferring £2m of funding from the Schools Block it is currently forecast that there will be an overall overspend in 2017/18 of £0.86m. 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

### 3.6. City Development

3.6.1. The directorate are projecting a balanced budget position at the year-end; however, there are income pressures totalling £0.7m within Asset Management and Economic Development that will be need to be managed through the identification from savings elsewhere in the directorate.

### 3.7. Communities and Environment

3.7.1. Although there are projected variations within services, the Directorate is projecting a balanced position. The main variations are outlined below.

3.7.2. There is a projected shortfall in housing benefit overpayment income of £0.5m, against a budget of £8.4m, following a projected reduction in the number and average value of housing benefit overpayments.

3.7.3. Within Customer Access an overspend of £0.6m, mainly in respect of staffing, is forecast due to the delivery of the Community Hub programme and additional security arrangements at sites.

3.7.4. Within Waste Management, the Refuse service is projecting an overspend of £0.77m due to slippage on the Refuse collection route efficiency programme. Additional pressures of £0.18m, mainly relating to the deferral of implementing inert building waste charges are offset by business rates savings of £0.47m at the RERF. In addition, £0.6m savings in respect of disposal costs and additional recycling income are projected, together with a further £0.5m of one-off savings identified across the Waste Management service, contributing to an overall underspend of £0.6m.

3.7.5. The planned introduction of charging for inert building waste at Household Waste Sites was deferred following DEFRA's announcement in April 2017 that they would issue revised guidance around charges for the disposal of such waste, and potentially revise the legislation governing them. Many Councils have historically implemented charges and the Council's view is that charging is permitted under current legislation. The financial projections currently assume charges will be implemented on 1<sup>st</sup> February 2018, although this is subject to further announcements and guidance from DEFRA.

- 3.7.6. The directorate will identify further actions of £0.2m to bring the budget back into balance.
- 3.8. Resources and Housing
  - 3.8.1. No material variations are currently forecast and the Directorate is projecting a balanced position.
- 3.9. Strategic and Central Accounts.
  - 3.9.1. 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.

#### **4. Other Financial Performance**

##### **4.1. Council Tax**

- 4.1.1. The Council Tax in-year collection rate at the end of September was 54.77% which is in line with the performance in 2016/17. Forecasts show the 2017/18 in-year collection target of 96.1% collecting some £320.2 of income will be achieved.

##### **4.2. Business Rates**

- 4.2.1. The business rates collection rate at the end of Sept was 57.61% which is 0.6% ahead of the performance in 2016/17. The forecast is to achieve the 2017/18 in-year collection target of 97.7% collecting some £375.5m of income.
- 4.2.2. The opening total rateable value of business properties in Leeds was £915.54m at 1<sup>st</sup> April. This grew by £1.7m to £917.24m in mid-May, but, following a number of Valuation Office reductions, has fallen to £914.77m at 30<sup>th</sup> September.
- 4.2.3. 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 £137.8m, which is lower than the budget requirement and may impact further on the Collection Fund deficit. The position on the Collection Fund deficit is kept under constant review as deficits are carried forward and impact on the resources available in the following year.

##### **4.3. Business Rates Appeals**

- 4.3.1. The opening appeals provisions for 2017/18 was £25.0m, made up of £23.0m 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.

- 4.3.2. On 1<sup>st</sup> April 2017, there were 5,337 appeals outstanding. By 1st September 2017, these had reduced to 4,093 appeals outstanding. During September 230 appeals have been settled, 159 of which have not resulted in changes to rateable values. 13 new appeals were received in September, the low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. No appeals have been received to date against the 2017 list.
- 4.3.3. At 30th September there are 3,876 outstanding appeals in Leeds, with 25.8% of the city's total rateable value currently subject to at least one appeal.

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

- 5.1. At the end of month 6 the HRA is projecting a balanced position in 2017/18.

## **6. Corporate Considerations**

### **6.1. Consultation and Engagement**

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

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

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 22<sup>nd</sup> February 2017.

### **6.3. Council Policies and Best Council Plan**

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.

### **6.4. Resources and Value for Money**

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

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

There are no legal implications arising from this report.

## **7. Recommendations**

- 7.1. Executive Board are asked to:
  - (i) Note the projected financial position of the authority as at month 6.

8. **Background documents<sup>1</sup>**

None

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

# ADULTS AND HEALTH

## Financial Dashboard - 2017/18 Financial Year

### Month 6 (September 2017)

The directorate continues to project a balanced position for the year, though it should be noted that due to demand based pressures it is assumed that £0.5m of reserves will be used to balance the position.

The position for Adults and Health has been adjusted to include the monies announced in the Spring Budget. It should be noted that though detailed plans for the associated spend have now been agreed, the monies are yet to be allocated and therefore for the purposes of this report they are provisionally shown against the budgets for the procurement of care (Access and Care Delivery and Commissioning).

Being a ring-fenced budget the underspend within Public Health is presumed to be carried forward into future years. It is noted that additional pressures are being evidenced and once confirmed it is likely that the underspend will be reduced but still contained within the overall grant figure.

Budget action plans for demand based services are broadly on target to deliver but slippage in some areas is being monitored.

The main variations at Period 6 across the key expenditure types are as follows:

#### Staffing (-£0.8m – 1.7%)

Savings are evident across most areas. Though Access & Care Delivery are showing an overspend in the analysis below, this is pending a virement to allow for the new contracts with the Leeds CCGs and an underlying underspend is still anticipated.

#### Community care packages (+£8.8m – 4.2%)

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. There is a £1.1m pressure on demand led budgets. This is primarily related to an increase in the use of supported accommodation and slippage on savings plans.

#### Income (-£7.7m – 6.3%)

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. The figure also holds the contra-entry to the new Health contracts, and therefore artificially inflates the income figure.

### 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	485	(220)	265	61	0	0	(2)	0	0	0	0	0	59	0	59
Access & Care Delivery	249,699	(42,643)	207,056	300	62	(150)	(13)	(221)	5,896	(691)	0	0	5,183	(391)	4,792
Commissioning Services	30,335	(36,728)	(6,394)	(951)	21	(24)	(8)	152	3,409	0	0	(500)	2,100	(6,686)	(4,586)
Resources and Strategy	5,227	(637)	4,590	(124)	1	(16)	9	(79)	0	0	0	0	(209)	(56)	(265)
Public Health (Grant Funded)	45,743	(45,716)	27	(121)	0	21	(4)	37	223	0	0	149	304	(304)	(0)
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>331,488</b>	<b>(125,944)</b>	<b>205,544</b>	<b>(836)</b>	<b>84</b>	<b>(168)</b>	<b>(18)</b>	<b>(111)</b>	<b>9,528</b>	<b>(691)</b>	<b>0</b>	<b>(351)</b>	<b>7,436</b>	<b>(7,436)</b>	<b>(0)</b>

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

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>						
1.	Older people's residential and day support	D Ramskill	Ongoing Better Lives programme	B	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	A	0.5	0.1
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	A	1.3	0.7
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	A	0.7	0.3
10.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	G	0.3	0.0
11.	Public health	I Cameron	Review of commissioned services	B	2.9	0.0
12.	Community Support	D Ramskill	In-house community support service closure	B	0.9	0.0
<b>B. Other Significant Variations</b>						
1.	Staffing	All	Ongoing tight vacancy management			(0.8)
2.	Community care packages	Various	relates principally to unallocated Spring Budget monies			8.0
3.	General running costs	All				(0.1)
4.	Use of reserves	I Cameron	Lower requirement for use of reserves			(0.4)
5.	Income	S Hume	Primarily Spring Budget monies (offset by non-deliverable Health income target)			(7.7)
					<b>Adults and Health Directorate - Forecast Variation</b>	
					<b>0.0</b>	

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## CHILDREN & FAMILIES 2017/18 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 6

**Overall Summary** - At period 6 the Directorate is projecting a balanced budget. There are some risks within this position and these are mentioned below.

**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 now includes an increase to the CLA budget of £6.7m compared to 2016/17. Current level of Independent Fostering Agents (IFA) is 188 children whilst the level of External Residential (ER) is 54 children. The period 6 projection assumes there will be a further reduction in numbers of children to achieve a saving of £1m. There is a risk that numbers continue to rise through demographic pressures.

**Staffing** - It is now projected that staffing will be underspent by £0.176m, 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** - Period 6 is now projecting to be overspent by £0.15m as a result of increased demand and increasing complexity of need. 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 further during the year.

**Trading and Commissioning** - At this stage we are projecting that the £1.2m additional trading target is achieved and a pressure of £0.2m against the £1.1m commissioned service savings target.

**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; the projection assumes £0.25m additional in-year usage. A shortfall in income in children's centres of £0.9m is forecast and is expected to be partly offset by anticipated additional School Improvement Monitoring & Brokering 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. As at period 6, an overspend of £0.894m is projected. The High Needs Block has significant overspends, mainly in top up payments to outside institutions. This is partly offset by an underspend in Early Years as a result of underspends on the SEN Inclusion Fund and effectively receiving funding for more places than is being paid out.

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

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Demand Led Budgets:</b>															
In House Fostering	12,510	(2,810)	9,700	0	0	0	0	0	(446)	0	0	0	(446)	0	(446)
Internal Residential	3,605	0	3,605	106	58	0	0	0	0	0	0	0	164	0	164
Kinship Care	2,363	0	2,363	0	0	0	0	0	205	0	0	0	205	0	205
Family Placement & Place for Adoption	1,628	0	1,628	0	0	0	0	0	(69)	0	0	0	(69)	0	(69)
IFA	6,649	0	6,649	0	0	0	0	0	1,240	0	0	(1,240)	0	0	0
External Residential	8,036	0	8,036	0	0	0	0	0	2,301	0	0	(2,301)	0	0	0
Semi Independent Living <18 & Secure Justice/Welfare	2,575	0	2,575	0	0	0	0	0	(253)	0	0	0	(253)	0	(253)
Adoption, SGO and RO	6,568	0	6,568	2	0	4	0	0	998	0	0	(560)	444	(314)	130
Leaving Care	4,659	(1,469)	3,190	0	0	26	0	23	646	(294)	0	0	401	(74)	327
SEN Outside Placements	4,857	(4,857)	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	14,694	(453)	14,241	0	0	0	150	0	0	0	0	0	150	0	150
<b>Sub total Demand Led Budgets</b>	<b>68,144</b>	<b>(9,589)</b>	<b>58,555</b>	<b>108</b>	<b>58</b>	<b>30</b>	<b>150</b>	<b>23</b>	<b>4,622</b>	<b>(294)</b>	<b>0</b>	<b>(4,101)</b>	<b>596</b>	<b>(388)</b>	<b>208</b>
<b>Other Budgets</b>															
Partnerships	21,591	(8,846)	12,745	(38)	1	164	(3)	73	(87)	(225)	0	0	(115)	8	(107)
Learning, Skills & Universal Services	70,961	(68,417)	2,544	(89)	0	0	0	(100)	0	(250)	0	0	(439)	57	(382)
Safeguarding, Targeted & Specialist Services	100,128	(60,536)	39,592	45	(5)	137	177	(49)	60	0	0	(250)	115	868	983
Central Overheads	9,554	(7,735)	1,819	(202)	0	0	0	0	0	0	0	0	(202)	(500)	(702)
<b>Sub total Other Budgets</b>	<b>202,234</b>	<b>(145,534)</b>	<b>56,700</b>	<b>(284)</b>	<b>(4)</b>	<b>301</b>	<b>174</b>	<b>(76)</b>	<b>(27)</b>	<b>(475)</b>	<b>0</b>	<b>(250)</b>	<b>(641)</b>	<b>433</b>	<b>(208)</b>
<b>Total</b>	<b>270,378</b>	<b>(155,123)</b>	<b>115,255</b>	<b>(176)</b>	<b>54</b>	<b>331</b>	<b>324</b>	<b>(53)</b>	<b>4,595</b>	<b>(769)</b>	<b>0</b>	<b>(4,351)</b>	<b>(45)</b>	<b>45</b>	<b>0</b>

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies). The current number of IFAs is 188 and ER is 54. The pressure of £0.38m is offset by release from the demand and demography reserve. The projection assumes a further saving of £1m. There is a risk that numbers continue to increase due to demographic pressures.	R		0.38
	Passenger Transport	Sue Rumbold	Currently an overspend of £0.15m is projected. There is a risk that this may be exceeded.	R		0.15
	Early Years	Andrea Richardson	A combination of increased catering costs, commissioning savings not being achieved, a slight reduction in income and increased spend on projects. However, other savings have been identified to partly offset this overspend.	R		0.30
	Income - ESG	CSLT	Latest Indicative allocations indicate an increase in Improvement Support Support Grant against budgeted income.	G		(0.50)
	Net effect of all other minor variations	CSLT	There are a number of other minor variations within the directorate.	G		(0.14)
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 £0.8m is currently projected against the saving target, primarily due to non-achievement of the Initial Budget Action Plan around Social Work staffing.	A	(0.93)	0.80
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)	(0.25)
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 £1.05m against the overall income target is projected reflecting a reduction in nursery places taken up. This is offset by Family Services staffing savings of £0.55m.	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)	0.01
	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	(2.86)	0.00
C. Contingency Plans						
	Additional staff savings across the Directorate		Review vacant posts and agency and overtime time spend across the directorate. Savings from backfill arrangements around Kirklees and DfE PiP projects.	A		(1.07)
	Actions to reduce CLA		Release from Demand & Demography reserve	A		(0.38)
<b>Children and Families Directorate - Forecast Variation</b>						<b>0.00</b>

## CITY DEVELOPMENT 2017/18 BUDGET - PERIOD 6 FINANCIAL DASHBOARD - MONTH 6 (APRIL - SEPTEMBER)

### Overall -

At Period Six City Development is holding a breakeven position whilst trying to contain increasing pressures that have been identified and monitored, and work is ongoing to identify positive actions to mitigate these with a view to delivering a balanced position.

In Planning some minor expenditure pressures on Planning Appeals and inspection costs are anticipated however these are offset with projected additional income from planning fees and building inspections assuming current trends continue.

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 with a likely projected outturn shortfall of £518k. This assumes all current sites will be fully utilised, however work is ongoing to identify additional locations and actions to mitigate this pressure in the longer term.

Highways and Transportation are currently projecting a small underspend and are expected to come in on budget, however there are 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, whilst waiting for recruitment to circa 90 vacant posts.

Arts and Venues have a projected overspend due to Carnival and Reggae Costs

Within Sport and Active Lifestyles an overspend of £217k is projected to reflect the 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 Fireborough Leisure Centre. A further pressure of £228k is due to a notable downturn in income at John Smeaton Leisure Centre due to 2 new budget gyms opening in close proximity.

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 £600k from one off income and balances income is included to reflect this and a further action plan of £600k to reduce projected expenditure is being developed.

### 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	8,696	(6,320)	2,376	5	0	95	(6)	55	0	0	0	0	149	(183)	(34)
Economic Development	5,319	(4,666)	653	9	(12)	80	1	(29)	0	0	0	0	49	248	297
Asset Management & Regeneration	13,781	(15,485)	(1,704)	13	119	51	(1)	6	0	0	0	0	188	456	644
Employment & Skills	3,957	(2,208)	1,749	(27)	0	0	0	0	0	0	0	0	(27)	(10)	(37)
Highways & Transportation	58,321	(41,489)	16,832	(619)	(43)	567	197	(21)	0	0	0	0	81	(160)	(79)
Arts & Heritage	17,576	(8,076)	9,500	(26)	(83)	273	2	20	23	0	0	0	209	(104)	105
Sport & Active Lifestyles	24,274	(18,946)	5,328	(67)	(35)	(24)	0	(1)	(35)	0	0	0	(162)	607	445
Resources & Strategy	1,047	(125)	922	(60)	0	(641)	0	(40)	0	0	0	0	(741)	(600)	(1,341)
<b>Total</b>	<b>132,971</b>	<b>(97,315)</b>	<b>35,656</b>	<b>(772)</b>	<b>(54)</b>	<b>401</b>	<b>193</b>	<b>(10)</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(254)</b>	<b>254</b>	<b>0</b>

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

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
		Lead Officer	Additional Comments			
<b>A. Budget Action Plans</b>						
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service via increased income generation.	G	562	(34)
2.	Economic Development	Tom Bridges	Increased income and running cost savings	A	295	73
3.	Asset Management & Regeneration	Tom Bridges	Strategic Investment Income and additional fee income.	A	2,827	126
4.	Highways and Transportation	Gary Bartlett	Addition fee income and income from developers	G	1,396	(79)
5.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities, not hosting the Tour de Yorkshire in 2017, and a staffing restructure.	A	810	105
6.	Employment and Skills	Sue Wynne	Staffing and Commissioning Savings	G	240	(37)
7.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.	R	652	228
8.	Resources and Strategy	Ed Mylan	Directorate wide additional savings requirement	G	158	0
<b>Total Budget Action Plan Savings</b>					<b>6,940</b>	
<b>B. Other Significant Variations</b>						
1.	Asset Management	Tom Bridges	Shortfall in Advertising income			518
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			217
4.	City Development	All	Other minor variations across services			(141)
5.	City Development	All	Mitigating in year actions			(600)
6.	City Development	All	Restrictions on running costs and supplies and services			(600)
<b>City Development Directorate - Forecast Variation</b>						<b>0</b>



# RESOURCES AND HOUSING

## FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

### MONTH 6

#### Overall

A balanced position is projected at period 6 although there are risks around timely implementation of savings incorporated as part of the 2017/18 budget strategy leading to variations within services.

#### Resources

For month 6 it is assumed that, overall, support services will fall just short by £0.3k in achieving the £5m savings which formed part of the Support Services review. However, other risks are also emerging within service areas. Shared Services are forecast to underspend by £738k, primarily as a result of savings against the staffing budget due to vacant posts. These savings are offset by a £150k overspend against the PPPU budget (savings against staffing more than offset by a projected shortfall in income) and a £440k overspend on Finance mainly due to a £360k shortfall against court fees income. A £205k DIS pressure has 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 through Directorate actions plans to be identified. 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 at period 6. This variation is due to slippage in the implementation of both the revised staffing structure and the IT infrastructure. A reduction in budgeted overheads combined with anticipated increases in turnover will largely offset this pressure.

#### Housing and Property Services

Housing and Property Services are expected to achieve the £700k of budgeted savings in this financial year. The savings target of £117k for Housing Support and Partnership is forecast to be achieved through the natural turnover of staff across the service. A potential pressure of £1.35m has been identified against the responsive repairs CPM budget in a recent report to Strategic Investment Board although no revenue solution to inject additional funding has been found to date. Work has begun to look at increasing the level of capital spend and the positive impact this may have to offset the revenue pressure. Work is also underway to ensure that in year pressures against the responsive repairs budget are contained as far as possible to enable the service of being close to a balanced position as possible at the year end. The Supporting People contracts savings target of £350k has been achieved through the renegotiation and reprocurement of 3 sets of contracts. In addition to this, the revision of smaller contracts is expected to achieve a small saving of £31k.

#### Civic Enterprise Leeds

A balanced position is currently forecast through Directorate action plans to be identified. As a result of the marginal financial impact of the reduced number of feeding days in 2017/18 and inflationary pressure on food costs there's likely to be a £379k pressure for the Catering service, partially offset by savings/actions within the rest of the division to leave a net £200k pressure. There is also likely to be a financial impact of Merrion House re-opening in this financial year. The Facilities Management element of the CEL budget is expected to balance and achieve the £100k budgeted savings for the year.

#### 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	98,418	(38,122)	60,296	(2,681)	9	140	(29)	64	0	0	0	(24)	(2,521)	2,549	28
LBS	46,947	(55,327)	(8,380)	(56)	231	(108)	(67)	0	0	0	0	0	0	0	0
Housing & Property	26,195	(12,402)	13,793	(440)	42	4	0	(235)	(16)	0	0	235	(410)	379	(31)
CEL	71,090	(63,551)	7,539	289	43	184	(285)	(60)					171	(168)	3
<b>Total</b>	<b>242,650</b>	<b>(169,402)</b>	<b>73,248</b>	<b>(2,888)</b>	<b>325</b>	<b>220</b>	<b>(381)</b>	<b>(231)</b>	<b>(16)</b>	<b>0</b>	<b>0</b>	<b>211</b>	<b>(2,760)</b>	<b>2,760</b>	<b>0</b>

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

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>						
<b>Efficiencies</b>						
1	Specialist Admin	Helena Phillips	Further efficiencies by consolidating "specialist" admin staff under one professional lead	G	1.00	-0.80
2	ICT, IM & T & Intelligence	Dylan Roberts	Introduce a new operating model to deliver staffing efficiencies.	G	0.90	0.00
3	ICT, IM & T & Intelligence	Mariana Pexton	Introduce a new operating model to deliver staffing efficiencies.	G	0.20	0.00
4	Workforce Development	Lorraine Hallam	Consolidation of training budgets.	A	0.30	0.00
5	PPPU	David Outram	Identify savings through a portfolio approach including development of prioritisation model	A	0.30	0.20
6	Financial Services	Doug Messon	Savings to be delivered through staffing efficiencies.	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.	A	1.80	0.60
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	Sarah Martin	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	Sarah Martin	Based on internalising commercial catering for some of the services within the Civic Quarter and expanding retail offer.	G	0.10	0.00
<b>B. Other Significant Variations</b>						
1	Financial Services	Doug Meeson	Shortfall against court fees income.	A		0.50
2	CEL	Sarah Martin	Shortfall against Catering income	A		0.20
3	Directorate action plan.		Actions to be identified so that the Directorate can achieve a balanced position.			-0.70

**Strategy and Resources Directorate - Forecast Variation****0.00**

# COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

## FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

### Period 6 (September 2017)

#### Overall Position (nil variance)

#### Communities (nil variance)

The service is projecting a nil variance against its budget at period 6.

#### Customer Access (+£653k 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 £650k. 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 £510k. The cost of providing static guards at a number of sites due to safety concerns is likely to cost an additional £145k. These pressures along with an expected shortfall in libraries income of £50k, are offset by additional income (net £199k) in the Interpreting and Translation Team from providing translation services to the NHS

#### Elections, Licensing and Registration (nil variance)

The service is currently projecting a nil variation, although there are some concerns around income within births, deaths and marriages and this will continue to be closely monitored. Costs in respect of the general election are expected to be met by government grant.

#### Welfare & Benefits (+£463k over budget)

The main area of risk is around the achievement of the budgeted level of Housing Benefit overpayment income (£8.4m) which has reduced in line with the overall reduction in HB payments along with the average value of the overpayments. Current indications are that after making a provision for doubtful debts, there could be a net shortfall of income of around £500k at the year end. In other areas a small underspend of £37k is currently projected, mainly due to staffing savings, partially offset by the cost of additional off-site processing, and additional grant income.

#### Parks & Countryside (nil variance)

The service is projecting an overall variance at Cafe/Retail and Attractions of +£242k, which at this stage of the year includes a projected shortfall in income at both Lotherton Hall and Tropical World. The service is increasing marketing activities to offset these shortfalls and an assumption has been made that this will offset the projected shortfall in income. In addition there is a projected reduction in income from Golf of £57k, although other savings within the service, mainly income from land searches within PROW (Public Rights Of Way), are expected to offset this.

#### Environmental Action:

#### Car Parking (-£155k below budget)

Staffing is projected to be under budget by (£55k) due to delays in ongoing recruitment. Income trends net (£100k) indicate shortfalls in both on-street income and Bus Lane offences throughout the city, although these are offset by additional off-street and PCN income.

#### Cleaner Neighbourhoods Teams (+£46k over budget)

The projected overspend mainly relates to the hire costs of using additional sweepers. Savings from delayed recruitment to the new structure are projected to be largely offset by additional overtime costs.

#### City Centre (-£11k under budget)

The projected variance is mainly due to staffing savings whilst recruitment is ongoing to fill the recently approved structure, partially offset by the ongoing usage of overtime and covering City Centre events.

#### Environmental Health (-£65k below budget)

The projected variance is due to savings from delayed recruitment (£81k). These positions are projected to be all filled by December. Variations in Pest control expenditure and income are projected at £35k.

#### Waste Management:

#### Refuse (+£769k over budget)

Within the Refuse Service it is currently anticipated that there will be slippage of 9 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 +£769k. Additional staffing expenditure in relation to backup/sickness cover and union support to the route collection programme is projected to be offset by one-off savings within the service.

#### HWSS & Infrastructure (+£188k over budget)

There is a projected shortfall in budgeted income of +£113k, mainly due to the deferral of the introduction of inert building waste charges at Household Waste sites until February 2018. Additional expenditure in respect of HWSS overtime/sickness cover and HWSS Plant Operator training is projected to be partially offset by one-off savings.

#### Waste Strategy & Disposal (-£1,584k under budget)

The projected underspend includes a saving of £470k in respect of the rateable value of the Recycling and Energy Recovery Facility (RERF), £339k disposal savings at Household Waste Sites reflecting volume and price variations, £182k savings in respect of SORT disposal costs, £112k additional recycling income (paper/card/scrap metal) and one off savings of £481k identified within the service.

#### Community Safety (-£92k below budget)

The projected underspend mainly reflects staffing savings of £74k due to vacant posts within CCTV, LABST and delays in recruiting to the new Domestic Violence structure.

#### Directorate Wide (action plan savings -£212k)

The directorate will work towards identifying and implementing appropriate actions to balance the overall projected overspend of £212k.

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

#### Summary By Service

				Period 6 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	16,051	(10,716)	5,335	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Access	22,486	(3,269)	19,217	714	156	68	(8)	25	0	0	0	0	955	(302)	0	653
Elections, Licensing And Registration	4,676	(4,926)	(250)	497	177	560	(2)	6	0	0	0	0	1,238	(1,238)	0	0
Welfare And Benefits	268,070	(266,116)	1,954	(127)	2	110	3	(19)	0	0	0	0	(31)	494	0	463
Car Parking Services	4,895	(13,374)	(8,479)	(55)	(10)	(45)	4	9	0	0	0	0	(96)	(59)	0	(155)
Community Safety	8,105	(6,526)	1,579	(142)	0	(21)	0	(33)	0	0	0	0	(196)	104	0	(92)
Waste Management	40,379	(7,368)	33,011	832	(3)	(996)	32	(116)	0	0	0	0	(251)	(376)	0	(627)
Parks And Countryside	29,587	(23,098)	6,489	26	29	371	(80)	140	0	0	0	0	486	(486)	0	0
Environmental Action (City Centre)	1,999	(462)	1,537	12	0	1	0	(1)	0	0	0	0	12	(23)	0	(11)
Environmental Health	2,107	(565)	1,542	(81)	(4)	22	(7)	(7)	0	0	0	0	(77)	12	0	(65)
Cleaner Neighbourhood Teams	12,305	(4,518)	7,787	(16)	10	(10)	67	2	0	0	0	0	53	(7)	0	46
Directorate Action Plan				(212)									(212)			(212)
<b>Total</b>	<b>410,660</b>	<b>(340,938)</b>	<b>69,722</b>	<b>1,448</b>	<b>357</b>	<b>60</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,881</b>	<b>(1,881)</b>	<b>0</b>	<b>(0)</b>

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

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>						
1.	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)	0.77
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)	0.10
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)	0.00
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	Further 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)	0.10
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 £290k in base	G	(0.54)	(0.02)
25.	Registrars	Steve Coupe	Charging /income proposals	G	(0.08)	0.00
<b>B. Other Significant Variations</b>						
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		0.67
3	Housing Benefits	Lee Hemsworth	Projected shortfall in overpayments income	A		0.50
4	Waste Management		Mainly disposal variations	G		(1.03)
5	All other services		All other variations	G		(0.41)
6	Directorate Action Plan		Actions identified			(0.21)

**STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR  
FINANCIAL DASHBOARD - PERIOD 06**

**Overall :**

At month 6 the strategic & central budgets are projected to balance.

The key variations are;

- Section 278 income - a potential **£1.6m** risk due to lower levels of development activity
- Additional debt costs of **£0.6m** are forecast, reducing to **£0.1m** after accounting for income from prudential borrowing charges
- Savings of **£0.8m** on the levy contribution to the business rates pool
- Reduction in New Homes Bonus of **£1.5m**
- Additional **£1.6m** of S31 grant income for business rates reliefs, primarily **£1.0m** of reliefs announced after the budget was set. (This is to offset the loss of business rates income)
- Based on the level of capitalisation of revenue spend in 2016/17, an additional £0.9m of capitalisation is forecast

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**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	(10,887)	(36,641)	(47,528)			(627)								(627)	745	118
Debt	20,135	(920)	19,215			663								663		663
Govt Grants	1,739	(22,399)	(20,660)								(827)			(827)	(91)	(918)
Joint Committees	37,100	0	37,100						105					105		105
Miscellaneous	6,243	(1,088)	5,155	(230)		1								(229)	261	32
Insurance	9,438	(9,438)	0			(5)								(5)	5	0
<b>Total</b>	<b>63,768</b>	<b>(70,486)</b>	<b>(6,718)</b>	<b>(230)</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>(827)</b>	<b>0</b>	<b>0</b>	<b>(920)</b>	<b>920</b>	<b>0</b>	

## STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR

### Key Budget Action Plans and Budget Variations:

			RAG	Budget	Forecast Variation against Budget
				£m	£m
A. Major Budget Issues	Lead Officer	Additional Comments			
1.	Debt Costs and External Income	Doug Meeson £300k brokerage; £360k external interest costs (offset £619k additional borrowing income see B3)	A	18.2	0.6
2.	Minimum Revenue Provision	Doug Meeson No variation is anticipated for 2017/18	G	1.0	0.0
3.	New Homes Bonus	Doug Meeson Impact of change to NHB announced in budget	R	(13.3)	1.5
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson New S31 grant announced after budget was set	G	(9.6)	(1.6)
5.	S278 Contributions	Doug Meeson Projection from Capital team is £3.0m, therefore there is a risk of a £1.6m shortfall, dependent on progress in capital spend on the relevant schemes during the year.	R	(4.9)	1.6
6.	General capitalisation target	Doug Meeson Capitalisation of eligible spend in directorate/service revenue budgets.	G	(3.5)	(0.4)
7.	Schools capitalisation target	Doug Meeson Capitalisation of eligible spend in school revenue budgets.	G	(3.5)	(0.5)
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 Likely overspend in 17/18 due to one off tribunal costs and staff restructuring to generate future savings.	G	1.3	0.1
<b>B. Other Significant Budgets</b>					
1.	Insurance	Doug Meeson Potential for some savings on projected cost of insurance claims for this financial year.	G	0.0	0.0
2.	Business Rates Levy	Doug Meeson Projections indicate a potential reduction in the levy due.	G	1.7	(0.8)
3.	Prudential Borrowing Recharges	Doug Meeson Projections suggest a slight increase in recharge income - offset debt costs above	G	(14.7)	(0.5)
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	0.0	0.0
7.	CRCs	Doug Meeson £300k projected additional cost above budget - to be allocated to directorates	A	0.0	0.3
8.	PPPU income	Doug Meeson £275k projected shortfall against PPPU HRA income	A	0.0	0.3
9.	Homeless grant income	Doug Meeson Anticipated additional homeless grant income - to be allocated	A	0.0	(0.6)
<b>Strategic &amp; Central Accounts - Forecast Variation</b>					<b>0.0</b>

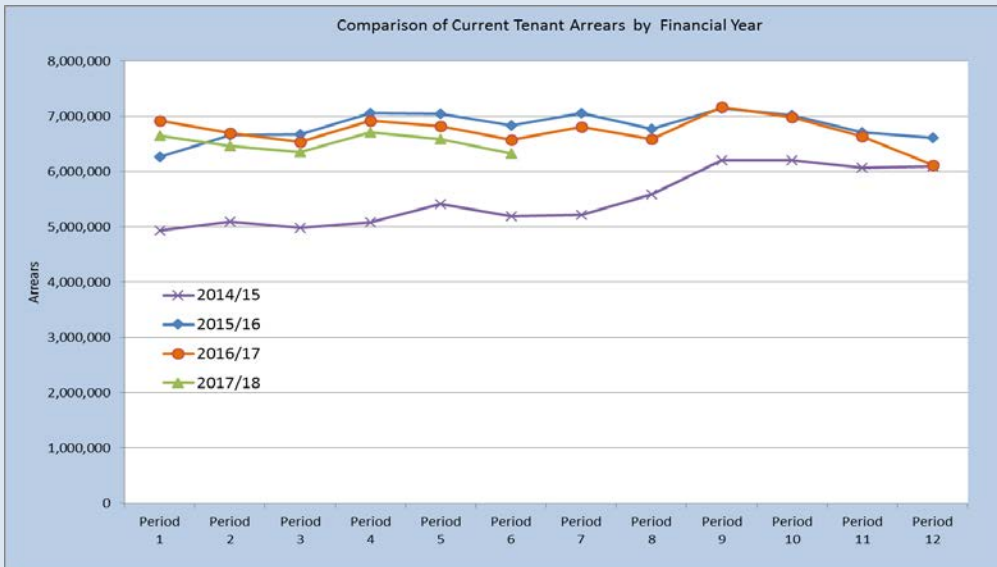
## Housing Revenue Account - Period 6 Financial Dashboard - 2017/18 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Rents	(215,352)	(214,985)	367	Rent lower than budget due to lower stock numbers from increased RTB sales. The void level is under the target at 0.85%	336
Service Charges	(6,968)	(6,896)	72	Service charge income (£2k), Community Links furniture offset by saving in supplies and services £74k	34
Other Income	(29,356)	(29,624)	(268)	Increased fee income from projected RTB sales (£233k), KPI income (£88k), Wharfedale View catering income (£36k) (offset by an increase in internal charges). Underachieved income on budgeted capitalised salary costs £195k (offset by savings on salaries). PFI Pass Through Costs (£106k).	(175)
<b>Total Income</b>	<b>(251,676)</b>	<b>(251,504)</b>	<b>172</b>		<b>195</b>
<b>Expenditure</b>					
Disrepair Provision	1,000	1,449	449	Disrepair compensation and fees	-
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	754	754	-		-
Employees	26,262	25,458	(804)	Savings due to vacant posts and temporary staff secondments (£1065k). This saving is offset by Disrepair agency staff £224k and other smaller variances £36k.	(531)
Premises	7,362	7,353	(9)	Review of budgets and projected spend	(4)
Supplies & Services	4,432	4,177	(255)	Community Links furniture savings balanced by reduction in service charge income (£75k), Savings following a review of printing requirements (£110k), Annual Support Grant (£20k), ICT project savings (£50k).	(178)
Internal Services	40,549	40,878	329	Additional Fire Safety work £321k, Additional out of hours service £65k, Savings in other internal charges (£236k), Disrepair legal locums £131k, Increased costs of RTB due to high number of sales £48k	193
Capital Programme	71,000	71,000	-		-
Unitary Charge PFI	8,860	8,796	(64)	PFI Scheme Adjustments: Unitary Charge £61k, Insurance refund (£247k), Pass Through Costs £157k. Other adjustments (£35k).	(123)
Capital Charges	45,106	45,127	21	Interest payable to GF	32
Other Expenditure	6,976	6,944	(32)	LTF saving (£22k), Transport savings (£10k)	(18)
<b>Total Expenditure</b>	<b>255,848</b>	<b>255,483</b>	<b>(365)</b>		<b>(630)</b>

## Housing Revenue Account - Period 6 Financial Dashboard - 2017/18 Financial Year

<b>Net Position</b>	<b>4,173</b>	<b>3,980</b>	<b>(193)</b>		<b>(434)</b>
Appropriation: Sinking funds	(3,139)	(2,946)	193	Unitary Charge on PFI funded by sinking fund	202
Appropriation: Reserves	(1,034)	(1,034)	-		-
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(232)</b>
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
<b>Total Current Month</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(232)</b>



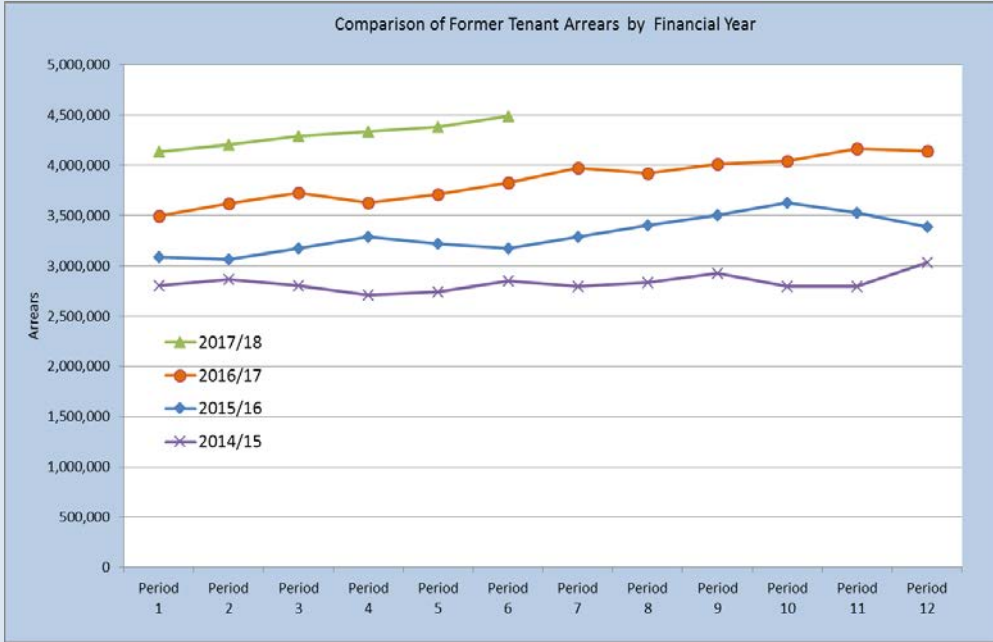
Change in Stock	Budget	Projection
Right to Buy sales*	350	530
New Build (PFI)	0	0
New Build (Council House Growth)	(101)	(101)
<b>Total</b>	<b>249</b>	<b>429</b>

\* actual sales as at the end of Period 6: 260

Right to Buy Receipts	2016/17 Actual	2017/18 Projection
Total Value of sales (£000s)	25,983	27,374
Average Selling Price per unit (£000s)	50.4	51.6
Number of Sales*	516	530
Number of Live Applications	1,165	1,254



## Housing Revenue Account - Period 6 Financial Dashboard - 2017/18 Financial Year



Arrears	2016/17	2017/18	Variance
	£000	£000	£000
<b>Dwelling rents &amp; charges</b>	<b>2017/18 Week 26</b>		
Current Tenants	6,573	6,326	(247)
Former Tenants	3,831	4,494	663
	10,404	10,820	416
<b>Under occupation</b>	<b>2017/18 Week 18</b>		
Volume of Accounts	4,655	4,346	(309)
Volume in Arrears	2,155	2,032	(123)
% in Arrears	46%	47%	0%
Value of Arrears	576	549	(27)
<b>Collection Rates</b>	<b>2017/18 Week 18</b>		
Dwelling rents	97.43%	96.48%	-0.95%
Target	97.50%	97.75%	
Variance to Target	-0.07%	-1.27%	

## Housing Revenue Account - Period 6 Financial Dashboard - 2017/18 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
<b>HRA General Reserve</b>	<b>(6,631)</b>	<b>100</b>	<b>0</b>	<b>(6,531)</b>
<b>Earmarked Reserves</b>				
Environmental Works	(1,668)	963		(705)
Insurance - large claims	(137)			(137)
Welfare Change	(1,782)	564		(1,218)
Housing Advisory Panels	(699)	459		(240)
Sheltered Housing (Committed in capital programme)	(3,238)			(3,238)
Holdsworth Place - land purchase	(64)			(64)
Early Leavers' Initiative	(408)			(408)
Changing the Workplace	(353)	353		(0)
eFiles Box-It Project	(262)	262		(0)
	<b>(8,610)</b>	<b>2,601</b>	<b>0</b>	<b>(6,009)</b>
<b>PFI Reserves</b>				
Swarcliffe PFI Sinking Fund	(10,343)	2,900	0	(7,443)
LLBH&H PFI Sinking Fund	(2,515)	46	0	(2,469)
	<b>(12,858)</b>	<b>2,946</b>	<b>0</b>	<b>(9,912)</b>
<b>Capital Reserve</b>				
MRR (General)	(14,960)	56,991	(71,000)	(28,969)
MRR (New Build)	(12,540)	9,350	0	(3,190)
MRR (HRA RCCOs)	(3,003)			(3,003)
	<b>(30,502)</b>	<b>66,341</b>	<b>(71,000)</b>	<b>(35,163)</b>
<b>Total</b>	<b>(58,601)</b>	<b>71,988</b>	<b>(71,000)</b>	<b>(57,615)</b>

**Report of Chief Officer Financial Services**

**Report to Executive Board**

**Date: 15<sup>th</sup> November 2017**

**Subject: TREASURY MANAGEMENT STRATEGY UPDATE 2017/18**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input 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 report provides a review and update of the treasury management strategy for 2017/18
2. The Council's level of forecast external debt as at 31<sup>st</sup> March 2018 is anticipated to be £1,949m, £70m lower than approved in February 2017. This lower forecast borrowing requirement is due to a combination of slippage in the capital programme, together with an increase in the level of internal revenue balances that were used to defray external borrowing in comparison to the expectation.
3. In line with the agreed treasury strategy set in February, the Council has taken advantage of lower costs of borrowing by acquiring longer dated debt and thereby reducing exposure to short term fluctuations in the debt markets. This is forecast to be achieved within the current budget for the year.
4. The investment of surplus monies will continue to have due regard for security of capital in accordance with the Council's approved investment strategy.

**Recommendations**

That Executive Board note:-

5. The update on the Treasury Management borrowing and investment strategy for 2017/18.

## 1 Purpose of this report

1.1 The 2017/18 treasury management strategy was approved by Executive Board on 8<sup>th</sup> February 2017. This report provides a review and update of the strategy for 2017/18.

## 2 Background information

2.1 The operation of the Treasury Management function is governed by provisions set out under part 1 of the Local Government Act 2003 whereby the Council is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (amended 2009 and 2011) in particular:

- The Prudential Code requires that full Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of prudential indicators.
- Any in year revision of these limits must be set by Council.
- Policy statements are prepared for approval by the Council at least three times a year.

## 3 Main issues

### 3.1 Review of Strategy 2017/18

3.1.1 The current borrowing forecasts are shown in Table 1

**Table 1**

	2017/18 Feb 17 Report £m	2017/18 This Report £m
<b>ANALYSIS OF BORROWING 2017/18</b>		
<b>Net Borrowing at 1 April</b>	1,877	1,809
New Borrowing for the Capital Programme – Non HRA	145	157
New Borrowing for the Capital Programme – HRA	15	0
Debt redemption costs charged to Revenue (Incl HRA)	(13)	(12)
Reduced/(Increased) level of Revenue Balances	(5)	(5)
<b>Net Borrowing at 31 March*</b>	2,019	1,949
<b>Capital Financing Requirement</b>		2,233
* Comprised as follows		
Long term borrowing		
Fixed	1,466	1,565
Variable (less than 1 Year)	0	0
New Borrowing	142	140
Short term Borrowing	419	252
Total External Borrowing	2,027	1,957
Less Investments	8	8
Net External Borrowing	2,019	1,949
% borrowing funded by short term and variable rate loans	28%	20%

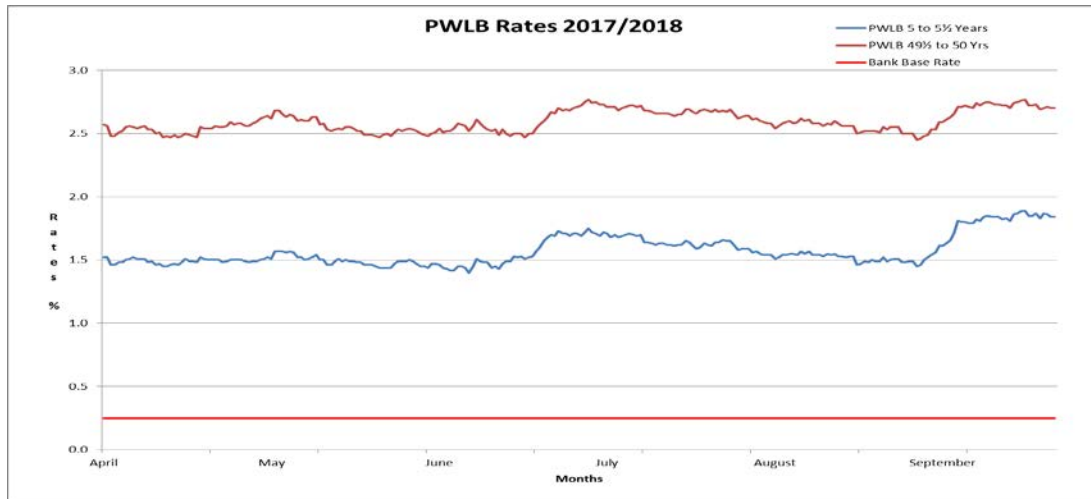
**Note: The Capital Financing Requirement (CFR) is the maximum level of debt** (i.e. borrowing PFI and finance leasing) that the Council can hold for its current year capital purposes. The Council is also allowed to borrow in advance for up to two future years capital programmes. The above reflects only the borrowing element of the CFR

3.1.2 Table 1 above shows that 2017/18 net external borrowing is now forecast at £1,949m, £70m lower than in the report to Executive Board on 8<sup>th</sup> February 2017. This lower forecast borrowing requirement is due to a combination of slippage in the capital programme (£13m), together with greater than forecast revenue balances of

£55m. The February forecast assumed that revenue balances would reduce by £85m based on the working capital trend seen to that point. However the actual reduction was £27m with the three main reasons being higher: earmarked ring fenced reserves of £23.5m; capital grants unapplied £29.4m; and working capital of £26.6m. The treasury strategy uses balances and reserves in lieu of borrowing and these balances continue to be monitored closely. However, as expected, the level of working capital will continue to fluctuate based upon the demands of the Council. The economic outlook remains mixed across many of the major economies. China and emerging markets continue to slow down with concerns of excess industrial capacity, unsold stock of property and increasing levels of non-performing loans in the banking and credit system.

- 3.1.4 In Europe the European Central Bank (ECB) is hampered by inflation which is struggling to reach 2%, however growth posted 0.5% in Q1 (2.0% year on year) and 0.6% in Q2 (2.3% year on year). On balance most commentators don't see rate increases in the European Union (EU) before 2019.
- 3.1.5 In the United States growth continues to be volatiles, Q1 was 1.2% year on year whilst Q2 was 3.1% year on year. The Federal Reserve raised rates for the first time since the 2008 crash in December 2015 and has raised rates 3 more times since with 1 more possible in 2017. The Federal Reserve has also indicated that it is to begin unwinding its \$4.5 trillion Quantitative Easing (QE) stimulus by allowing bonds to mature without replacement.
- 3.1.6 United Kingdom Gross Domestic Product (GDP) Q1 growth was weak posting 0.3% (1.7% year on year) and Q2 posting 0.3% (1.5% year on year). The fall in the value of sterling post Brexit referendum has fed into inflation through the mechanism of higher import costs and inflation is now expected to peak at just over 3% before falling back to its 2% target over the 2 year time horizon. The Monetary Policy Committee (MPC) are now more hawkish on the timing of the first base rate rise and appear to be driven by concerns over labour tightness as unemployment has fallen to 4.3% the lowest since 1975. Set against this wage inflation continues to remain subdued and is possibly an effect of globalisation that is being seen as a common theme in many western economies.
- 3.1.7 Chart 1, shows how the cost of longer term borrowing from the Government through Public Works Loan board (PWLB) loans has performed since the start of the financial year. The 5 year to 5½ year PWLB has moved upwards from a starting point in April of 1.45%, to a low of 1.34% in the middle of June and then to a high of 1.82% at the end of September, currently it is in the region of 1.77%. Similarly, the 49½-50 year rate has moved from a starting point in April of 2.57% to a low point in early September of 2.45% and then to a high of 2.77% in late September, this rate is currently in the region of 2.70%. Please note the Council is entitled to a reduction of 20bp on all PWLB rates, including those list above, reflecting eligibility for PWLB certainty rates.

## Chart 1



3.1.8 Expectations for the first change in Bank Rate in the UK have been brought forward recently as the wider economic picture has emerged. The markets are currently anticipating an 80% chance of a base rate rise in November and this would be the first rise in 8 years. The impact of a rise on the economy is subject to much debate but further rises are expected to be gradual and over a number of years (see Table 2) reflecting the state of the economy.

**Table 2**

Budget Rate Assumptions	2017/18	2018/19	2019/20	2020/21
Exec Board Feb 17	0.50	0.75	0.75	1.00
Now	0.50	0.75	0.75	1.00

3.1.9 The current borrowing strategy continues to be to fund the borrowing requirement of the capital programme from short dated loans and internal cash balances. There will come a point when rates begin to rise and more expensive longer dated funding will be required. The Chief Officer Financial Services will continue to monitor market dynamics with a view to securing longer term debt at the appropriate time.

The current strategy also allows for taking advantage of lower longer-term funding to manage the Council's exposure to fluctuations in funding costs. Table 3 below details the long term funding activity undertaken during 2017/18 which consists of £95m of new PWLB funding as volatility in the markets during the summer caused a succession of new lows to be reached.

**Table 3**

Rescheduling and Funding 2017/18							
Premature Repayments				New Replacement Borrowing			
Date	Amount	Original Rate	Discount Rate	Date	Amount	Term	Interest Rate
	(£m)	(%)			(£m)	(Years)	(%)
PWLB				PWLB			
				03/04/2017	20	50	2.37%
				19/04/2017	20	47	2.26%
				26/06/2017	20	50	2.28%
				15/08/2017	35	49	2.33%
<b>Sub Total</b>	<b>0</b>				<b>95</b>		
LOBOs				LOBOs			
<b>Sub Total</b>	<b>0</b>				<b>0</b>		
<b>Total</b>	<b>0</b>			<b>Total</b>	<b>95</b>		

3.1.10 The strategy of deferring long term borrowing will increase the amount of debt that the Council is funding from short term loans and its balance sheet to a forecast £668m. This exposure will be influenced by historical capital programme slippage, the continued strength of the Council's balance sheet and the market for supplying short term funds remaining strong. To mitigate against the exposure to rising interest rates the Council is in discussions to acquire forward funding which will give the Council the ability to lock in future funding at current rates, thereby allowing the Council to continue to take advantage of low short-term rates.

The short term exposure will continue to be monitored and should be considered in the context of the stability of the current debt maturity profile. The Council's current long term debt of £1.565bn has an average maturity of just under 39 years if all debts run to maturity. Approximately 15% of the Council's long term debt has options for repayment, in the unlikely event that all these options were exercised at the next option date then the average maturity of long term debt would be lowered to 31½ years. This compares favourably with the average maturity of the UK Government debt portfolio of nearly 18 years. The existing profile of the Council's debt provides considerable certainty of funding costs. Prudential Indicator 16 in Appendix A shows the maturity profile of the Council's long term fixed debt and highlights that approximately 75% or £1,128m matures in periods greater than 10 years.

3.1.11 The strategy of continued use of existing balances, continued low short-term financing rates and taking the opportunity to lock in low longer term rates is forecast to be delivered within the budget.

### **3.2 *Borrowing Limits for 2017/18, 2018/19 and 2019/20***

3.2.1 The Council is required to set various limits for 2017/18, 2018/19 and 2019/20 in accordance with the Local Government Act 2003, having regard for CIPFA's prudential code (as amended 2009 and 2011). These limits including prudential indicators are detailed in Appendix A.

3.2.2 It is anticipated that the Council will continue to remain within the Authorised Limits for 2017/18. Both the Authorised Limit and Operational Boundary are made up of a limit for borrowing and a limit for other long term liabilities.

3.2.3 The Chief Officer Financial Services has delegated authority to make adjustments between the two separate limits for borrowing and other long term liabilities, provided that the overall limit remains unchanged. Any such adjustments will be reported to the next available Council meeting following the change.

3.2.4 Borrowing limits for 2017/18 were approved by Council on 8th February 2017 and remain unchanged.

### **3.3 *Investment Strategy & Limits***

3.3.1 The Council's external debt is reduced by the availability of revenue balances. The Treasury policy also allows for the external investment of these balances at advantageous rates but with due regard for security of capital invested. At present the Council's surplus monies continue to be held in short periods until required. Except for £900k which has been invested in the 4½ year period at a rate of 0.95% at the request of St Aidan's trust. As market sentiment to counter-party risk improves, together with enhanced returns, surplus monies will be invested in

accordance with the approved lending list. This lending list is based upon the assessment of the financial standing of counterparties as determined by international credit rating agencies and further refined and updated by the Council's advisors on a continual basis. The lending list is often further restricted based upon the Council's view of the credit worthiness of counter-parties.

- 3.3.2 The investment strategy, as re-affirmed by Executive Board and full Council in February, allows for the Council to invest in only the most highly rated financial institutions around the world. The Council will only lend up to a maximum of £15m to financial institutions that are rated as excellent. There is also a limit of £5m for financial institutions that are rated as very good.

### **3.4 Prudential Code and Treasury Management Code**

- 3.4.1 Members are asked to note that the Chartered Institute of Public Finance and Accountancy (CIPFA) has consulted upon changes to the prudential code and treasury management code. The changes when published, will be reported in the next update to Executive Board.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This report is an update on strategy as presented to Executive Board in February 2017, as such no consultation has taken place. However, consultation with the Council's treasury advisors takes place regularly throughout the year.
- 4.1.2 The borrowing requirement is an outcome of the capital programme. Consultation is undertaken by individual services in relation to capital investment schemes. A capital programme update report is included elsewhere on this agenda.

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

- 4.2.1 Equality, diversity, cohesion and integration requirements are addressed as part of individual capital scheme and programme approvals. The borrowing to deliver these capital schemes is executed through treasury strategy and as such there are no further equality diversity cohesion and integration issues.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 Treasury Management strategy secures funding to support the Council's Policies and City Priorities as set out in the Council capital programme and is consistent with the Best Council Plan.

### **4.4 Resources and Value for Money**

- 4.4.1 This update on the treasury strategy recognises the borrowing necessary to fund the capital programme requirements of both General Fund and HRA. Where borrowing is supported the revenue costs are met by the Government, whilst for unsupported borrowing revenue costs are met either by the General Fund or HRA.
- 4.4.2 The updated strategy 2017/18 is forecasting no additional costs against the budgeted position despite taking higher rate longer dated funding than was anticipated in the budget as part of the agreed strategy to lock out financing risk as



opportunities arise. This has been offset by funding at lower than forecast from temporary borrowing and internal resources.

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

4.5.1 There are no legal, or access to information issues arising from this report. The report is subject to call in.

#### **4.6 Risk Management**

4.6.1 This report sets out the framework for the treasury strategy for the year ahead. The execution of strategy and associated risks are kept under regular review through:

- Monthly reports to the Finance Performance Group
- Quarterly strategy meeting with the Chief Officer Financial Services and the Council's treasury advisors
- Regular market, economic and financial instrument updates and access to real time market information

4.6.2 The above monitoring mitigates the directorate level risk of "Failure to recover money invested in other financial institutions" and in addition the Treasury Management Strategy is linked to the corporate risk on 'Financial Forecasting'.

### **5 Conclusions**

5.1 The Council's level of net external debt at 31<sup>st</sup> March 2018 is anticipated to be £1,949m, £70m lower than expectations in February 2017.

5.2 Treasury Management activity has incurred no additional costs against budget. This is largely due to taking higher rate longer term funding at attractive rates in comparison to the budget provision offset by lower than anticipated costs of temporary borrowing and funding from internal resources.

### **6 Recommendations**

That Executive Board note:-

6.1 The update on the Treasury Management borrowing and investment strategy for 2017/18.

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

None

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

## Leeds City Council - Prudential Indicators 2017/18 - 2019/20

No.	PRUDENTIAL INDICATOR	2017/18	2018/19	2019/20
<b>(1). EXTRACT FROM BUDGET AND RENT SETTING REPORTS</b>				
1	<b>Ratio of Financing Costs to Net Revenue Stream</b> General Fund - Excluding DSG (Note1)	10.19%	12.73%	11.70%
2	HRA	11.01%	11.07%	11.28%
<b>Impact of Unsupported Borrowing on Council Tax &amp; Housing Rents</b>		<b>£ . P</b>	<b>£ . P</b>	<b>£ . P</b>
3	increase in council tax B7(band D, per annum) (Note 2)	10.97	40.77	63.06
4	increase in housing rent per week	0.00	0.01	0.20
5	Net Borrowing and the capital financing requirement (Note 3)	OK	OK	OK
<b>Estimate of total capital expenditure</b>				
6	Non HRA	288,778	237,573	203,200
7	HRA	85,927	86,583	131,170
	<b>TOTAL</b>	<b>374,705</b>	<b>324,156</b>	<b>334,370</b>
<b>Capital Financing Requirement (as at 31 March)</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
8	Non HRA	2,030,097	2,109,480	2,184,901
9	HRA	815,077	811,611	832,844
	<b>TOTAL</b>	<b>2,845,174</b>	<b>2,921,091</b>	<b>3,017,745</b>
9a	<b>Limit of HRA Indebtedness as implemented under self financing</b>	721,327	721,327	721,327

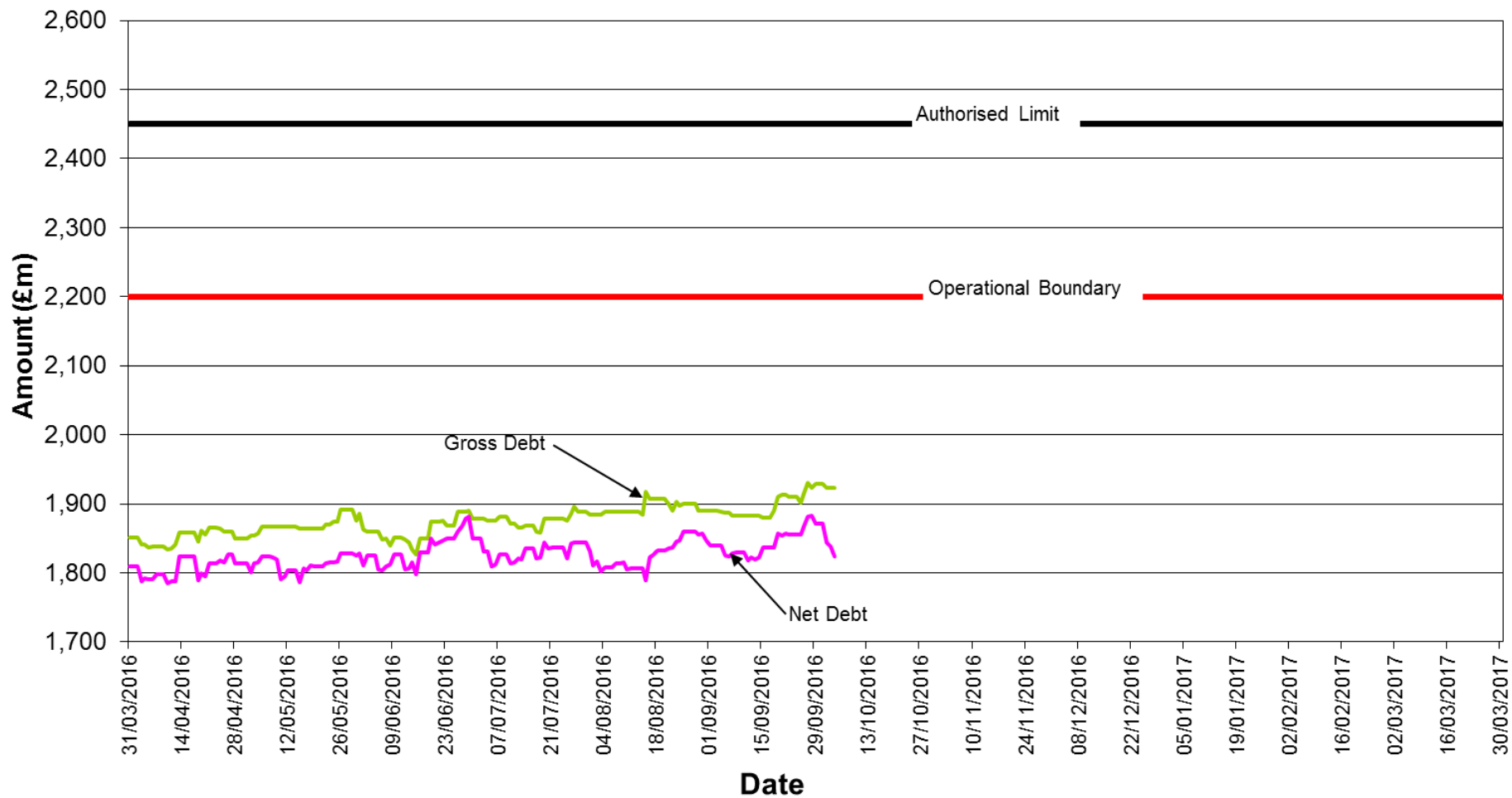
No.	PRUDENTIAL INDICATOR	2017/18	2018/19	2019/20
<b>(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>				
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
10	<b>Authorised limit for external debt - (Note 5)</b>			
	borrowing	2,450,000	2,450,000	2,500,000
	other long term liabilities	740,000	720,000	690,000
	<b>TOTAL</b>	<b>3,190,000</b>	<b>3,170,000</b>	<b>3,190,000</b>
11	<b>Operational boundary - (Note 5)</b>			
	borrowing	2,200,000	2,300,000	2,350,000
	other long term liabilities	720,000	700,000	670,000
	<b>TOTAL</b>	<b>2,920,000</b>	<b>3,000,000</b>	<b>3,020,000</b>
14	<b>Upper limit for fixed interest rate exposure</b> expressed as either:- Net principal re fixed rate borrowing / investments OR:- Net interest re fixed rate borrowing / investments	115%	115%	115%
15	<b>Upper limit for variable rate exposure</b> expressed as either:- Net principal re variable rate borrowing / investments OR:- Net interest re variable rate borrowing / investments	40%	40%	40%
17	<b>Upper limit for total principal sums invested for over 364 days (Note 5)</b> (per maturity date)	150,000	150,000	150,000
18	<b>Net Debt as a percentage of Gross debt</b>	99.4%	99.4%	99.5%

16	Maturity structure of fixed rate borrowing as at 31/03/2018	Lower Limit	Cumulative Upper Limit	Projected 31/03/2018
	under 12 months	0%	15%	2.76%
	12 months and within 24 months	0%	20%	5.43%
	24 months and within 5 years	0%	35%	11.52%
	5 years and within 10 years	0%	40%	5.06%
	10 years and within 20 years			1.67%
	20 years and within 30 years			0.00%
	30 years and within 40 years	25%	90%	41.21%
	40 years and within 50 years			24.02%
	50 years and above			8.33%
				100%

## Notes.

- The indicator for the ratio of financing costs to net revenue stream for General Fund is now calculated based on the Net Revenue Charge less the Dedicated Schools Grant (DSG). The Government changed the funding of education to DSG from 2006/07.
- The code requires that the Council identifies the capital financing costs arising from unsupported borrowing expressed as the amount per band D property.
- In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that net external borrowing does not exceed the total capital financing requirement in the preceding year plus estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.
- Prudential indicator 12 relates to actual external debt at 31st March, which will be reported in the Treasury Management Annual Report.
- Prudential indicator 13 relates to the adoption of the CIPFA Code of Practice on Treasury Management. The Council formally adopted this Code of Practice in March 2003, and the revised code in February 2010 and 2012

# Prudential Code Monitoring 2017/18 - Debt



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**Report of the Chief Officer Financial Services**

**Report to Executive Board**

**Date: 15<sup>th</sup> November 2017**

**Subject: Capital Programme Quarter 2 Update 2017-2021**

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 report sets out the latest capital programme position for both the General Fund and the Housing Revenue Account (HRA).
2. The Council continues to deliver significant capital investment across the city which will provide improved facilities and infrastructure and supports the Leeds economy, whilst ensuring the impact on debt costs within the revenue budget continues to be managed.
3. Whilst the capital programme remains affordable in 2017-18 and within the £4m increase in debt costs built into the medium term financial strategy for 2018-19, ongoing reviews will consider the continued affordability of debt costs in future years in the context of: planned expenditure and the Best Council Plan priorities; projections on interest rates; and the strength of the Council's balance sheet to fund capital spend. Scheme phasing will continue to be monitored to ensure that it is accurate and realistic.
4. There are a number of significant pressures building within the capital programme, including the Learning Places Programme deficit that are being reviewed and will be reported in the February 2018 update of the capital programme. Major and annual schemes continue to progress, with no significant concerns to report at this stage as set out in **Appendix C**.
5. The HRA programme remains affordable over the next 3 years.

## Recommendations

Executive Board is requested to:

1. Note the latest position at quarter 2 on the General Fund and HRA capital programmes;
2. Note the net increase in the General Fund and HRA capital programme 2017- 2021 of £337.5m since the setting of the capital programme in February 2017. These injections are listed in Appendix D; £64.1m of schemes require approval as part of this report;
3. Note that the borrowing required to fund the capital programme in 2017-18 has reduced by £5.4m since the February capital programme update 2017. The capital programme remains affordable within the approved debt budget for 2017-18, and that further work is underway through regular capital programme reviews to ensure that future debt costs are maintained within the overall medium term financial strategy;
4. Approve the following £64.1m of injections into the capital programme as set out below and in Appendix D:
  - £38.2m education grants funding;
  - £9.6m additional Better Care Fund grant;
  - £5.4m annual programme injections reconciling to the medium term financial strategy as set out in Appendix B funded by LCC borrowing;
  - £5.0m Local Centres Programme;
  - £3.1m other grants and contributions;
  - £2.0m Grand Quarter Townscape Heritage Scheme Grant;
  - £0.8m capital receipts incentive scheme (CRIS) as detailed at Appendix E;
5. The above decision to inject funding will be implemented by the Chief Officer Financial Services.

## 1. Purpose of this report

- 1.1. The purpose of the report is to provide Members with an update on the capital programme position as at quarter 2 the end of September 2017. The report includes 7 appendices as listed at the end of the report. The report also seeks some specific approvals in relation to funding injections per Appendix D.

## 2. Background information

- 2.1. The capital programme approved by Council in February 2017 projected expenditure of £880.6m from 2017-20. This included borrowing of £382.0m over the period, including £160.0m in 2017-18. The cost of financing this borrowing was included in the debt budget also approved in February.
- 2.2. In June 2017 the outturn capital programme update was presented to Executive Board. This highlighted the 2017-20 capital programme had increased from £880.6m to £947.5m in June 2017 taking account of the outturn position and injections to the programme within that period. The forecast expenditure funded from borrowing for 2017-20 had increased from £382.0m to £403.0m.

## 3. Capital Programme

### 3.1. Capital Programme Latest Position 2017/21

- 3.1.1. The 2017-21 gross capital programme currently stands at £1,218.1m, an increase of £337.5m since the February 2017 Capital Programme update to EB. Appendix D details the £64.1m of new injections as part of this report and £273.4m of injections made since February. The main injections are £121.6m for ELOR, Leeds Public Transport Investment Programme of £100m, Education Grant Funding £38.2m and additional Better Care fund grant of £9.6m all of which are detailed at appendix D. The current overall forecast position is set out in Appendix A.
- 3.1.2. The General Fund capital programme currently stands at £885.8m for this period. It provides for investment in improved facilities and infrastructure and also has an impact on the Leeds economy through supporting jobs and income and business generated throughout the city. The HRA capital programme currently provides for capital investment of £332.3m for the 3 years 2017-18 through to 2019-20.
- 3.1.3. The programme includes an increase in borrowing of £77.5m to £459.5m since the February 2017 capital programme. This is mainly due to the LCC contribution to the ELOR programme of £43.6m, our Strategic Investment Fund £8.5m, the additional £5.4m annual programmes needed to reconcile to the medium term financial strategy as set out in Appendix B (£4.6m for general capitalisation and £0.8m for interest capitalisations on our assets), £5m for the Local Centres Programme, £4m for the development of a new Waste Depot at Newmarket Approach, £3.7m contribution to the West Yorkshire Playhouse refurbishment, £3.3m contribution to the District Heating Network, £1.5m for the Empty Homes Strategy, £1.4m for City Centre Access Restrictions and £1.1m of various other smaller programmes.
- 3.1.4. A review of the Leeds funded element of the capital programme took place after outturn and recognised that capital spend reflects a realistic priority based

programme that contributes to the delivery of the Best Council Plan. Work continues to address capacity to deliver the current programme. The revised programme remains affordable in 2017/18 and within the £4m increase in debt costs for 2018/19 that is included within the medium term financial strategy.

### 3.1.5. Capital Programme 2017-18

3.1.6. The latest capital programme resources position for General Fund and HRA in 2017-18 is shown in Table 1 below.

**Table 1 - Capital Resources Position**

	2017/18		
	Capital Programme Feb 2017 £m	Latest Quarter 2 £m	Variance £m
Forecast Expenditure	<b>380.5</b>	<b>374.6</b>	<b>(5.9)</b>
<b>Funded By;</b>			
Borrowing	160.0	154.6	(5.4)
Government Grants	107.5	119.9	12.4
HRA Self Financing	81.5	69.3	(12.2)
Other Grants & Contributions	9.8	15.7	5.9
HRA Right to Buy Receipts	20.7	13.4	(7.3)
Revenue / Reserves	1.0	1.7	0.7
<b>Total Forecast Resources</b>	<b>380.5</b>	<b>374.6</b>	<b>(5.9)</b>

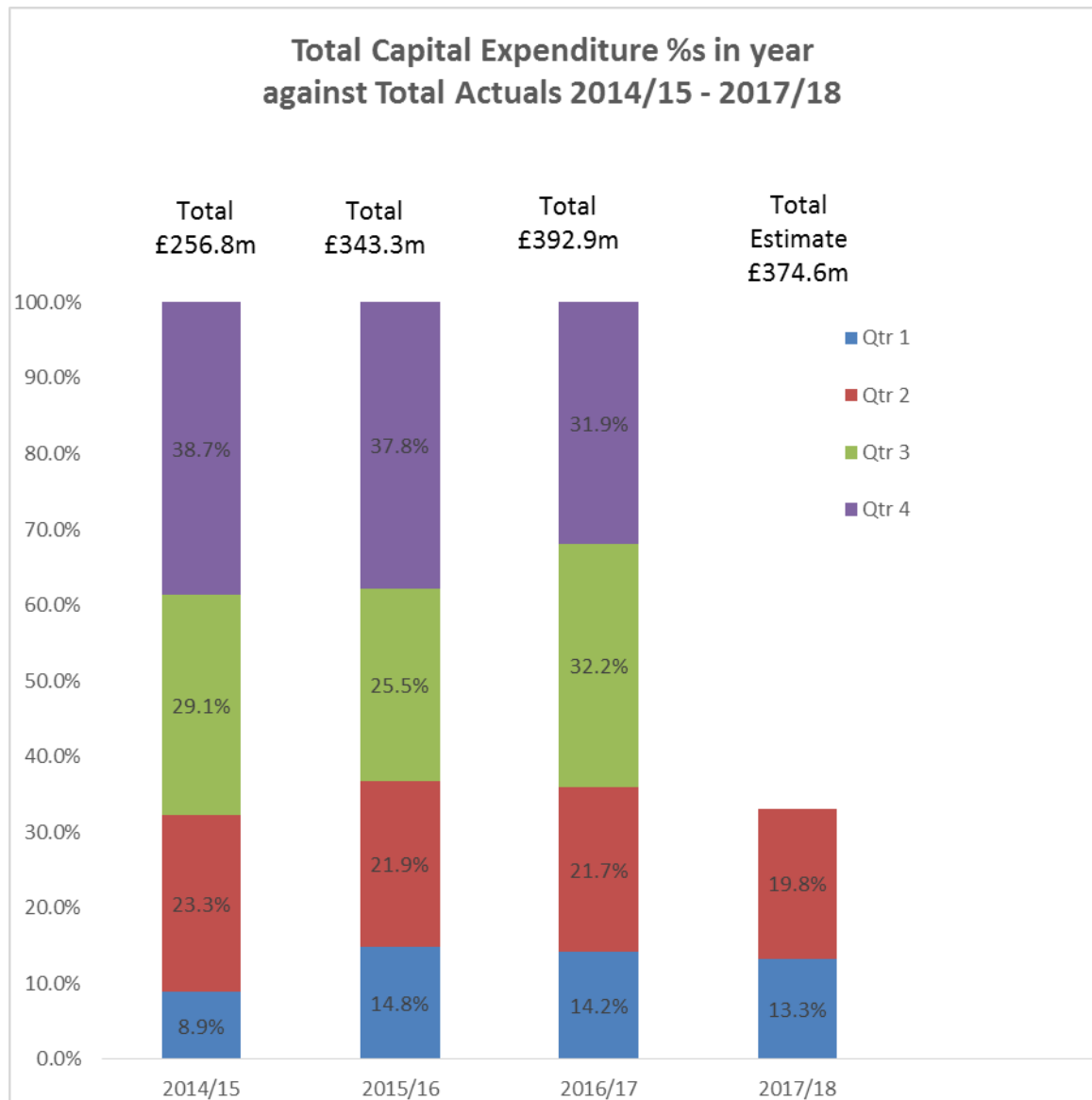
3.1.7. Table 1 details current projected resources in 2017-18 of £374.6m a reduction of £5.9m since the February 2017 capital programme update to EB. The LCC borrowing figure for 2017/18 has reduced by £5.4m.

3.1.8. The LCC Borrowing figure of £154.6m per table 1 includes £70.1m of schemes where a revenue provision is set aside either from schemes with supported income streams or schemes which result in overall revenue savings (spend to save schemes). Annual programmes account for £50.7m LCC resources as set out in Appendix B (supported by £6.1m of grant) and other major programmes have LCC borrowing provision of £33.8m.

3.1.9. Spend to quarter 2 is in line with previous years but is still relatively low at £124.0m or 33.1% of the projection to the year end of £374.6m as shown in Graph 1.



Graph 1: Percentage spend rates per Quarter

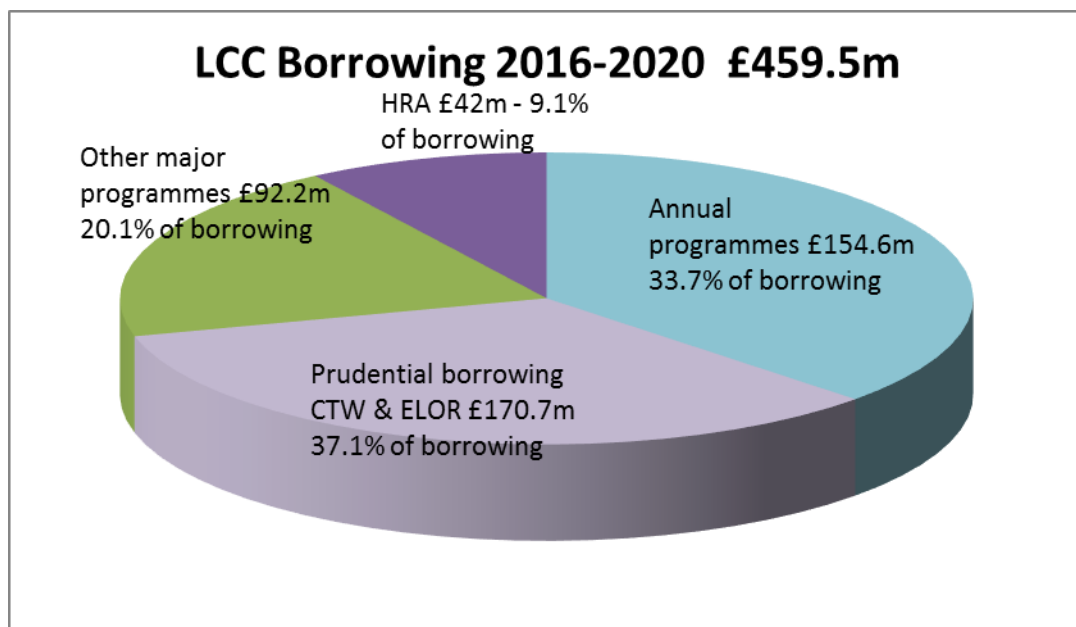


### 3.1.10. Capital Programme Affordability

3.1.11. The capital programme remains affordable and details are contained within the Treasury Management report elsewhere on the agenda. The level of spend in 2017-18 onwards has been adjusted to reflect a more realistic profile and lower projections on interest costs. The debt cost of the revised capital programme remains within the 2017-18 budget and is expected to be contained within the £4m estimated increase for 2018-19 forecasted within the medium term financial strategy. This projection will continue to be adjusted for the level of capital spend, interest rate assumptions and strength of the Council's balance sheet. This approach will continue to inform the Council's medium term financial strategy before setting the debt budget requirement in the following years

3.1.12. Overall the level of borrowing required to fund the full 2017-21 capital programme is £459.5m. Of this, £367.3m or 79.9% relates to capital expenditure that is funded by additional income or generates revenue savings or ensures that our assets are maintained to an acceptable standard. The remaining 20.1% or £92.2m supports the Best Council Plan objectives. The split of LCC borrowing for the full programme is shown in the pie chart below.

Pie Chart 1 – LCC Borrowing Split 2017-2021



3.1.13. Whilst the programme remains affordable there are pressures building seeking potential further capital investment. These pressures continue to be addressed across Directorates and will be finalised as part of the capital programme setting in February 2018. The major item on the future pressures list relates to £79.9m Learning Places Programme.

### 3.2. Major Programmes and Other Directorate schemes

3.2.1 The major programmes and other directorate schemes continue to make significant progress as set out in the narrative in Appendix F. Ongoing reviews and more efficient monitoring of the full programme has allowed us to better cashflow the programme and predict more accurate borrowing levels earlier in the process. Major scheme programme boards continue to address issues when they arise and ensure the governance and effective delivery of these programmes. The major programmes and other smaller schemes within objectives are summarised at Appendix C and are listed under the Best Council Plan objectives and priorities for delivery of the capital programme.

3.2.2 Members are asked to note that this report reflects other items with capital implications elsewhere on this agenda which include the Local Centres Programme (LCP), The Grand Quarter Townscape Heritage scheme and an update “Beyond Decent Homes – The 2018 Housing Revenue Account Capital Investment Plan”.

### **3.3. Capital Receipts Incentive Scheme**

- 3.3.1 The establishment of a Capital Receipts Incentive Scheme (CRIS) was approved by Executive Board in October 2011. The key feature of the scheme is that 20% of each net receipt generated will be retained locally for re-investment, subject to a maximum per receipt of £100k, with 15% retained by the respective Ward and 5% pooled across the Council and distributed to Wards on the basis of need via community committees.
- 3.3.2 Some receipts are excluded from the scheme and these are largely receipts that are that are already assumed to fund the Council's budget or are earmarked in some other way to previous or future spend.

**Appendix E** details the additional CRIS allocations to wards and community committees for the period September 2016 to March 2017 and April to September 2017, and identifies the total balance of resources available for use. Executive Board is requested to approve the injection of £798.0k into the Capital Programme.

### **3.4. Economic Impact of the Capital Programme**

- 3.4.1 An assessment of the economic impact of the Council's capital programme investment has been undertaken which makes use of the Regional Econometric Model (REM) which can estimate the wider economic impact of the capital programme through multiplier effects. The key points below estimate the economic impact for Leeds and the Leeds City Region from 2017-2021:
- An estimated peak of 5,177 net additional FTE job roles in Leeds will be created over the four years through Leeds City Council capital expenditure generating over £1,065m Gross Value Added (GVA) for the Leeds economy.
  - In addition a further net additional 209 jobs and £20m GVA will be created in the wider Leeds City Region by our capital expenditure
  - In total, it is therefore estimated that Leeds City Council capital expenditure between 2017-2021 will create a peak of 5,386 FTE jobs and generate £1,085m GVA in the Leeds City Region.
- 3.4.2 In addition to the use of the Regional Econometric Model (REM) to determine the effect on the economy, further analysis is ongoing to assess the impact employment and skills obligations within Council contracts have on jobs and apprenticeships.

### **3.5 Prudential Code and Treasury Management Code**

- 3.5.1 Members are asked to note that cipfa has consulted upon changes to the prudential code and treasury management code. The changes when published, will be reported in the next update to Executive Board.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Consultation on the Council's budget proposals, including the capital programme, took place prior to the finalisation and approval of the budget in February 2017. This report gives an update on progress at quarter 2 within the approved capital

programme. This report also seeks to inject funding for specific proposals for which the necessary consultations will take place when the individual schemes are implemented by services.

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

4.2.1 The capital programme sets out a plan of capital expenditure over future years and further spending decisions are taken in accordance with capital approval processes, as projects are developed. This is when more detailed information will be available as to where in the city capital spending will be incurred and the impact on services, buildings and people. Service Directorates will include equality considerations as part of the rationale in determining specific projects from capital budgets.

## **4.3 Council policies and Best Council Plan**

4.3.1 Capital objectives are set out as part of the February 2017 budget process and the capital programme approved in February 2017 is structured to show schemes under these objectives. The schemes have been drawn up in conjunction with the 2017-18 budget and seek to ensure that the Council's financial resources are directed towards its policies and priorities and, that these policies and priorities as part of the Best Council Plan are affordable.

## **4.4 Resources and value for money**

4.4.1 The resource implications of this report are detailed in section 3 above. For the capital programme to be sustainable, the Chief Officer Financial Services must be satisfied that the cost of borrowing currently included in the capital programme can be contained within the approved revenue debt budget. The updated capital programme funding statement set out in appendix A shows that the total cost of borrowing for 2017-18 is £154.6m and remains affordable.

4.4.2 For HRA, the position set out in Appendix A and current monitoring procedures shows that expenditure can be managed within available resources for 2017-18.

4.4.3 In order to ensure that schemes meet Council priorities and are value for money, the Chief Officer Financial Services has processes in place to ensure:

- the introduction of new schemes into the capital programme will only take place after completion and approval of a full business case and identification of the required resources;
- promotion of best practice in capital planning and estimating to ensure that scheme estimates and programmes are realistic;
- the use of departmental unsupported borrowing for spend to save schemes is based on individual business cases and in the context of identifying the revenue resources to meet the borrowing costs.

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

4.5.1 The recommendations in this report are available for call in and there are no other legal implications arising from this report.

## **4.6 Risk Management**

4.6.1 One of the main risks in managing the capital programme is that insufficient resources are available to fund the programme. As the capital programme is fully funded this risk lies within the treasury management of the debt budget. Monthly monitoring procedures are in place for expenditure, resources and capital receipts and debt monitoring to ensure that this risk can be managed effectively.

4.6.2 In addition, the following measures are in place:

- ensuring written confirmation of external funding is received prior to contractual commitments being entered into
- provision of a contingency within the capital programme to deal with unforeseen circumstances
- compliance with both financial regulations and contract procedure rules to ensure the Council's position is protected.
- ensuring all major programmes are supported by programme boards

4.6.3 The aspiration remains not to increase the level of debt and for new schemes to be fully funded (either by external resources or departmental prudential borrowing), or are essential (under health and safety grounds or in order to ensure Council assets are maintained for continued service provision). However, scope exists for the Council to progress priority schemes whilst retaining a realistic and affordable programme within the current debt budget projections.

## **5 Conclusions**

5.1 The Council continues to deliver significant capital investment across the city which will provide improved facilities and infrastructure and also support the Leeds economy, whilst ensuring the impact on debt costs within the revenue budget is managed.

5.2 The report concludes that the capital programme shows an increase in the overall resources required to fund the 2017-2021 capital programme of £337.5m since the February capital programme update. These injections are listed in Appendix D; £64.1m of schemes require approval as part of this report;

5.3 A further review of current scheme profiles and capacity to deliver the capital programme is ongoing and will be reported back to Members in the 2018-19 capital programme update in February 2018.

5.4 For HRA, forecast expenditure can be contained within available resources in 2017/18.

## **6 Recommendations**

Executive Board is requested to:

6.1 Note the latest position at quarter 2 on the General Fund and HRA Capital programmes;

- 6.2 Note the net increase in the General Fund and HRA Capital Programme 2017-2021 of £337.5m since the setting of the capital programme in February 2017. These injections are listed in Appendix D; £64.1m of schemes require approval as part of this report;
- 6.3 Note that the borrowing required to fund the Capital Programme in 2017-18 has reduced by £5.4m since the Feb Capital Programme update 2017. The Capital Programme remains affordable within the approved debt budget for 2017-18, and that further work is underway through regular capital programme reviews to ensure that future debt costs are maintained within the overall Medium Term Financial Strategy;
- 6.4 Approve the following £64.1m of injections into the capital programme as set out below and in Appendix D:
- £38.2m education grants funding;
  - £9.6m Better Care Fund grant;
  - £5.4m annual programme injections reconciling to the medium term financial strategy as set out in Appendix B funded by LCC borrowing;
  - £5.0m Local Centres Programme;
  - £3.1m other grants and contributions;
  - £2.0m Grand Quarter Townscape Heritage Scheme Grant;
  - £0.8m capital receipts incentive scheme (CRIS) as detailed at Appendix E;
- 6.5 The above decision to inject funding will be implemented by the Chief Officer Financial Services.

## **Appendices**

A – Capital Programme Funding Statement 2017-2021

B – Annual Programmes

C – Major Programmes and Other Schemes

D – Net Capital Programme Injections ( February 2017 to September 2017 )

E – Capital Receipts Incentive Scheme (CRIS) Injections

F – Major schemes within each objective 2017–2021

G – Equality, Diversity, Cohesion and Integration Screening Document

Background documents<sup>1</sup> None

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

Capital Programme Funding Statement 2017-2021

Appendix A

	2017/18 £000	2018/19 £000	2019/20 £000	2020 & on £000	Total £000
<b>EXPENDITURE</b>					
<b>GENERAL FUND (GF)</b>					
IMPROVING OUR ASSETS	120242	78363.8	55436.1	20381.8	274,423.7
INVESTING IN MAJOR INFRASTRUCTURE	21690.1	61917	78340.7	97271.7	259,219.5
SUPPORTING SERVICE PROVISION	105529	64040.8	33118.9	21163.6	223,852.3
INVESTING IN NEW TECHNOLOGY	9000.7	5544.7	6192.8	0	20,738.2
SUPPORTING THE LEEDS ECONOMY	20226.5	21566.1	13833	2819	58,444.6
CENTRAL & OPERATIONAL EXPENDITURE	11990.8	6900	23115.6	7169.2	49,175.6
<b>TOTAL ESTIMATED SPEND ON GF</b>	<b>288,679.1</b>	<b>238,332.4</b>	<b>210,037.1</b>	<b>148,805.3</b>	<b>885,853.9</b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>					
IMPROVING OUR ASSETS - COUNCIL HOUSING	85926.9	86582.7	131170	28620.2	332,299.8
<b>TOTAL ESTIMATED SPEND ON HRA</b>	<b>85,926.9</b>	<b>86,582.7</b>	<b>131,170.0</b>	<b>28,620.2</b>	<b>332,299.8</b>
<b>TOTAL ESTIMATED SPEND</b>	<b>374,606.0</b>	<b>324,915.1</b>	<b>341,207.1</b>	<b>177,425.5</b>	<b>1,218,153.7</b>
<b>RESOURCES</b>					
<b>GENERAL FUND (GF)</b>					
<b>Specific Resources</b>					
GOVERNMENT GRANTS	118,888.7	125,837.4	106,338.8	90,130.7	441,195.6
OTHER GRANTS & CONTRIBUTIONS	15,181.0	6,936.2	2,760.6	2,271.8	27,149.6
<b>Corporate Resources</b>					
BORROWING - Corporate	84,509.2	76,628.3	89,923.7	39,423.4	290,484.6
BORROWING - Departmental Prudential borrowing	70,100.2	28,930.5	11,014.0	16,979.4	127,024.1
<b>CAP. RESOURCES REQD FOR GF</b>	<b>288,679.1</b>	<b>238,332.4</b>	<b>210,037.1</b>	<b>148,805.3</b>	<b>885,853.9</b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>					
<b>Specific Resources</b>					
HRA SELF FINANCING	69317.3	68714.3	72958.8	20120.2	231,110.6
R.T.B. CAPITAL RECEIPTS	13356	11567.6	20036.7	-3500	41,460.3
GOVERNMENT GRANTS	1030.6	941.3	7691	0	9,662.9
OTHER CONTRIBUTIONS	2,223.0	2,954.7	2,888.3	0.0	8,066.0
BORROWING - Departmental	0	2404.8	27595.2	12000	42,000.0
<b>CAP. RESOURCES REQD FOR HRA</b>	<b>85,926.9</b>	<b>86,582.7</b>	<b>131,170.0</b>	<b>28,620.2</b>	<b>332,299.8</b>
<b>TOTAL CAP. RESOURCES REQD</b>	<b>374,606.0</b>	<b>324,915.1</b>	<b>341,207.1</b>	<b>177,425.5</b>	<b>1,218,153.7</b>
	0.0	0.0	0.0	0.0	
BORROWING REQUIRED TO FUND THIS PROGRAMME	154,609.4	107,963.6	128,532.9	68,402.8	459,508.7
Average Interest rate (subject to change)	0.50%	0.75%	0.75%	1.00%	

## Appendix B

### ANNUAL PROGRAMMES

Best Council Plan Objectives for the Capital Programme	2017/18 £000	2018/19 £000	2019/20 £000	2020 & on £000	Total £000
<b>Improving Our Assets</b>					
Highways Maintenance	11,000	12,000	13,000	0.0	36,000
Highways Maintenance Capitalisations	4,000	4,000	4,000	0.0	12,000
Highways Maintenance <b>Note 1</b>	1,023	0	0	0.0	1,023
Schools Capital expenditure	3,500	3,500	3,286	0.0	10,286
Heritage Assets	2,000	2,000	2,000	0.0	6,000
Corporate Property Maintenance	1,500	1,500	1,500	0.0	4,500
General Refurbishment Schools	1,000	1,000	1,000	0.0	3,000
Demolition	1,000	1,000	1,000	0.0	3,000
Fire Risk Assessments - Remedial Works	1,100	1,000	1,000	0.0	3,100
Library Books	700	700	700	0.0	2,100
Sports Maintenance	500	500	500	0.0	1,500
Sports Maintenance <b>Note 1</b>	400	100	0	0.0	500
Traffic Management Programme	200	200	200	0.0	600
Civic Hall Backlog Maintenance	250	250	250	0.0	750
Improving our assets slippage adjustments	5,538	253	677	86	6,553
	33,711	28,003	29,112	86	90,912
<b>Supporting Service Provision</b>					
Adaptations - DFG LCC Funding	2,869	2,869	2,869	0.0	8,607
Adaptations - Grant & External <b>Note 1</b>	4,649	4,649	4,649	0.0	13,947
Telecare (ASC)	400	400	400	0.0	1,200
Adaptation to Private Homes outside of scope	400	400	400	0.0	1,200
Supporting Service provision slippage adjustments	124.8	-100	0	738	763
	8,443	8,218	8,318	738	25,717
<b>Investing In New Technology</b>					
Essential Services Programme	2,900	2,900	2,900	0.0	8,700
Essential Services Programme Staffing	1,200	1,200	1,200	0.0	3,600
Investing in New Technology slippage adjustments	1,923.3	-100.0	100.0	0.0	1,923
	6,023	4,000	4,200	0	14,223
<b>Supporting The Leeds Economy</b>					
Project Support Fund - Groundwork	70	70	70	67	277
Supporting the Leeds Economy adjustments	0.0	0	0	0.0	0
	70	70	70	67	277
<b>Central &amp; Operational Expenditure</b>					
General Capitalisation	4,000	4,000	1,423	0	9,423
General Capitalisation reconciling to the medium term financial strategy	0	1,000	3,576.9	0.0	4,577
Vehicle Programme	3,317	500	16,599	0	20,416
Capital Programme Management	600	600	600	0.0	1,800
Capitalisation Interest	300	300	242.4	0	842
Capitalisation Interest reconciling to the medium term financial strategy	370	200	257.6	0.0	828
Central and Operational adjustments	0	0	0	14	14
	8,587	6,600	22,699	14	37,900
<b>Total Annual Programmes</b>	<b>56,834.0</b>	<b>46,890.8</b>	<b>64,399.2</b>	<b>904.2</b>	<b>169,028.2</b>
<b>Total Annual Programme Injections at quarter 2</b>	<b>370.0</b>	<b>1,200.0</b>	<b>3,834.5</b>	<b>0.0</b>	<b>5,404.5</b>

**Note 1** - These lines are made up of additional grant funding £14,720.0k and estimated external income of £750.0k. The net LCC element for 2017/18 is £50,729.6k per 3.1.8 within the main report. The annual programme injections within the quarter 2 report amount to **£5,404.5k** as set out in the above table.



MAJOR PROGRAMMES & OTHER SCHEMES

Appendix C

Major Programmes & Other Directorate schemes	2017/18 £000	2018/19 £000	2019/20 £000	2020 & On £000	Total £000
<b>Improving our assets - Council Housing</b>					
HRA Housing Leeds Refurbishment & BITMO	68,891.3	76,720.0	81,840.4	28,620.2	256,071.9
HRA Council Housing Growth	17,035.6	9,862.7	49,329.6	0.0	76,227.9
<b>Improving our assets</b>					
Childrens - Cap Maint & Devolved Formula Capital	9,928.5	11,197.8	8,535.3	14,986.1	44,647.7
Changing the Workplace	23,414.7	10,645.0	0.0	0.0	34,059.7
Bridges and Structures	8,495.2	5,590.0	4,800.0	0.0	18,885.2
Highways Maintenance LTP	6,296.5	5,000.0	5,000.0	0.0	16,296.5
Section 278 and Section 106 schemes	5,343.8	3,914.1	2,988.4	3,000.0	15,246.3
Strategic Acquisitions	10,066.4	401.6	0.0	0.0	10,468.0
Highways Transport package	2,704.1	2,239.7	2,000.0	2,310.7	9,254.5
Highways Junction Improvements	3,373.6	5,418.0	720.0	0.0	9,511.6
Whinmoor Nursery	6,942.4	924.0	0.0	0.0	7,866.4
Aire Valley (Temple Green ) Park and Ride	1,815.0	1,500.0	0.0	0.0	3,315.0
Community Hubs	1,840.8	914.1	0.0	0.0	2,754.9
Conversion of RCV vehicles to Gas	0.0	744.0	840.0	0.0	1,584.0
Leeds City Centre Network Improvements	657.3	600.0	0.0	0.0	1,257.3
Highways Adoption of 32 roads	1,040.4	0.0	0.0	0.0	1,040.4
Other schemes within the objective	4,612.2	1,272.7	1,440.3	-0.5	7,324.7
	<b>172,457.8</b>	<b>136,943.7</b>	<b>157,494.0</b>	<b>48,916.5</b>	<b>515,812.0</b>
<b>Investing in Major Infrastructure</b>					
East Leeds Orbital Road	4,958.0	18,000.0	45,268.5	54,889.1	123,115.6
Leeds Public Transport Investment Programme	5,000.0	30,360.0	31,000.0	42,382.6	108,742.6
Flood Alleviation Schemes	7,667.7	7,015.0	1,850.7	0.0	16,533.4
Cycle City Ambition	3,569.1	4,604.2	0.0	0.0	8,173.3
City Centre Vehicle Access	1,000.0	400.0	0.0	0.0	1,400.0
Energy Efficiency & Green Deal	410.0	421.3	0.0	0.0	831.3
Other schemes within the objective	-914.7	1,116.5	221.5	0	423.3
	<b>21,690.1</b>	<b>61,917.0</b>	<b>78,340.7</b>	<b>97,271.7</b>	<b>259,219.5</b>
<b>Supporting Service Provision</b>					
Childrens Learning Places - (Basic Need Grant)	45,544.3	34,724.8	18,675.7	1,079.1	100,023.9
Childrens SEMH (Social Emotional Mental Health )	31,088.1	1,473.2	272.8	3.0	32,837.1
Social Care and Health Fund	1,113.5	2,955.0	2,780.0	18,105.0	24,953.5
District Heating Network	10,119.8	11,000.0	0.0	0.0	21,119.8
Private sector Renewal - Equity Loans	1,044.8	1,157.3	1,189.1	802.3	4,193.5
Waste Depot and residual Kirkstall HWSS	1,431.8	2,828.7	69.3	0.0	4,329.8
Adults & Health Various Schemes	1,993.0	774.2	0.0	0.0	2,767.2
Other schemes within the objective	4,750.9	909.6	1,814.0	436.3	7,910.8
	<b>97,086.2</b>	<b>55,822.8</b>	<b>24,800.9</b>	<b>20,425.7</b>	<b>198,135.6</b>
<b>Investing in New Technology</b>					
Customer Access Phase 1 & 2	1,073.0	950.0	1,409.2	0.0	3,432.2
ASC Care Act Implementation Systems work	639.8	416.3	416.3	0.0	1,472.4
Other schemes within the objective	1,264.6	178.4	167.3	0.0	1,610.3
	<b>2,977.4</b>	<b>1,544.7</b>	<b>1,992.8</b>	<b>0.0</b>	<b>6,514.9</b>
<b>Supporting the Leeds Economy</b>					
West Yorkshire Playhouse	1,046.6	10,450.0	2,090.0	0.0	13,586.6
Local Centres Programme & Townscape Heritage Initiative	2,659.4	4,165.1	3,809.6	1,750.0	12,384.1
Aire Valley Enterprise Zone & Logic Leeds Spine road	547.8	834.2	5,760.0	0.0	7,142.0
Holbeck Group Repair	3,797.1	0.0	0.0	0.0	3,797.1
City Region Revolving Infrastructure Fund	2,590.6	1,059.3	0.0	0.0	3,649.9
Digital Business Incubators	2,629.4	1,000.0	0.0	0.0	3,629.4
Public Realm Various	914.8	1,648.0	302.6	100.0	2,965.4
Kirkgate Market Strategy	1,197.6	500.0	0.0	0.0	1,697.6
Southbank Regeneration (HUV)	862.9	550.0	200.0	0.0	1,612.9
Grand Theatre Works	1,374.6	0.0	0.0	0.0	1,374.6
Ward Based, Committee Welbeing & CRIS	13.0	698.3	698.6	698.7	2,108.6
Other schemes within the objective	2,522.7	591.2	902.2	203.7	4,219.8
	<b>20,156.5</b>	<b>21,496.1</b>	<b>13,763.0</b>	<b>2,752.4</b>	<b>58,168.0</b>
<b>Central &amp; Operational Expenditure</b>					
Contingency General Capital Programme	300.0	300.0	300.0	6,155.0	7,055.0
Transformational Change	3,000.0	0.0	116.5	0.0	3,116.5
Contingency Special Emergencies	104.0	0.0	0.0	1,000.0	1,104.0
	<b>3,404.0</b>	<b>300.0</b>	<b>416.5</b>	<b>7,155.0</b>	<b>11,275.5</b>
<b>Total Major Programmes &amp; Other smaller schemes</b>	<b>317,772.0</b>	<b>278,024.3</b>	<b>276,807.9</b>	<b>176,521.3</b>	<b>1,049,125.5</b>
<b>Annual Programmes (See Appendix B)</b>	56,834.0	46,890.8	64,399.2	904.2	169,028.2
<b>Total Capital Programme</b>	<b>374,606.0</b>	<b>324,915.1</b>	<b>341,207.1</b>	<b>177,425.5</b>	<b>1,218,153.7</b>
<b>LCC Borrowing</b>					
Corporate Borrowing	84,509.2	76,628.3	89,923.7	39,423.4	290,484.6
Departmental Borrowing	70,100.2	28,930.5	11,014.0	16,979.4	127,024.1
HRA Borrowing	0.0	2404.8	27595.2	12000	42,000.0
<b>TOTAL Borrowing</b>	<b>154,609.4</b>	<b>107,963.6</b>	<b>128,532.9</b>	<b>68,402.8</b>	<b>459,508.7</b>
LCC resources in system	154,609.4	107,963.6	128,532.9	68,402.8	459,508.7
Capital Programme	374,606.0	324,915.1	341,207.1	177,425.5	1,218,153.7
<b>% LCC resources 2017-2021</b>	<b>41.3%</b>	<b>33.2%</b>	<b>37.7%</b>	<b>38.6%</b>	<b>37.7%</b>

	Corporate Borrowing £000	Borrowing Supported by Revenue £000	Specific Resources £000	Total Resources £000
Injection of Education Grants Funding			38,182.0	38,182.0
Better Care Fund Grant Injection			7,768.0	7,768.0
Annual Programmes Injection reconciling to the medium term financial strategy	5,404.5		0.0	5,404.5
Local Centres Programme	5,000.0			5,000.0
Grand Quarter Townscape Heritage scheme	0.0		2,000.0	2,000.0
Reinjection of BCF Grant as not utilised in 16/17			1,800.0	1,800.0
DFC Grant Injection			1,446.8	1,446.8
CRIS Injection Oct '16 to Mar '17	673.2			673.2
Injection of Public Health Grant			377.5	377.5
Dept of Health Funding Injection			359.3	359.3
City Centre Waterfront Public Realm funding pressure	300.0			300.0
Injection of Yorkshire Water contribution re FAS1 Scheme			299.9	299.9
Injection re Green Deal funding returned from Leeds City Region	269.4			269.4
CRIS Injection Apr '17 to Sep '17	124.8			124.8
Injection of ERDF Funding into HRA Schemes			105.0	105.0
<b>Net Injections sought as part of this report</b>	<b>11,771.9</b>	<b>0.0</b>	<b>52,338.5</b>	<b>64,110.4</b>
East Leeds Orbital Road	43,642.1		77,922.9	121,565.0
Leeds Public Transport Investment			100,000.0	100,000.0
West Yorkshire Playhouse Refurbishment	3,249.0	500.0	9,291.0	13,040.0
Strategic Acquisitions - Injection re Logic Leeds		8,540.6		8,540.6
Highways Works Grant Injections			7,345.0	7,345.0
District Heating Network		3,276.0	3,100.6	6,376.6
Transformational Change (severance costs)			5,800.0	5,800.0
Waste Depot Development		4,010.5		4,010.5
HRA - RTB Capital Receipts Injection			1,600.0	1,600.0
LCC Borrowing Injection re Empty Homes Strategy	1,500.0			1,500.0
City Centre Access Restrictions	1,400.0			1,400.0
S106 Injection			1,381.1	1,381.1
Quarry Hill Gateway Court Funding Injections	750.0		396.0	1,146.0
Sovereign Square Greenscape	601.4		188.0	789.4
Highways NPIF Grant Injections			742.0	742.0
Additional LTP Funding - LCC confirmed as Band 3 Authority			730.0	730.0
EY Grant Injection re 30hr places for eligible 3 & 4 year olds			705.3	705.3
CIL Injection re Allocation to LP Programme			685.4	685.4
Middleton Mountain Bike Scheme - Grant Injections			683.5	683.5
Injection of additional DFT Grant re Storm Eva			600.0	600.0
CCAG Grant Injection re City Connect 2			543.0	543.0
Clear Air Zone & Air Quality Monitoring / Research			468.0	468.0
RCCO Injection re AIP area of Iveson PS Expansion			400.0	400.0
PS Contribution Injection re Kirkstall Forge			307.0	307.0
Vision for Leisure Centres feasibility	300.0			300.0
Dept Borrowing Injection re Lotherton Hall Coastal Zone Development		230.0		230.0
Dept Borrowing Injection re Scott Hall Bodyline Equipment		153.0		153.0
Ringfenced Capital Receipts Injection re Medical Needs Teaching Service relocations	130.0			130.0
RCCO Injection re Lotherton Hall Xmas Experience 2017			57.0	57.0
HRA - Deletion of HRA Resources following update of HRA Business Plan			-1,669.0	-1,669.0
Deletion of Dept Borrowing in the SEMH Programme		-15,000.0		-15,000.0
Other approvals	6,379.6	-6,873.7	483.8	-10.3
Other 2016/17 approved injections February to Outturn	4,336.9	8,636.4	-4,121.9	8,851.4
<b>Net Injections with approvals in place</b>	<b>62,289.0</b>	<b>3,472.8</b>	<b>207,638.7</b>	<b>273,400.5</b>
<b>Total Net Injections</b>	<b>74,060.9</b>	<b>3,472.8</b>	<b>259,977.2</b>	<b>337,510.9</b>

**Capital Receipts Incentive scheme ( CRIS ) Injections**

Ward Based Initiative (WBI) Allocations						
	CRIS Injection to 15th Sept '16 15% WBI	CRIS Injection 16th Sept '16 - Sep '17 15% WBI	Total CRIS Injection	Total WBI Allocation	Spent / Committed (as at Sept '17)	Total Balance Available
	£000	£000	£000	£000	£000	£000
ADEL AND WHARFEDALE	32.7	0.0	32.7	72.7	50.0	22.7
ALWOODLEY	95.9	0.0	95.9	135.9	119.6	16.3
ARDSLEY AND ROBIN HOOD	20.8	0.0	20.8	60.8	27.2	33.7
ARMLEY	25.4	0.0	25.4	65.4	62.8	2.6
BEESTON AND HOLBECK	56.8	0.0	56.8	96.8	26.0	70.8
BRAMLEY AND STANNINGLEY	82.2	16.7	98.9	138.9	40.7	98.2
BURMANTOFTS AND RICHMOND	52.5	4.5	57.0	97.0	54.0	43.0
CALVERLEY AND FARSLEY	45.3	0.0	45.3	85.3	78.4	6.9
CHAPEL ALLERTON	0.0	0.0	0.0	40.0	40.0	0.0
CITY AND HUNSLET	182.8	251.4	434.2	474.2	3.0	471.2
CROSSGATES AND WHINMOOR	0.0	0.0	0.0	40.0	31.4	8.6
FARNLEY AND WORTLEY	61.9	70.3	132.2	172.2	85.8	86.4
GARFORTH AND SWILLINGTON	15.1	0.0	15.1	55.1	49.4	5.7
GIPTON AND HAREHILLS	190.5	3.7	194.2	234.2	123.6	110.6
GUISELEY AND RAWDON	0.0	0.0	0.0	40.0	40.0	0.0
HAREWOOD	51.6	28.9	80.5	120.5	35.4	85.1
HEADINGLEY	205.1	0.0	205.1	245.1	93.1	151.9
HORSFORTH	0.0	15.5	15.5	55.5	40.0	15.5
HYDE PARK AND WOODHOUSE	217.9	17.2	235.1	275.1	15.5	259.6
KILLINGBECK AND SEACROFT	0.0	0.0	0.0	40.0	40.0	0.0
KIPPAX AND METHLEY	10.8	0.0	10.8	50.8	38.7	12.1
KIRKSTALL	42.4	9.8	52.2	92.2	47.9	44.3
MIDDLETON PARK	28.9	0.0	28.9	68.9	53.5	15.4
MOORTOWN	45.4	0.0	45.4	85.4	76.4	9.0
MORLEY NORTH	4.8	53.0	57.8	97.8	32.5	65.3
MORLEY SOUTH	26.9	0.0	26.9	66.9	39.1	27.8
OTLEY AND YEADON	22.9	44.0	66.9	106.9	43.7	63.2
PUDSEY	102.2	75.0	177.2	217.2	34.8	182.4
ROTHWELL	62.5	0.0	62.5	102.5	47.3	55.2
ROUNDHAY	32.4	8.5	40.9	80.9	72.3	8.6
TEMPLE NEWSAM	50.9	0.0	50.9	90.9	34.3	56.6
WEETWOOD	90.8	0.0	90.8	130.8	64.7	66.1
WETHERBY	0.0	0.0	0.0	40.0	40.0	0.0
<b>TOTALs</b>	<b>1,857.4</b>	<b>598.5</b>	<b>2,455.9</b>	<b>3,775.9</b>	<b>1,681.1</b>	<b>2,094.8</b>

Community Committee Allocations						
Area	CRIS Injection to Sept '16 5% AWB	CRIS Injection Sept '16 to Sep '17 5% AWB	Total CRIS Injection 5% AWB	Transfer from ACW Residual schemes	Spent / Committed (as at Sept '17)	Balance on ACW CRIS
	£000	£000	£000	£000	£000	£000
INNER SOUTH	77.9	25.4	103.3	0.0	5.9	97.4
OUTER SOUTH	63.5	20.6	84.1	29.8	24.8	89.1
OUTER EAST	63.6	20.4	84.0	0.0	16.5	67.5
INNER WEST	54.5	21.9	76.4	0.0	38.9	37.5
INNER NORTH WEST	66.5	16.9	83.4	0.0	51.5	31.9
OUTER WEST	53.5	17.4	70.9	0.0	16.1	54.8
OUTER NORTH WEST	55.2	17.5	72.7	30.0	24.2	78.5
INNER NORTH EAST	55.3	17.7	73.0	0.0	29.2	43.8
INNER EAST	90.8	29.6	120.4	0.0	16.2	104.2
OUTER NORTH EAST	38.3	12.1	50.4	0.0	17.1	33.3
<b>TOTALs</b>	<b>619.1</b>	<b>199.5</b>	<b>818.6</b>	<b>59.8</b>	<b>240.4</b>	<b>638.0</b>

798.0

### Major schemes within each objective 2017- 2021

#### 1. Improving our Assets

##### Housing Revenue Account (HRA)

**Council Housing Growth Programme** – The programme has delivered £32.1m of spend in previous years with an estimated spend of £17m for 2017/18, future spend profiled as £10m in 2018/19 and the residual £49m to complete by 2020/2021. The Council is targeting c£30.0m of council housing growth funding from within the overall programme to support the delivery of extra care housing. The Newbuild programme has delivered 5 schemes which have completed at £18m. 3 schemes are on site with a combined construction value of £11m, Broadlea Street, Garnet Grove and the former Whinmoor Pub with 3 schemes in procurement/feasibility at the Beeches, Nevilles and Meynell Approach. The Empty Homes programme £11.3m has brought 120 homes back into use since 2014. Phase 1 of the programme has delivered 26 homes. Phase 2 the 2015-18 Empty Homes programme has currently delivered 96 homes with a further 8 in conveyancing and one community centre awaiting confirmation which will give a total of 102 homes delivered.

As part of the Council Housing Growth Programme and to support the delivery of the Better Lives Programme, the Council intends to enable the initial delivery of 200 Council owned extra care apartments with the intention that this investment acts as catalyst to promote the wider development of extra care across the city.

An Executive Board report was approved in July 2017 which included recommendations on

- £30m budget for delivery of extra care
- Approval of 6 council owned sites to be dedicated to the delivery of extra care
- Intended procurement strategy for the delivery of extra care (via the North Yorkshire Extra Care Framework).
- Potential revenue savings which will result from the provision of additional extra care housing places across the city.

**Council Housing Investment Programme** – Housing Leeds and BITMO have current funding of £256.0m over the coming 3 year period 2017-20. This investment will allow £80+m in each of the next 3 years which will fulfil a number of LCCs key priorities; improving housing conditions and energy efficiency, improvements to the environment through reduced carbon emissions and supporting more people to live safely in their own homes. A further detailed report on the 10 year investment programme “Beyond Decent Homes – The 2018 Housing Revenue Account Capital Investment Plan” is elsewhere on this board’s agenda.

## **General Fund**

**Changing the Workplace** – The programme continues to progress and £1.5m has been saved from the release of 6 properties. Merrion House has been vacated and over 1,600 staff have been through new ways of working so that services can work more effectively and improve outcomes for the citizens of Leeds. The next phase will see over 2,000 going through the process with Merrion House, St George House and Civic Hall refurbished and made fit for purpose. This will allow the city centre office accommodation to be reduced from 17 to 4 with the surplus properties being released. Works have commenced on site to refurbish and create the new Merrion House with an envisaged date for completion of the base build works (including the tenant enhancements) end of January 2018. Post fit-out it is envisaged that staff would be able to commence a phased occupancy of the building from mid February with all staff having moved into Merrion House by the end of May 2018. Works have commenced to St George House with the first phase completed and the second phase due to complete November 2017 and the final phase being completed once current occupiers have moved to Merrion in 2018.

**Planned Highways Maintenance** – The Highways programme over the next 4 years provides for £387.6m and includes £51.1m of annual programme borrowing up to 2019/20 to address backlog maintenance on district roads/streets. It includes £18.9m for the maintenance of our Bridges and Structures, £15.3m of developer contributions through Section 278/106. Leeds Public Investment Programme has £109m, East Leeds orbital road has £123m. A further £25.5m of Local Transport Plan government grant is provided for within the highways programme for the transport package & other maintenance. Of the total available £17.2m is injected within this report as annual highways maintenance programmes across the four years to 2020/21 set out in Appendix B and £2.7m other as set out in Appendix D.

**Children's Capital Maintenance and Devolved Formula Capital** – the 2017/18 School Condition Allocation of £7m, used to fund the Capital Maintenance Programme, was confirmed on 03/04/17 and the 2017/18 Devolved Formula Capital Grant of £1.6m on 09/06/17. These allocations have reduced over time as more schools have transferred to academy status. To ensure a 3 year capital programme provision based on 2017/18 allocations, injections of £6.2m and £1.4m have been made respectively and injection approval sought as part of this report. Balances are being accumulated within the Capital Maintenance Programme to undertake more substantial refurbishment at prioritised sites.

**Whinmoor Nursery The Arium, Leeds Park Nursery** - The Whinmoor Grange Atrium "The Arium at Whinmoor Grange" was completed on 3<sup>rd</sup> October and an opening event was held from 7<sup>th</sup> to 8<sup>th</sup> October which was attended by 5,000 members of public. Depot enhancements are progressing at Temple Newsam in order to complete the final decant of staff from Redhall.

## **2. Investing in Major Infrastructure**

**East Leeds Orbital Road** - The Council has made good progress in bringing forward the package of transport measures that will be essential to support the

development of the East Leeds Extension strategic growth area. Central to these is the East Leeds Orbital Road, which has now reached a design freeze enabling submission of a planning application in February. The 7km road would unlock the potential to build up to 5000 new homes in the East Leeds Extension and support the wider housing and economic growth of East Leeds. A business case for part funding of the scheme through the West Yorkshire Transport Fund has Gateway 1 approval from WYCA, with a Gateway 2 Business Case to be submitted by the year-end, seeking support to move through to the tender stage of works procurement. The Council is continuing to assume prudential borrowing to meet the initial gap between the available funding and capital cost of the scheme, to be eventually reimbursed through roof tax contributions from house builders.

**Leeds Public Transport Investment programme** – The programme comprises of a package of public transport improvements that, taken together, will deliver a major step change in the quality and effectiveness of our transport network. Headline proposals include:

- A new Leeds High Frequency Bus Network – over 90% of core bus services will run every 10 minutes between 7am and 8pm.
- Additional investment of £71m by First group to provide 284 brand new, comfortable and environmentally clean buses with free wi-fi and contact-less payments which will achieve close to a 90% reduction in NOx emissions by 2020.
- Development of three new rail stations for key development and economic hubs serving Leeds Bradford Airport, Thorpe Park and White Rose. 2000 additional park and ride spaces with the first new site opening at Stourton.
- A 1000 more bus stops with real time information.
- Making three more rail stations accessible at Cross Gates, Morley and Horsforth.
- Creating 21st Century interchanges around Vicar Lane, the Headrow and Infirmary Street and improved facilities in our district centres.

Funding from Leeds and the West Yorkshire Combined Authority (WYCA) of £8.8m and £1m respectively will increase the funding to £183.3m. In addition Private Sector finance including expenditure on more environmentally friendly buses by bus operators could bring the total investment to over £270m.

**Flood Alleviation** – Phase 1 of the Leeds Flood Alleviation Scheme was officially opened on 04/10/17. The £50m scheme provides protection to Leeds City Centre against a 1 in 100 year flood event and has been completed on time and on budget. Formal injection approval is being sought as part of this report for a £0.3m injection from Yorkshire Water to the scheme. September '17 Executive Board approved a report on the emerging proposals for a Phase 2 scheme (flood defences upstream of the City Centre) following the announcement by Government after initially committing to providing £35m between now and 2021 and committing to ensuring the scheme will be able to be completed after this. Widespread engagement with stakeholders is currently being undertaken and a further report is due to be considered by December '17 Executive Board to agree the outline business case submission to DEFRA.

**Cycle City Ambition** - This programme is fully funded by the West Yorkshire Combined Authority (WYCA). Final account issues for the CityConnect1 scheme continue to be progressed. The proposals for CityConnect2 were approved by February '17 Executive Board and the works contract was recently awarded to Carillion Construction Ltd. Works are due to complete in Autumn 2018.

### 3. Supporting Service Provision

**Learning Places (Basic Need)** – On 04/03/17 the Government announced new capital funding for Special Educational Needs and Disabilities (SEND). Leeds will receive £3.2m across a 3 year period from 18/19 to 20/21, which will be managed under the Learning Places Programme. This was followed by an announcement on 03/04/17 confirming the £28.7m 19/20 Basic Need Grant Allocation. Formal injection approval of these amounts are being sought as part of this report. June '17 Executive Board received a Programme update report. It provided authority to spend approval of £19.3m for the next tranche of schemes, reset the programme risk fund to £10.8m and noted a projected funding deficit of £71.2m. The current projected funding deficit has increased to £79.9m with the deficit first arising in 18/19.

**Social Emotional Mental Health** – The £45m programme to provide facilities across 3 schools for children and young people with social, emotional and mental health issues within the city are progressing on site with the schools due to open between January and September 2018. The scheme is funded by £15m of Basic Need Grant and £30m of Borrowing.

**Social Care and Health Fund** – £7.2m over 4 years has been injected into the programme for the Adult & Social Care Health Fund - Digital Improvements Programme (£7.2m of unsupported LCC funding has been replaced with this grant) and now forms part of the £25m total programme) which LCC & Health Partners are setting out proposals for. One of these proposals is the Person Held Record which received approval at September's Executive Board.

**District Heating Network** - Executive Board approved funding of c£17m, alongside £4m of funding from the LEP, to construct the first phase of a citywide district heating network, to pipe lower cost and lower carbon heat from the RERF to businesses and residents in dense urban areas. In order to turn this opportunity into a reality, the Council is working to secure sufficient heat customers to allow the Director of Resources and Housing to sign off the business case. Construction is anticipated to start in the new year. Executive Board also approved related work in Lincoln Green/Ebor Gardens to convert 1,440 flats from electric storage heaters to district heating, and to connect another 543 flats with existing DH systems in Saxton Gardens and Ebor Gardens. This is supported by £5.8m of ERDF monies with the balance coming from the HRA. The Housing network is now being mobilised with construction due to start in November.

**Adaptations to Private Homes** - The adaptations programme has funding of £30m across the next 4 years. This supports in the region of 800+ grants for adaptations

per year. A further £400k is provided as an annual programme for adaptations to private homes to support more people to remain independently in their own homes.

#### 4. Investing in New Technology

**ICT Infrastructure** – There are a number of major essential IT investments and associated programmes of work that are required over the next few years. The council upgrade for the entire estate of PC's and laptops to Windows 10 is underway and this will continue through to completion in FY 2018/19. The rollout of the new collaboration and telephony platform based on Microsoft Skype is on target to close by December 2017, which will replace the legacy Cisco telephony systems. The replacement of 900 old PC's and laptops is underway and will continue across the remaining FY. Further funding for an additional 400 laptops will be committed in January 2018. Major investment to implement a range of cyber measures is in progress, to both procure and deploy a range of solutions to protect our sensitive and personal information. A significant refresh is required of our ageing server and storage estate, and this will be replaced by a future proofed capability that has the potential to also host other organisations' computer systems as we continue to work on a city first basis with a range of partners, particularly across health and care. This procurement has commenced with contract award anticipated by January 2018. Investment is also required to ensure our citizens and staff are not digitally dis-enfranchised. Tablet computers and connectivity services are currently being acquired.

#### 5. Supporting the Leeds Economy

**West Yorkshire Playhouse** - Executive Board at its meeting in July 2017 authorised a Stage 2 grant application to Arts Council England (ACE) for the refurbishment and reconfiguration of the West Yorkshire Playhouse and approved an injection and authority to spend of £13.04m subject to the Stage 2 bid being successful. The Stage 2 Grant Application was submitted to (ACE) on 16 August 2017 and it is anticipated that ACE will make their decision in mid-December 2017. On the assumption that the Council is successful in its application to ACE, the works will commence on site at the end of March 2018.

**Aire Valley Leeds Enterprise Zone** - The Leeds Enterprise Zone (EZ) has continued to deliver and interest in the area is strong. Over 600,000 sq ft of new floorspace has now been delivered and the EZ is now home to a range of indigenous companies within the city who have taken up new buildings to grow their businesses as well as companies new to the city including Amazon, John Lewis and Perspex Distribution. Infrastructure works to deliver access to all parts of Gateway 45 has now completed as well as phase 1 remediation works. The Temple Green Park and Ride facility opened earlier in the year and is proving popular. The Council continues to explore the delivery of additional power to the area to ensure that the area can be effectively promoted to a range of end users, but in particular manufacturers and has had an outline business case to fund the ultimate solution approved by the LEP's Investment Committee.



**Townscape Heritage Initiative (THI) schemes** – The First White Cloth Hall scheme is estimated to cost £2.6m and in October 2016 it received support from the City Centre Plans Panel. The £2.6m funding is made up by prudentially borrowing £1.85m that is supported by the income generated from the refurbishment. The redevelopment also has a commitment from Heritage Lottery Fund (£0.5m secured funding), Historic England (£0.25m unsecured funding) making a total budget of £2.6m. The property has very recently been acquired by a property development company who plan to apply for planning permission before the end of 2017. The Council is in dialogue with the new owner and subject to the progression of the planning application and the ongoing discussions a report will be brought to Executive Board later in the financial year to outline the Council's support for the proposed scheme.

The council has successfully completed the Armley THI scheme, resulting in 23 refurbished properties. The council's investment of £680k levered in £1.47m from the HLF, the EU and the and private sector. The Chapeltown THI is due to complete in November 2017, with the last 4 properties currently on site.

**Local Centres Programme** - The Programme seeks to utilise the £5m agreed by Full Council in March 2017 to fund innovative and sustainable improvements to local and neighbourhood centres as a component of supporting regeneration and inclusive growth across the city.

**Digital Business Incubator (Leeds Tech Hub)** – The Leeds Tech Hub Fund was launched last year which was introduced as a catalyst for growth and expansion in the city's fast-growing digital sector. After an application process was opened offering businesses the chance to bid for grant support from the fund, projects put forward by four companies totalling £2.7m have been recommended for approval in a first round of announcements. One of the projects to be given the green light includes the creation of a new Tech Hub created at Platform, above Leeds railway station. Once open, the new Tech Hub will offer a modern, state-of-the-art central resource which digital projects from across the city can utilise and feed into. A second round of bids was considered in July with two further projects being successful at Duke Studios and Future Labs.

**Public Realm** - Engaging and quality public realm is critical to the continued success and robustness of the city centre; creating a welcoming city which has the wow factor. To achieve this there is multi-layered approach, delivering immediately on punchy high visibility pop-up projects whilst working on the longer-term larger schemes. In terms of the larger schemes, feasibility work will commence mid-late 2018 following stakeholder engagement on City Square and the funding for Quarry Hill works have been agreed with an anticipated start on site late 2018, for completion in September 2019. Work to improve the public realm around Merrion House is ongoing and will complete in May 2018.

The summer of 2017 saw a range of temporary/pop-up initiatives such as Cookridge Street pop-up Park, Park Here & Play, Town Hall Forecourt Park. These were well received by the public and consideration is being given to how to develop these schemes and locations in future years. Family Friendliness is high on the agenda, with the Child Friendly Leeds competition drawing hundreds of entries, a new playscape being developed at Queens Square and a range of projects being devised based on the competition winners' suggestions. The parklet initiative

supports 'the best city to grow old in' with the placement of seating and rest points in previously 'impractical' locations. Largely these schemes are delivered through the £100k 'Public Realm' and 'Enhancement' pots in the capital programme.

**South Bank Regeneration** - The South Bank regeneration will see expenditure to cover some further costs relating to Bath Road's remediation and some staff recharges. LCC are scoping further projects and will look to utilise some of the funding for project feasibility/ some detailed design.

As a public authority we need to ensure that all our strategies, policies, service and  
**Equality, Diversity, Cohesion and  
 Integration Screening**



functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

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

<b>Directorate: Resources and Housing</b>	<b>Service area: Audit and Investment</b>
<b>Lead person: Bhupinder Chana</b>	<b>Contact number: 88044</b>

<b>1. Title: Capital Programme Update</b>
Is this a:
<input checked="" type="checkbox"/> <b>Strategy / Policy</b> <input type="checkbox"/> <b>Service / Function</b> <input type="checkbox"/> <b>Other</b>
<b>If other, please specify</b>

<b>2. Please provide a brief description of what you are screening</b>
<p>The report presents an updated capital programme including the overall financial position and a progress report on major schemes and programmes.</p>

<b>3. Relevance to equality, diversity, cohesion and integration</b>
--

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

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

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

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

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

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

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

<p><b>4. Considering the impact on equality, diversity, cohesion and integration</b></p>
<p>If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.</p> <p>Please provide specific details for all three areas below (use the prompts for guidance).</p>
<ul style="list-style-type: none"> <li>• <b>How have you considered equality, diversity, cohesion and integration?</b> (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Key findings</b> (think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Actions</b> (think about how you will promote positive impact and remove/ reduce negative impact)</li> </ul>

**5. If you are not already considering the impact on equality, diversity, cohesion and**

integration you <b>will need to carry out an impact assessment.</b>	
Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

<b>6. Governance, ownership and approval</b>		
Please state here who has approved the actions and outcomes of the screening		
<b>Name</b>	<b>Job title</b>	<b>Date</b>
Bhupinder Chana	Head of Finance (Acting) Capital, Insurance and Treasury Management	16th October 2017
<b>Date screening completed</b>		

<b>7. Publishing</b>	
<p>Though <b>all</b> key decisions are required to give due regard to equality the council <b>only</b> publishes those related to <b>Executive Board, Full Council, Key Delegated Decisions</b> or a <b>Significant Operational Decision</b>.</p> <p>A copy of this equality screening should be attached as an appendix to the decision making report:</p> <ul style="list-style-type: none"> <li>• Governance Services will publish those relating to Executive Board and Full Council.</li> <li>• The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.</li> <li>• A copy of all other equality screenings that are not to be published should be sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a> for record.</li> </ul> <p>Complete the appropriate section below with the date the report and attached screening was sent:</p>	
For Executive Board or Full Council – sent to <b>Governance Services</b>	Date sent: 16 <sup>th</sup> October 2017
For Delegated Decisions or Significant Operational Decisions – sent to appropriate <b>Directorate</b>	Date sent:
All other decisions – sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a>	Date sent:

**Report of the Head of Governance and Scrutiny Support**

**Report to Scrutiny Board (Strategy and Resources)**

**Date: 29 November 2017**

**Subject: Business Rates – Scrutiny Inquiry Update**

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

**Purpose**

1. The purpose of this report is to provide an update on the Boards inquiry into business rates.

**Background**

2. At the beginning of the municipal year, the Scrutiny Board identified ‘Business Rates’ as a specific inquiry topic.
3. At its meeting in September 2017, the Scrutiny Board considered a range of information associated with it inquiry around business rates, the associated risks to the Council and mitigating actions. At that meeting the Board identified the need for a range of follow-up / additional information, which has already been provided to members of the Board.

**Main Issues**

4. The information attached at Appendix 1 (presented as presentation slides) is intended to summarise the key information presented and requested by the Scrutiny Board to date.

Next Steps

5. As part of the inquiry, arrangements are being finalised for members of the Scrutiny Board to attend and observe a Valuation Tribunal Hearing on 12 December 2017. The

outcome of this attendance will be reported back to the Scrutiny Board. Any further details in this regard will be presented at the meeting.

6. Following attendance at Valuation Tribunal Hearing, it is proposed that members of the Scrutiny Board meet with representatives of the Valuation Office Agency (VOA) at a working group meeting. This will provide an opportunity for Scrutiny Board members to better understand the role of the VOA and consider any associated matters relevant to the collection of Business Rates. Precise details of the working group meeting remain to be finalised and any further information in this regard will be presented at the meeting.
7. The information presented at Appendix 1 is therefore presented in preparation for the next steps of the inquiry.
8. It should be noted that representatives from the VOA will be unable to attend the Board due to existing commitments elsewhere. It should also be noted that the Council's Business Rates Manager will not be in attendance at the meeting.
9. Members of the Scrutiny Board are therefore asked to note the information presented, recognising there will be the opportunity to discuss any specific matters in more detail at a future meeting with representatives from the VOA.

### **Recommendations**

10. Scrutiny Board (Strategy and Resources) is asked to note the information presented in Appendix 1 and the proposed next steps highlighted in the report.

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

11. None.

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



# Scrutiny Inquiry into Business Rates

## Provision for Loss on Appeals

# Introduction

- Since April 2013 Local Authorities effectively retain 50% of the business rates payable in their area. This now forms significant part of the Council's budget.
- In determining the potential income from business rates provision must be set aside for the potential loss due to successful appeals against the rateable value.
- The provision must be calculated based on assumptions of the likely outcome of outstanding appeals, and the impact of them on the income received from Business Rates.

# Rateable Values

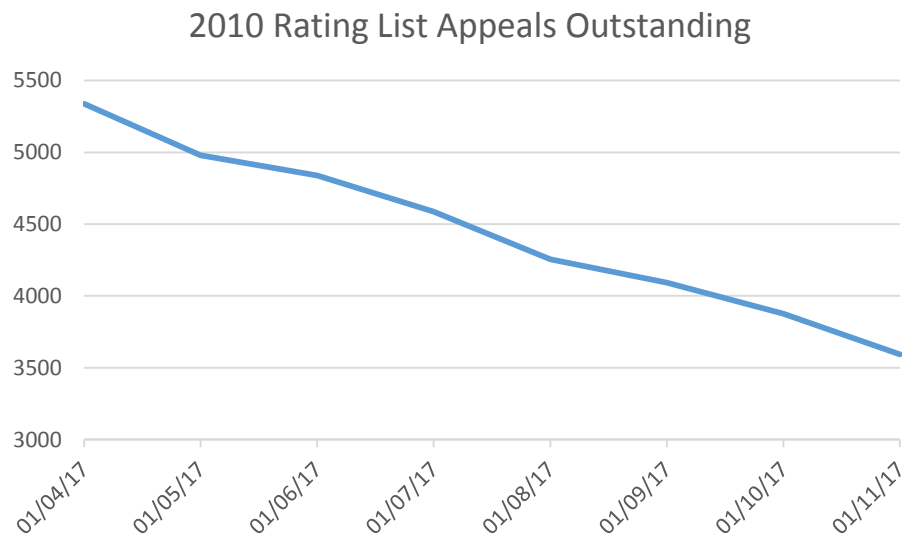
- Rateable Values are set by the Valuation Office Agency (VOA) which is part of HMRC. In the majority of cases they are an estimate of the market rent a property would attract at a particular point in time.
- The occupiers and owners of a commercial property have the right to submit an appeal against the rateable value if they believe that it is incorrect. Due to the large number of appeals submitted and the complexity of many of the calculations it can take several years before an appeal is settled either way.
- Appeals are dealt with initially by the VOA themselves. If no agreement can be reached they go before the Valuation Tribunal. A small number, usually test cases, are ultimately determined by The Supreme Court

# Appeals Statistics for Leeds

- There are currently 28500 assessments in the non-domestic rating list for Leeds.
- A total of 20948 appeals were submitted against the entry in the 2010 rating list. Some properties received more than one appeal.
- Of these:
  - 11708 have been withdrawn or dismissed
  - 6517 have resulted in an amendment to the rating list
  - 3593 are still outstanding

# Appeals statistics for Leeds 2

- Until April 2017 the number of appeals outstanding stayed relatively constant with new appeals replacing those which were withdrawn or settled. However appeals against the 2010 list are now closed except in a limited number of circumstances. The number outstanding is now beginning to fall as illustrated below:



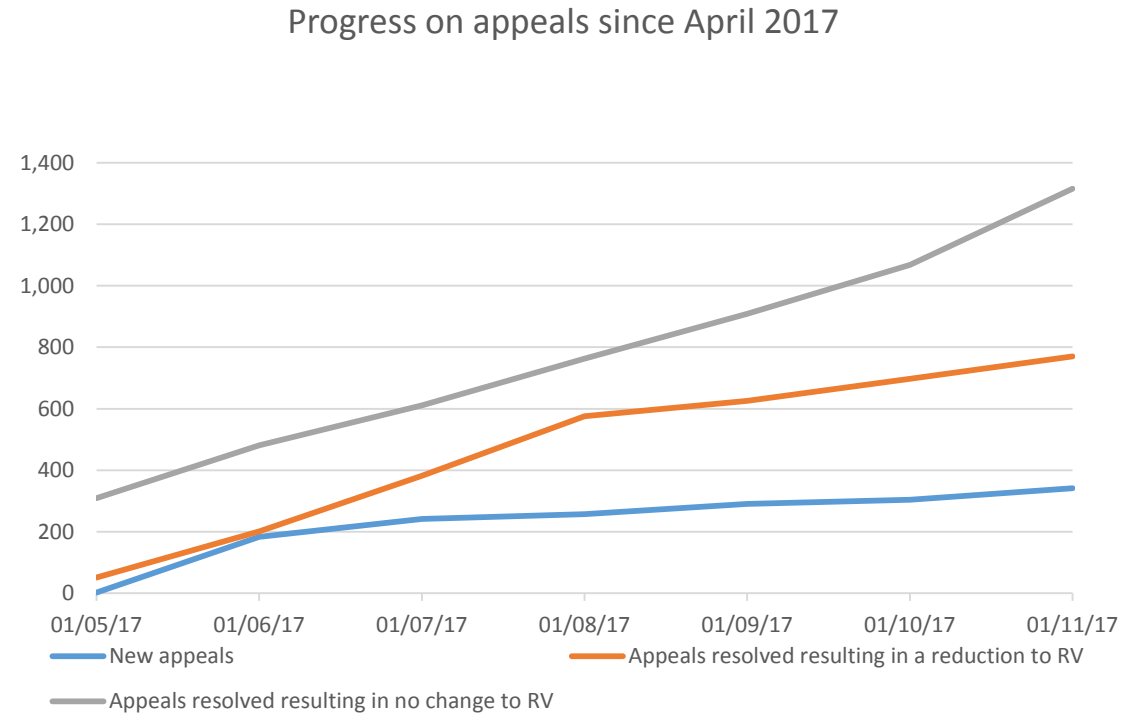
# Appeals statistics for Leeds 3

- The following table provides the number of outstanding appeals presented highlighted on the previous slide:

Number of appeals as at: -	Apr 2017	May 2017	June 2017	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017
2010 Rating List Appeals Outstanding	5337	4979	4838	4586	4255	4093	3876	3593

# Appeals statistics for Leeds

- The graph below shows the number of new, settled and dismissed appeals since April 2017.



# Reasons for appeals

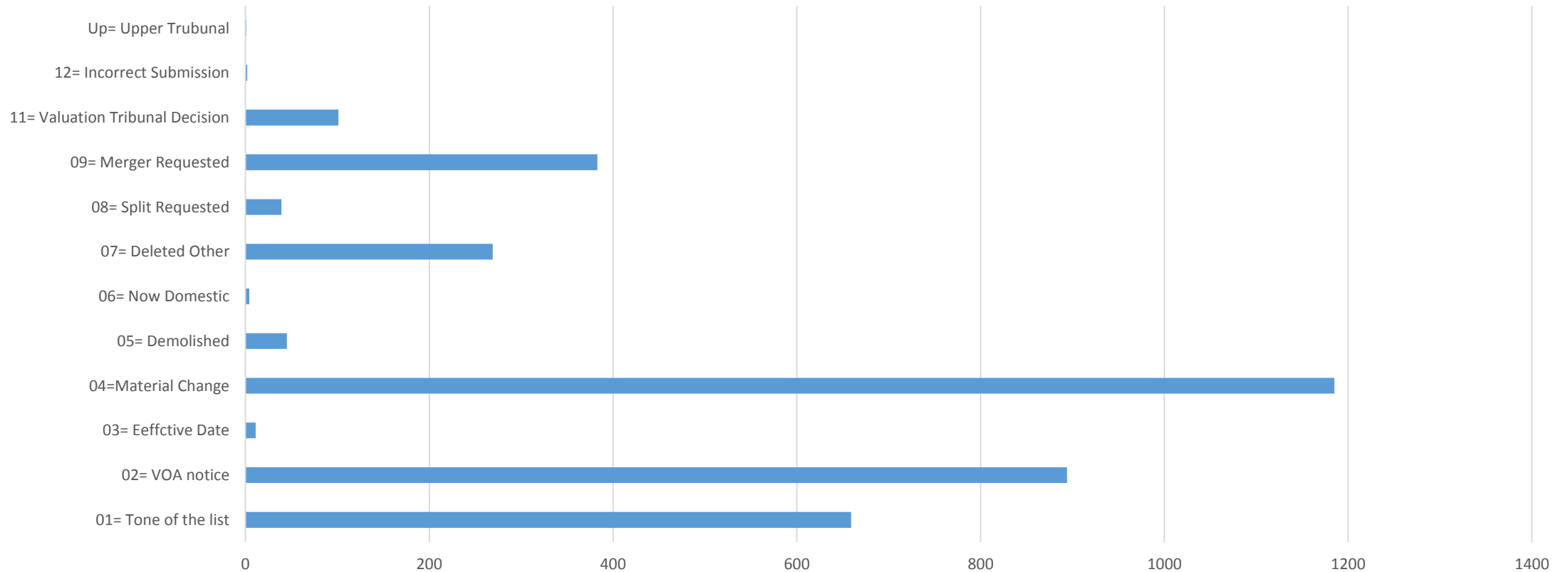
- The VOA use a series of codes for the different grounds of appeal. These are:

Reason	Description
01= Tone of the list	The calculation of the market rent was incorrect
02= VOA notice	The VOA have amended the rateable value
03= Effective Date	The effective date of entry in the rating list is incorrect
04=Material Change	There has been a change in the locality which affects the market rent
05= Demolished	The property has been demolished
06= Now Domestic	The property is now use for domestic purposes
07= Deleted Other	Any other reason why it should be removed
08= Split Requested	The property should be shown as two or more in the list
09= Merger Requested	Two or more assessments should be shown as a single assessment in the list
11= Valuation Tribunal Decision	The decision of the VT in respect of another assessment affects this assessment
12= Incorrect Submission	The description in the rating list is incorrect
Up= Upper Tribunal	Appeal submitted against a decision of the Valuation Tribunal



# Breakdown of outstanding appeals in Leeds

Reasons for outstanding appeals



# Calculating The Provision for losses on appeal

- Although the reason for appeal code is a useful indicator a different set of criteria is used in calculating the provision based on an analysis of the previous outcomes of appeals based on the date of submission, the location of the assessment, or the description.
- In addition the actual number of appeals is not as important in terms of the impact on income as the total rateable value of the assessments which have an appeal outstanding.
- An analysis is therefore undertaken monthly of the total rateable value of different types of appeal.

# Assumptions in calculating the provision

- The following assumptions are made based on an analysis of historical data.
- 28.8% of appeals will result in a reduction in rateable value. This is the Yorkshire and Humberside average success rate as published by the VOA.
- In 2015 a deadline of 31<sup>st</sup> March 2015 was announced by which appeals must have been submitted in order to be backdated, potentially to 1<sup>st</sup> April 2010. As a result a large number of speculative appeals was received and it is assumed that these will have a lower success rate of 14.4%
- A similar increase in the number of appeals received occurred in February/March 2017 in order to meet the deadline for most 2010 appeals of 31<sup>st</sup> March 2017. Again a success rate of 14.4% is assumed.

- The average reduction in rateable value achieved by a successful appeal is 14%
- As appeals can be potentially backdated to 1<sup>st</sup> April 2010 the impact of the backdating must be factored into the provision. For appeals received prior to 1<sup>st</sup> April 2015 a factor of 2.254 is used, whilst for those received after it is 0.964.
- For certain categories, i.e. medical centres and appeals based on the impact of the Trinity Shopping Centre slightly different parameters are used as it is possible to forecast the result of these with greater accuracy.

# Future Risks

- The number of outstanding appeals and their value is now reducing significantly, and will continue to do so as the 2010 rating list is now effectively closed. However appeals remain outstanding against 25.8% of the total rateable value in the 2010 rating list.
- Whilst the method of calculating the provision is sound in terms of historical trends it cannot accurately reflect the risk of reductions on very large assessments.
- There is still potential for cases resolved in the higher courts to have an impact on a particular sector – e.g. as with medical centres in the past

# The Collection Fund and the General Fund

- Business rates income is collected into the Council's Collection Fund. Payments are then made from the Collection Fund with 50% going to the Council's General Fund, from which local services are funded, and 50% going to central government.
- Before the start of the year the Council forecasts how much business rates income it will collect. The forecast is the figure used to calculate the payments from the Collection Fund to the General Fund and to central government in that year. These amounts are then fixed.
- At the end of the year the difference between the amount forecast and the amount actually collected is the deficit or surplus on the Collection Fund. The cost of appeals will reduce the amount actually collected.
- Local and central government share any cost of a deficit, or benefit from a surplus 50:50 in the following year, allowing councils time to adjust their spending plans without having to use reserves.

# The impact of appeals costs on the Council's resources

- Appeals become a cost to the Council when new appeals are received and the Council has to set money aside for them. These 'provisions' are created in the Collection Fund.
- Because all costs relating to business rates first impact the Collection Fund there can be a delay of up to two years before the cost of new provisions impacts on the General Fund.
- The General Fund bears 50% of the cost of new provisions in the same way as any other reduction to business rates income.
- As such the cost of repayments to ratepayers will not reduce the Council's income in-year but instead be charged to the provisions set aside in the Collection Fund.

# The impact of appeals on the General Fund

- The table below shows the impact of making appeals provisions on the Council's General Fund since the start of the Business Rates Retention Scheme on 1<sup>st</sup> April 2013 to 31<sup>st</sup> October 2017.
- At the start of the retention scheme in 2013-14 provisions had to be created for backdated appeals with refunds stretching back to 1<sup>st</sup> April 2010.
- From 2015-16 to 2017-18 the impact of appeals provisions increased because of the deadline of 31<sup>st</sup> March 2015 for ratepayers' to lodge a valid appeal that could be backdated to 2010. This greatly increased the volume of new, speculative appeals that had to be provided for in the Collection Fund and the eventual impact on the General Fund.

Leeds' share	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Total annual impact of the cost of new provisions for appeals on the General Fund	9,508,917	1,858,305	10,359,475	17,796,474	11,014,075	2,629,246	53,166,494
of which, provisions remaining: -							6,312,256



**Report of Head of Governance and Scrutiny Support**

**Report to Scrutiny Board (Strategy and Resources)**

**Date: 29 November 2017**

**Subject: Work Schedule – November 2017**

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 remainder of the current municipal year.

**2 Main issues**

2.1 At its initial meeting in 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 a range of matters which were then used to help formulate an outline work schedule.

2.2 The latest iteration of the work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

2.3 Executive Board minutes from the meetings held on xx October 2017 and 15 November 2017 are also attached to this report at Appendix 2 and Appendix 3, respectively. The Scrutiny Board is asked to consider and note the Executive Board minutes, insofar as they relate to the remit of the Scrutiny Board; and identify any matter where specific scrutiny activity may be warranted, and therefore subsequently incorporated into the work schedule.

Developing the work schedule

2.4 The work schedule should not be considered to be a fixed and rigid schedule, it should be recognised as something that can be adapted and changed to reflect any new and emerging issues throughout the year; and also reflect any timetable issues that might occur from time to time.

- 2.5 However, when considering any developments and/or modifications to the work schedule, effort should be undertaken to:
- Avoid unnecessary duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue.
  - Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.
  - Avoid pure “information items” except where that information is being received as part of a policy/scrutiny review
  - Seek advice about available resources and relevant timings taking into consideration the workload across the Scrutiny Boards and the type of Scrutiny taking place
  - Build in sufficient flexibility to enable the consideration of urgent matters that may arise during the year
- 2.6 In addition, 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.

#### Developments since the previous Scrutiny Board meeting

##### Service area performance

- 2.7 The work schedule has been amended to reflect the Board’s discussion about monitoring specific service areas. .

##### Business Rates Inquiry

- 2.8 At the beginning of the municipal year, the Scrutiny Board identified ‘Business Rates’ as a specific inquiry topic. To date, the Scrutiny Board has considered a range of information and further details are presented elsewhere on the agenda.
- 2.9 As part of the inquiry, arrangements are being finalised for members of the Scrutiny Board to attend and observe a Valuation Tribunal Hearing on 12 December 2017. The outcome of this attendance will be reported back to the Scrutiny Board.
- 2.10 Following attendance at Valuation Tribunal Hearing, it is proposed that members of the Scrutiny Board meet with representatives of the Valuation Office Agency (VOA), in order to better understand the role of the VOA and consider any associated matters relevant to the collection of Business Rates. Precise details of this meeting remain to be finalised.

##### Apprenticeships Levy

- 2.11 At the Scrutiny Board meeting in October 2017, members of the Scrutiny Board agreed that arrangements should be made for a working group meeting in early 2018 to review progress against the identified ‘inquiry points’ set out in the apprenticeship levy paper.
- 2.12 This is reflected in the attached work schedule, however no specific date has yet been identified.

2018/19 Budget proposals and Best Council Plan refresh

2.13 In line with the constitutional requirements in relation to budget and policy framework matters, both the 2018/19 Budget proposals and Best Council Plan refresh are scheduled to be considered by the Scrutiny Board in December 2017.

**3. Recommendations**

3.1 Members are asked to consider the matters outlined in this report and agree (or amend) the overall work schedule as the basis for the Board's work for the remainder of 2017/18.

**4. Background papers<sup>1</sup>**

4.1 None used

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

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**SCRUTINY BOARD**  
**(STRATEGY RESOURCES)**

**2017/18 WORK SCHEDULE**

<b>Title</b>	<b>Type of Item</b>	<b>Notes</b>	<b>Nov-17</b>	<b>Dec-17</b>
<b>Business Rates</b>	Inquiry / Policy Review	Confirmed at the meeting in July 2017. Initial report from Chief Finance Officer in September. Other activities could include discussion with the Valuation Office and attendance at a tribunal hearing.	Update report including impact of appeals	Valuation Tribunal Hearing (12 December 2017)
				Working Group meeting: Attendance of representatives from the Valuation Office Agency (VOA). Date to be confirmed.
<b>Apprenticeships Levy</b>	Policy Review	To review progress against the identified 'inquiry points' set out in the October 2016 apprenticeship levy paper		
<b>Financial Health Monitoring</b>	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18

**SCRUTINY BOARD**  
**(STRATEGY RESOURCES)**

**2017/18 WORK SCHEDULE**

<b>Title</b>	<b>Type of Item</b>	<b>Notes</b>	<b>Nov-17</b>	<b>Dec-17</b>
			Treasury Management Strategy Update	
			Capital Programme Update	
<b>Emergency Planning &amp; Preparedness</b>	Performance review	Further reports/ follow-up actions to be determined.		Draft statement
<b>Fees and charges</b>	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.		Proposals to be included as part of initial 2018/19 budget proposals
<b>Budget proposals</b>	Policy Development			Initial 2018/19 budget proposals
<b>Best Council Plan progress</b>	Performance monitoring	Frequency of BCP progress updates to be determined.		Best Council Plan: Refresh

**SCRUTINY BOARD**  
**(STRATEGY RESOURCES)**

**2017/18 WORK SCHEDULE**

<b>Title</b>	<b>Type of Item</b>	<b>Notes</b>	<b>Nov-17</b>	<b>Dec-17</b>
<b>Service area performance</b>	Performance monitoring	Performance monitoring of service areas with the remit of the Scrutiny Board	Human Resources: Can-do culture; Recognition	Human Resources: Workforce Development & Health, Safety and Wellebing (inc sickness)
				Effective Procurement
<b>Commissioning</b>	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning		
<b>Commissioning: recommendation tracking</b>	Performance monitoring	Recommendation tracking: Commissioning report		Commissioning: Progress report
<b>Briefings</b>	Briefings	To be identified as and when required		

**SCRUTINY BOARD**  
**(STRATEGY RESOURCES)**

**2017/18 WORK SCHEDULE**

<b>Title</b>	<b>Type of Item</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>
<b>Business Rates</b>	Inquiry / Policy Review	TBC		Scrutiny Board statement / report (TBC)	
<b>Apprenticeships Levy</b>	Policy Review	Working Group meeting - date to be confirmed	Working Group meeting - date to be confirmed		
<b>Financial Health Monitoring</b>	Performance review		Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18	



**SCRUTINY BOARD**  
**(STRATEGY RESOURCES)**

**2017/18 WORK SCHEDULE**

<b>Title</b>	<b>Type of Item</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>
<b>Emergency Planning &amp; Preparedness</b>	Performance review				
<b>Fees and charges</b>	Policy Review				
<b>Budget proposals</b>	Policy Development	2018/19 Budget recommendations			
<b>Best Council Plan progress</b>	Performance monitoring				

**SCRUTINY BOARD**  
**(STRATEGY RESOURCES)**

**2017/18 WORK SCHEDULE**

<b>Title</b>	<b>Type of Item</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>
<b>Service area performance</b>	Performance monitoring	Human Resources: Appraisals; Engagement; Pay / Pay-gap	Electoral, Registrars and Licensing	Digital and Information Service	
				Civic Enterprise Leads	
				Equalities: Equality Impact Priorities refresh	
<b>Commissioning</b>	Performance monitoring			6-monthly report (Rec. 2)	
<b>Commissioning: recommendation tracking</b>	Performance monitoring			Commissioning: Progress report	
<b>Briefings</b>	Briefings				

## EXECUTIVE BOARD

WEDNESDAY, 18TH OCTOBER, 2017

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

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

### 73 **Late Items**

Although no formal late items of business had been submitted to the Board for consideration, prior to the meeting Board Members had been provided with colour versions of the Leeds Safeguarding Adults Board 2016/17 Annual Report together with colour copies of the 'easy read' version. (Agenda Item 14, and Minute No.84 refers).

### 74 **Declaration of Disclosable Pecuniary Interests**

There were no Disclosable Pecuniary Interests declared at the meeting, however, in relation to the agenda item entitled, 'Leeds United Football Club's Training Ground Proposals', Councillor Blake drew the Board's attention to her position as a Trustee of the Leeds United Foundation, whilst in relation to the same item, Councillor J Lewis drew the Board's attention to the fact that he was a Leeds United season ticket holder. (Minute No. 80 refers).

### 75 **Minutes**

**RESOLVED** – That the minutes of the previous meeting held on 20<sup>th</sup> September 2017 be approved as a correct record.

## **ECONOMY AND CULTURE**

### 76 **Leeds 2023 European Capital of Culture Bid**

Further to Minute No. 35, 17<sup>th</sup> July 2017, the Director of City Development submitted a report which sought approval of the Leeds bid to become European Capital of Culture in 2023 for the purposes of submission to the Department for Digital, Culture, Media & Sport (DCMS) by the 27th October 2017. The bid document was appended to the submitted report.

As part of the introduction to the submitted report, the Board viewed a short film entitled, 'I Am A Spark', which had been produced to accompany and support the city's bid.

In presenting the report, the Chair conveyed her appreciation, on behalf of the Board, for the supportive cross-party approach which had been taken throughout the preparation of the bid, and also to the pivotal role played by the Leeds 2023 Independent Steering Group, which had recently recommended the bid document to Executive Board for approval.

Members noted the wide ranging support and positive attention that the bid had received since its recent publication; noted the commitment that the bid was being submitted on behalf of and reflected the whole city; and highlighted the range of opportunities including the positive legacy and economic benefits that being European Capital of Culture could potentially bring.

In addition, the Board's approval was sought for the Chief Officer (Culture and Sport) to make any minor amendments and clarifications to the bid document which were required, prior to the document's formal submission to the DCMS.

**RESOLVED –**

- (a) That approval be given to the Council submitting the bid for European Capital of Culture, as presented at Appendix 1 to the submitted report, for submission to the DCMS by 27th October 2017;
- (b) That the Board's thanks be expressed to the Independent Steering Group and all of the organisations and individuals in the city who have contributed over the last three years;
- (c) That for the reasons detailed within the 'Legal Implications, Access to Information and Call In' section of the submitted report, the resolutions made by the Board within this minute be exempted from the Call-in process;
- (d) That should Leeds be shortlisted to the second stage, the following be agreed:-
  - (i) It be noted that a second and final application will need to be submitted during 2018, incorporating further developments and feedback from the judging panel;
  - (ii) That the Chief Officer Culture and Sport be requested to support a recruitment process in order to appoint a Chair of Leeds Culture Trust;
  - (iii) That the Chief Officer Culture and Sport be requested to initiate a 'Readiness Board' within the Authority across the different Directorates in order to start to plan for supporting the delivery of the year.
- (e) That the Chief Officer (Culture and Sport) be provided with the necessary authority to make any minor amendments and clarifications to the bid document which were required, prior to the document's formal submission to the DCMS.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process if it is considered that any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process for the reasons as stated within the submitted report, namely to enable the submission of the bid by the deadline of 27<sup>th</sup> October 2017, with the implication of not exempting the decision from Call In being that the Council may not be able to submit the bid to become

European Capital of Culture 2023 within the required timescales and would therefore forgo the opportunity that this would bring to the city. In addition, it was also noted that given the competitive nature of the bidding process, it was considered that the bid could not have been submitted to an earlier scheduled Board meeting and therefore enabling it to be made available for Call In, as this could have potentially prejudiced the Council's interests, should the bid have been revealed to competitors at an earlier stage).

## **EMPLOYMENT, SKILLS AND OPPORTUNITY**

### **77 'More Jobs, Better Jobs': Progress Report**

Further to Minute No. 68, 21<sup>st</sup> September 2016, the Director of City Development submitted a report providing an update on the work which had been undertaken, together with the achievements made over the past 12 months in support of the key work streams of the 'More Jobs, Better Jobs' Breakthrough Project.

In presenting the report, the Executive Member for 'Employment, Skills and Opportunities' paid tribute to the recently deceased Professor Mike Campbell OBE for the integral role he had played in the work of the More Jobs, Better Jobs Research Partnership.

Responding to a Member's enquiry, the Board was provided with further detail on the actions which were being taken to ensure that a collaborative approach continued to be developed in order to ensure that the positive results arising from the breakthrough project were being maximised, whilst the Board also considered how the Council's role in the area of job retention and creation would continue to evolve in the future.

With regard to measuring the outputs arising from the breakthrough project and the related supporting data to illustrate performance comparative to other Core Cities and Local Authorities, Members were provided with further detail on this during the consideration of the item. However, it was acknowledged that consideration would be given as to how such data could be communicated more effectively, and what metrics could be used in the future in order to measure the progress that was being made.

**RESOLVED** – That the comments made by the Board be noted, together with the progress which has been made to date in taking forward the 'More Jobs, Better Jobs' Breakthrough Project.

## **RESOURCES AND STRATEGY**

### **78 Financial Health Monitoring 2017/18 - Month 5**

The Chief Officer Financial Services submitted a report which set out the Council's projected financial health position for 2017/18, as at month 5 of the financial year.

Responding to a Member's enquiry, the Board was provided with information regarding the proactive approach being taken to reduce employee sickness

levels in the Council, with it being undertaken that relevant officers would brief the Member in question on such matters.

Members also received clarification with regard to the current level of expenditure in respect of agency staffing.

In addition, responding to an enquiry, it was undertaken that a briefing would be provided to the Member in question regarding the budget forecast variation as detailed within the submitted report in respect of Children's Centres.

**RESOLVED** – That the projected financial health position of the authority, as at month 5 of the financial year, be noted.

**79 Hunslet Rugby League Foundation, John Charles Centre for Sport, Leeds**

The Director of City Development submitted a report which sought approval to the letting of space at the John Charles Centre for Sport to Hunslet Rugby League Football Club, on the terms which were detailed within the submitted report.

**RESOLVED** – That in supporting the principles of the arrangement outlined within the submitted report, the Director of City Development be authorised to agree new lease and licence terms which are in accordance with the Heads of Terms, as outlined within the submitted report.

**REGENERATION, TRANSPORT AND PLANNING**

**80 Leeds United Football Club's Training Ground Proposals**

The Director of City Development submitted a report informing of Leeds United Football Club's proposals to relocate their training, Leeds Community Foundation and Academy facilities closer to Elland Road, at both Fullerton Park and the former Matthew Murray High School site.

In considering the report, the Board noted the potential opportunities arising from the club's proposals; highlighted the club's long term vision; discussed the proposals regarding the Elland Road site at Fullerton Park and considered the issue of car parking provision in the area; and made reference to the implications of the proposals for the Thorp Arch Academy site. In addition, it was emphasised that effective communication between the local community, the Council and the football club would be key to the progression of any such proposals.

Concluding the discussion, it was suggested that at the appropriate time, representatives of the football club be invited to a future Executive Board meeting in order to provide an opportunity for them to address the Board and set out their vision for the club and its contribution towards local communities and also the city as a whole.

Finally, it was brought to the Board's attention that paragraph 2.12 of the submitted report should read: 'Elland Road has recently been listed as an

Asset of Community Value. Nominated by Leeds United Supporters' *Trust...*, rather than stating: 'Leeds United Supporters' *Club*' as detailed within the published report. In noting this correction, it was

**RESOLVED –**

- (a) That, in noting the correction to the submitted report as detailed above, the principle of the Council formally entering into one-to-one negotiations with Leeds United Football Club for the development of new football training facilities at Elland Road and the Matthew Murray site for use by Leeds United Football Club and Leeds United Foundation, be agreed;
- (b) That it be noted that the Director of City Development is responsible for progressing resolution (a) above.

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

**81 Transport for The North Regulations: Incorporation as a Sub-National Transport Body**

The Director of City Development submitted a report which sought the Board's consent on behalf of the Council, as Local Highway Authority, to the making of Regulations by the Secretary of State to establish Transport for the North (TfN) as a Sub – National Transport Body under section 102J of the Local Transport Act 2008.

**RESOLVED –**

- (a) That the Board provide formal consent under section 102J of the Local Transport Act 2008 to the making by the Secretary of State of Regulations to establish Transport for the North as a Sub-National Transport Body, whilst also giving TfN concurrent highway powers with Leeds City Council as the local highway authority;
- (b) That the resolutions made within this minute be exempted from the Call In process, for the reasons as detailed within section 4.6.1 of the 'Legal Implications, Access to Information and Call In' section of the submitted report;
- (c) That the City Solicitor be instructed to notify the Department for Transport (DfT) of the decision made in respect of resolution (a) above.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process if it is considered that any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process given that, as stated within the submitted report, the DfT has requested that Authorities confirm their decisions no later than the 20<sup>th</sup> October 2017. It was considered that the implication of not exempting such decisions from Call In could jeopardise the

Authority's ability to meet the deadline of 20<sup>th</sup> October 2017, which would prejudice the making of the Regulations and therefore the process for designating TfN as a statutory body. In addition, it was noted that the matter could not have been submitted to an earlier scheduled Board meeting, and therefore enabling it to be made available for Call In, as the DfT only confirmed on 21st September 2017 that the constituent Highway Authorities within those areas covered by a Combined Authority must also give their prior consent to the making of the regulations).

## **82 Leeds Integrated Station Masterplan and Leeds City Region HS2 Growth Strategy**

Further to Minute No. 51, 27<sup>th</sup> July 2016, the Director of City Development submitted a report providing an update on the preparations being made for bringing HS2 to the region: including the draft HS2 Growth Strategy and the Leeds Station Integrated Masterplan principles. In addition, the submitted report also sought endorsement of the work which had been undertaken to date and for the relevant approvals for the proposed next steps, which included a public consultation exercise.

Members highlighted the significance and ambitious nature of the project, and emphasised the inextricable link between this project and the South Bank Leeds Framework Plan. In acknowledging the scale of the proposals, the Board noted the range of challenges which would be faced during the development process, with emphasis being placed upon the need for the masterplan to be flexible enough to overcome such challenges. In addition, the key importance of ensuring that Members were kept informed of the progress being made was highlighted.

A concern was raised by a Member regarding the route of HS2 in its approach to the city, and the affect that this could have on local communities, with a suggestion that a report be submitted to a future Board meeting regarding the potential environmental and economic impact that the construction of the HS2 project may have on affected communities.

In conclusion, Members highlighted the whole range of potential opportunities and economic benefits that this development would bring to the city and the wider region, with emphasis being placed upon the need for the Council to continue to be ambitious in respect of such matters, whilst also listening to the views of local communities.

### **RESOLVED –**

- (a) That the draft Leeds Integrated Station Masterplan principles, as contained within section 3.1 of the submitted report be endorsed, as a basis for public consultation;
- (b) That the principles of the emerging Leeds City Region HS2 Growth Strategy and proposed next steps, as contained within sections 3.3 and 3.4 of the submitted report, be supported;



- (c) That following resolutions (a) and (b) above, the Director of City Development, in consultation with the Leader of the Council; the Executive Member for 'Regeneration, Transport and Planning'; and the Director of Resources and Housing, be requested to:
- (i) further develop the Council's input into the Leeds City Region HS2 Growth Strategy and to report back to Executive Board with a proposed final version of the Growth Strategy, with such a report to include proposed delivery, funding and implementation plans for projects involving the Council;
  - (ii) undertake consultation with central Government and city partners on the Growth Strategy proposals alongside the West Yorkshire Combined Authority ahead of a final strategy being developed;
  - (iii) continue collaboration with partners in order to bring forward the delivery of the Leeds Integrated Station Masterplan Vision; and
  - (iv) provide an update to Executive Board in 2018 on the progress made on matters contained within the submitted report.

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

### **83 South Bank Leeds Framework Plan**

Further to Minute No. 51, 27<sup>th</sup> July 2016, the Director of City Development submitted a report presenting the outcomes from the public consultation exercise on the draft South Bank Leeds Framework Plan undertaken during Autumn/Winter 2016. The submitted report outlined suggested amendments to the Plan in response to the representations received via the consultation process, and sought approval to undertake a further 6 week consultation on an amended version of the South Bank Leeds Regeneration Framework, with a view to formally adopting the framework as a Supplementary Planning Document (SPD).

Responding to a Member's enquiry, the Board was provided with assurances that the proposed process of adopting the South Bank Leeds Framework Plan as a Supplementary Planning Document would work alongside the proposals regarding the Leeds Integrated Station Masterplan and the Leeds City Region HS2 Growth Strategy.

Members highlighted the ambitious nature of the vision for the South Bank area, with specific reference being made to the plans regarding the creation of a city park.

#### **RESOLVED –**

- (a) That the contents of the submitted report, which summarises the feedback from the public consultation exercise, be noted;
- (b) That the Board's agreement be given for the draft South Bank Leeds Framework Plan to be updated in order to reflect representations which have been received through the consultation exercise, as set out at paragraph 3.11.4 and 3.12.2 of the submitted report; and that support

Draft minutes to be approved at the meeting  
to be held on Wednesday, 15th November, 2017

be given to the proposal to amend the Framework Plan, in order for it to become a Supplementary Planning Document;

- (c) That following resolution (b) (above), the Chief Planning Officer be requested to undertake a six week consultation exercise on a revised draft South Bank Leeds Regeneration Framework Supplementary Planning Document;
- (d) That following the consultation period, and subject to any amendments required having regard to the representations received, approval be given for the Chief Planning Officer to adopt the SPD.

## **HEALTH, WELLBEING AND ADULTS**

- 84 Safeguarding Adults Board, Annual Report 2016/17 and Strategic Plan** Further to Minute No. 100, 16<sup>th</sup> November 2016, the Director of Adults and Health submitted a report presenting the Leeds Safeguarding Adults Board (LSAB) Annual Report for 2016/17, and which summarised the Board's areas of focus and achievements over the past 12 months. The Strategic Plan was also included which presented the ambitions for the next three years.

The Board welcomed Richard Jones CBE, Independent Chair of the Leeds Safeguarding Adults Board to the meeting, who was in attendance in order to introduce the key points of the annual report and to highlight key priorities.

Responding to an enquiry, the Board received information on the approach being taken to further address the issue of social isolation, whilst information was also provided to the Board by the Independent Chair of the LSAB on the key challenges that the Safeguarding Board currently faced. In addition, Members also received information regarding the level of comparative data which was available in order for the Safeguarding Board to assess Leeds' performance against other Core Cities and Local Authorities.

In conclusion, the Chair, on behalf of Executive Board, thanked Richard Jones, together with all other members of the LSAB for the crucial work which they continued to undertake.

**RESOLVED** – That the contents of the Leeds Safeguarding Adults Board 2016/17 Annual Report and the Board's Strategic Plan, as presented within the submitted report and appendices, be noted.

## **CHILDREN AND FAMILIES**

- 85 Cultural Cohesion Quality Mark** The Director of Children and Families submitted a report which introduced the Cultural Cohesion Quality Mark (CCQM) scheme, and which sought approval for Children and Families directorate to resource, manage and deliver the scheme.

Members welcomed the proposals detailed within the submitted report. However, responding to specific concerns which had been raised by a Board Member, assurances were provided regarding the aims, remit and proposed operation of the scheme.

**RESOLVED –**

- (a) That the Cultural Cohesion Quality Mark be approved, and that Leeds City Council (Children and Families directorate) be enabled to initially resource the scheme, which will include financing, hosting, managing and delivering the CCQM;
- (b) That the following be noted:
  - (i) the next steps required to implement the CCQM, as per paragraph 3.3 of the submitted report;
  - (ii) the proposed timescales of the CCQM, as per paragraph 3.3.3 of the submitted report;
  - (iii) the officer responsible for the implementation of the CCQM shall be the Chief Officer Learning Improvement, Children and Families.
- (c) That Executive Board receive annual reports regarding the CCQM's impact and effectiveness in relation to reducing inequalities and improving outcomes for Leeds citizens.

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

**86 Outcome of School Admissions Arrangements 2017**

The Director of Children and Families submitted a report which presented an overview of, and supporting statistical information regarding the outcome of the Admissions Round for 2017 entry into Reception and Year 7, whilst also providing data relating to the in-year admissions functions.

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

- The number of applications received for places in Reception and Year 7 for September 2017; and that 87% of Reception children and 85% of Year 7 children were offered a place at their first preference school;
- The number of children receiving an offer at one of their top 3 preferred schools was 95% for Reception and 95% for Year 7;
- That requests for in-year transfers continues to rise, with 7,455 children requesting new school places in Leeds schools between September 2016 and July 2017 – some being new arrivals in the city and some being requests to move within the city;
- That the officer responsible for this area of work is the Lead for the Admissions and Family Information Service.

## **COMMUNITIES**

### **87 Lettings Policy Review and Housing and Planning Act Update**

Further to Minute No. 138, 10<sup>th</sup> February 2016, the Director of Resources and Housing submitted a report setting out proposed amendments to the Council's Lettings Policy, and which also provided an update on the Housing and Planning Act in relation to the Council's Tenancy Agreement and Tenancy Strategy.

With regard to the review of the Policy, Members noted that the initial intention was for this to be co-ordinated with the Housing and Planning Act 2016, and the publication of related guidance and regulations by the Department for Communities and Local Government (DCLG). However, given that currently there were no confirmed timescales for the release of such documents, the proposal was to commence such a review, with any new regulations being taken into consideration once issued.

It was also highlighted that the lobbying of Government would continue with the aim of the Council gaining further resource and freedoms to provide greater housing provision in the city, given the significant demand which existed.

In noting the significantly lower levels of temporary accommodation placements in Leeds when compared with other Core Cities, Members paid tribute to the work undertaken by the Council's Housing Options team for the preventative approach which they took, and which continued to achieve very positive results.

### **RESOLVED –**

- (a) That the proposed amendments to the Council's Lettings Policy, as set out in sections 4.7 – 4.46 of the submitted report, to be implemented from February 2018 by the Chief Officer, Housing Management, be noted;
- (b) That the developments regarding the Tenancy Agreement review, as set out in section 5 of the submitted report be noted; and that the review of the Council's existing Introductory and Secure Tenancy Agreement be delegated to the Director of Resources and Housing, to commence from November 2017;
- (c) That the proposal set out within section 5.6 of the submitted report to extend the Council's current Tenancy Strategy to 30th September 2018 be noted, with it also being noted that a further report will be submitted to the Board by the Director of Resources and Housing in September 2018 on the implications of the Housing and Planning Act along with the proposed changes to the Tenancy Strategy.

## **ENVIRONMENT AND SUSTAINABILITY**

### **88 Potential Government Grant Bid for Lotherton Wildlife World**

Further to Minute No. 84, 19<sup>th</sup> October 2016, the Director of Communities and Environment submitted a report regarding the potential submission of a bid to the Rural Development Programme for England (RDPE) Growth Programme, which was administered via the Local Enterprise Partnership (LEP), with the aim of further developing the tourism offer at Lotherton Wildlife World.

Members paid tribute to the ongoing work of the Parks and Countryside team, with specific reference to all those who had been involved in the recent development and opening of the Leeds Arium.

#### **RESOLVED –**

- (a) That the submission of an expression of interest to the Rural Development Programme for England (RDPE) Growth Programme, be approved;
- (b) That it be noted that the Chief Officer Parks and Countryside will be responsible for the implementation of resolution (a) (above), with a submission ahead of the deadline of 31<sup>st</sup> January 2018.

**DATE OF PUBLICATION:** FRIDAY, 20<sup>TH</sup> OCTOBER 2017

**LAST DATE FOR CALL IN  
OF ELIGIBLE DECISIONS:** FRIDAY, 27<sup>TH</sup> OCTOBER 2017

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## EXECUTIVE BOARD

WEDNESDAY, 15TH NOVEMBER, 2017

**PRESENT:** Councillor L Yeadon in the Chair

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

**APOLOGIES:** Councillor J Blake

**89 Chair of the Meeting**

In accordance with Executive and Decision Making Procedure Rule 3.1.5, in the absence of Councillor Blake who had submitted her apologies for absence from the meeting, Councillor Yeadon presided as Chair of the Board for the duration of the meeting.

**90 Declaration of Disclosable Pecuniary Interests**

There were no Disclosable Pecuniary Interests declared at the meeting, however, in relation to the agenda item entitled, 'The Grand Quarter Townscape Heritage Scheme', Councillor Yeadon drew the Board's attention to her position as a member of the Leeds Grand Theatre and Opera House Board of Management. (Minute No. 96 refers).

**91 Minutes**

**RESOLVED** – That the minutes of the previous meeting held on 18<sup>th</sup> October 2017 be approved as a correct record.

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

**92 Improving Health and Work Outcomes**

The Director of City Development and the Director of Adults and Health submitted a joint report proposing the development of a new approach towards the improvement of health and work outcomes, and summarising the joint activity undertaken with partners in order to refocus provision. The report also highlighted the need to develop an integrated approach towards health and employment support in order to ensure that disabled people and those with long term health conditions that wished to work were supported to secure and sustain employment. Finally, the report provided details on the ambition to involve a wider group of stakeholders in the promotion of healthy workplaces, with a focus on creating and retaining a talented and diverse workforce.

Members highlighted the importance of the work being undertaken in this area, which it was noted, was in line with Council initiatives such as the Leeds Inclusive Growth Strategy.

Responding to a Member's enquiry, information was provided in respect of how further positive outcomes in this area would continue to be delivered. It was emphasised that in order to achieve such positive outcomes, the Council would need to work with those companies it had contracts with and also the private sector in general, in addition to working collaboratively with the Authority's more long standing partners, such as those within the health sector. It was also highlighted by Members that as work in this area continued to progress, further detail in respect of outcomes and associated targets would be welcomed, with it being suggested that such data be provided to the Board in due course.

Members also highlighted the importance of ensuring that a proactive approach was taken in tackling the issue of stress related illness and the promotion of good mental health. In response, the Board was provided with examples of the work currently being undertaken and which continued to be developed in this area.

With regard to the further development of work regarding health and work outcomes, emphasis was placed upon the need for the Council to be well positioned to bid for any further sources of external funding, should they become available in the future.

#### **RESOLVED -**

- (a) That the work undertaken to date in respect of improving health and work outcomes, together with the progress which has been achieved in this area, be noted;
- (b) That the proposed approach which will continue to engage with a broad range of stakeholders and seek their commitment to improving health and work outcomes in the city, be supported;
- (c) That agreement be given for the Council to work with Health and Care partners in order to build the business case for a revised joint delivery model which would support disabled people and those with health barriers to access and sustain employment;
- (d) That it be noted that the Chief Officer, Employment and Skills and the Chief Officer, Health Partnerships will be responsible for the implementation of such matters.

#### **RESOURCES AND STRATEGY**

##### **93 Treasury Management Strategy Update 2017/18**

The Chief Officer, Financial Services submitted a report which provided a review and an update of the Council's Treasury Management Strategy for 2017/18.

With regard to a Member's enquiry, the Board was provided with further details in respect of the Council's approach towards New Replacement Borrowing, which aimed to maintain an appropriate balance between short



and long term loans. Also, in respect of Leeds' approach towards such matters when compared to other Local Authorities, officers undertook to provide the relevant Member with a further briefing.

**RESOLVED** – That the update on the Treasury Management borrowing and investment strategy for 2017/18, as detailed within the submitted report, be noted.

**94 Capital Programme Quarter 2 Update 2017 - 2021**

The Chief Officer, Financial Services submitted a report providing an update on the Council's Capital Programme position as at the end of the second quarter of the financial year. In addition, the report also sought specific approvals in relation to funding injections, as detailed within the covering report and the associated appendices.

Responding to a Member's enquiry regarding the nature of the jobs being created as a result of the Council's Capital Programme investment, officers undertook to provide the Member in question with a briefing on such matters.

**RESOLVED -**

- (a) That the latest position, as at quarter 2, on the General Fund and Housing Revenue Account Capital Programmes, as detailed within the submitted report and appendices, be noted;
- (b) That the net increase in the General Fund and Housing Revenue Account Capital Programme 2017-2021 of £337.5m since the setting of the Capital Programme in February 2017, be noted, with it also being noted that such injections are detailed in Appendix D to the submitted report, and that £64.1m of schemes require approval as part of the report;
- (c) That it be noted that the borrowing required to fund the Capital Programme in 2017-18 has reduced by £5.4m since the February Capital Programme update 2017, with it also being noted that the Capital Programme remains affordable within the approved debt budget for 2017-18, and that further work is underway through regular Capital Programme reviews in order to ensure that future debt costs are maintained within the overall Medium Term Financial Strategy;
- (d) That the following £64.1m of injections into the Capital Programme, as set out below, and as detailed within Appendix D to the submitted report, be approved:-
  - £38.2m education grants funding;
  - £9.6m Better Care Fund grant;
  - £5.4m annual programme injections reconciling to the medium term financial strategy, as set out in Appendix B to the submitted report, funded by Leeds City Council borrowing;
  - £5.0m Local Centres Programme;
  - £3.1m other grants and contributions;
  - £2.0m Grand Quarter Townscape Heritage Scheme Grant;

Draft minutes to be approved at the meeting  
to be held on Wednesday, 13th December, 2017

- £0.8m Capital Receipts Incentive Scheme (CRIS), as detailed at Appendix E to the submitted report.
- (e) That it be noted that the above resolution (d) to inject funding will be implemented by the Chief Officer, Financial Services.

**95 Financial Health Monitoring Report - Month 6**

The Chief Officer, Financial Services submitted a report regarding the Council's projected financial health position for 2017/18, as at month 6 of the financial year.

Responding to a Member's enquiry, the Board was provided with further information on the current position in respect of the Dedicated Schools Grant, and the actions being taken and proposed to be taken in order to manage the associated budgetary pressures.

In addition, with regard to the Children's Centres budget, Members received clarification on the source of the pressures in this area, together with further information on the actions being taken to monitor and manage them. Also, the Board received further details of the projection as detailed within the report, with regard to the 'Children Looked After' budget.

**RESOLVED** – That the projected financial health position of the Authority, as at month 6 of the financial year, be noted.

**REGENERATION, TRANSPORT AND PLANNING**

**96 The Grand Quarter Townscape Heritage Scheme**

The Director of City Development submitted a report seeking authorisation for the resubmission of the Grand Quarter Townscape Heritage scheme to the Heritage Lottery Fund (HLF) in December 2017, together with the allocation of £500,000 Council match funding for the project.

The Board was supportive of the proposals detailed within the submitted report.

Members highlighted the unique character which had been developed in this area over time, referencing the wide range of independent retailers located in the Quarter. Emphasis was placed upon the need to maintain a mixed economy of uses following any potential regeneration of the area, in order to maximise the benefit for all.

Responding to a Member's specific enquiry, the Board was provided with further information regarding the disposal of the Belgrave Gardens site, which it was noted, formed part of the Council's Capital Receipts programme.

**RESOLVED** –

- (a) That the submission of a Stage 1 Application to the Heritage Lottery Fund in December 2017 in respect of the Grand Quarter Townscape Heritage Scheme, be approved;

- (b) That the allocation of £500,000 Leeds City Council match funding from within the general contingency budget be approved, subject to a successful Townscape Heritage bid to the Heritage Lottery Fund, with it being noted that this will lever in up to £2m of Heritage Lottery Fund grant and, subject to individual property grant agreements, £2.5m of private match funding;
- (c) That it be noted that the Executive Manager (Town Centres, Heritage & Buildings) will be responsible for the implementation of such matters.

**97 The Local Centres Programme (LCP)**

The Director of City Development submitted a report which presented details of the emerging Local Centres Programme (LCP), provided information on the proposed scope and application procedure for the initiative and which also sought agreement to implement the programme, as outlined within the submitted report.

Members welcomed the proposals detailed within the submitted report. The Board considered the flexible approach which was proposed to be taken towards the bidding process for programme funding, discussed the impact that such an approach may have, with the key role of local Ward Members in this process being highlighted.

**RESOLVED –**

- (a) That the contents of the submitted report, be noted;
- (b) That the Director of City Development, in liaison with the Executive Member (Regeneration, Transport and Planning), be authorised to implement the Local Centres Programme, as outlined in paragraphs 3.1 to 3.9 and appendices 1 to 3 of the submitted report;
- (c) That it be noted that the Executive Manager (Town Centres, Heritage and Buildings) will be responsible for the implementation of such matters.

**HEALTH, WELLBEING AND ADULTS**

**98 Refresh of the Better Lives Strategy**

The Director of Adults and Health submitted a report presenting a refreshed and updated version of the Council’s ‘Better Lives’ strategy, together with an associated action plan for the period 2017-2021.

In acknowledging how the refreshed strategy aimed to prioritise the delivery of high quality of provision in Leeds, a suggestion was made as to whether consideration could potentially be given to making the monitoring arrangements for such provision more participative.

Responding to a Member’s enquiry, the Board received an update regarding the progress being made on the development of infrastructure as part of the

Better Lives Strategy. Specifically however, Members also discussed the current position with regard to Extra Care housing provision in the city, with a detailed update being provided on the ongoing work being undertaken in this area and with it being noted that the intention was for the Council to go out to tender for the development of 2 sites in January 2018. When considering the position of the Council in terms of Extra Care housing provision compared to other Local Authorities, it was noted that the Council did communicate and share best practice with other Authorities. In conclusion, a briefing on such matters was also offered to Board Members, should they require it.

With regard to the issue of social isolation, the Board was provided with further details on the actions being taken to address this issue across the city.

**RESOLVED –**

- (a) That the refreshed Better Lives strategy and associated action plan for the period 2017-2021, be approved;
- (b) That it be noted that the Director of Adults and Health is responsible for the implementation of such matters.

**CHILDREN AND FAMILIES**

**99 The Leeds Preparing for Adulthood Strategy 2017-2022**

The Director of Children and Families submitted a report which sought to raise awareness of the Leeds 'Preparing for Adulthood' Strategy 2017- 2011. The report provided the background, the strategic fit and how the vision and strategy had been designed using a co-production approach – which had been undertaken with key stakeholders including young people and families, together with partners from the education, health and care sectors across the city.

Emphasis was placed upon the successes to date of the supported internship pilot programme.

Responding to an enquiry regarding the performance indicators which had been developed for the strategy, it was noted that a mechanism would be developed in order to ensure that outcomes were monitored and measured.

**RESOLVED –**

- (a) That the work undertaken to date on the Preparing for Adulthood Strategy 2017 – 2022 be acknowledged; and that the intended outcomes of the Strategy be supported and agreed;
- (b) That the 'supported internship' programme, as detailed within the submitted report, be supported and promoted across the Council and its partners by offering 'supported internship' placements, and also by embedding the 'ask' in the social value commissioning framework and the Child Friendly Leeds Employers' network;

- (c) That it be noted that the Head of the Complex Needs Service is the responsible officer for the implementation of the Strategy.

**100 Proposal for a Strategic Review of provision for children and young people with Special Education Needs and Disabilities (SEND)**

The Director of Children and Families submitted a report proposing the undertaking of a Strategic Review of 0-25 SEND (Special Educational Needs and Disability) provision in Leeds. The report also set out the Local Authority's duties in this area, and provided details of the proposed scope and methodology of the review together with the associated consultation.

Members highlighted the importance of the work proposed to be undertaken in this area, and in response to an enquiry, assurance was provided that the associated communication process with young people and their families would be clear, and that consultation would be robust.

**RESOLVED –**

- (a) That the Strategic Review process, including the consultation period running from 6<sup>th</sup> November 2017 to 4<sup>th</sup> December 2017, be noted;
- (b) That agreement be given for the Good Learning Places Board to hold the accountability for governance and permissions in relation to the implementation of the outcomes arising from the review;
- (c) That it be noted that the final proposals will be presented in the document entitled, 'Local Authority Strategic Plan of SEND Provision 2018-2021', which will be presented to the Executive Board for consideration and approval in February 2018;
- (d) That it be noted that the overall responsible officer for the implementation of the Strategic Review, together with the publication of the plan is the Head of Complex Needs.

**COMMUNITIES**

**101 Locality Working - Tackling Poverty and Reducing Inequalities**

The Director of Communities and Environment submitted a report which sought approval to introduce a new place-based, integrated approach towards the delivery of service provision, the tackling of poverty and the reduction of inequality in some of the city's poorest neighbourhoods.

In considering the proposals, the Board acknowledged the continuing involvement of Scrutiny in the development of the approach. In addition, Members noted that the locations of the priority Council estates needed further work to ensure that all relevant estates meeting the set criteria were identified. Furthermore, and responding to a Member's comments, it was emphasised that the universal service provision for communities across the city would remain.

Also, responding to a Member's enquiry, the Board was provided with further information on: how the proposed multi-agency approach would work; how the performance of previous approaches had informed the current proposals; and how Scrutiny would help to evaluate the progress being made by the initiative as it developed.

**RESOLVED –**

- (a) That the deployment of a new place-based approach towards early intervention and prevention in respect of tackling poverty, reducing inequality and addressing vulnerability in Leeds, be approved;
- (b) That the Director for Communities and Environment be requested to provide an annual progress report on the impact of this initiative as it develops.

**102 Beyond Decent Homes - The 2018 Housing Revenue Account (HRA) Capital Investment Plan**

Further to Minute No. 171, 22<sup>nd</sup> March 2017, the Director of Resources and Housing submitted a report providing an update on, and seeking support of the latest position regarding capital investment proposals for the Housing Revenue Account (HRA) assets over the next 10 years.

In introducing the report, the Executive Member for Communities highlighted the extensive engagement and communication exercises which had taken place with tenants following the Grenfell Tower fire, and it was noted that following the undertaking of independent inspections in all of the Council's high rise blocks, it was confirmed that all of the Council's blocks had achieved the necessary standard.

Members welcomed the proposals to lobby Government in respect of the removal of the HRA borrowing cap in order to allow the replacement of homes sold under the 'Right to Buy' initiative, and also welcomed the prioritisation being given to the proposed fire safety measures, including the installation of sprinkler systems in high rise stock.

Responding to a Member's enquiry, it was noted that should Government funding be made available for the provision of required fire safety measures, then further information would be submitted to the Board for consideration in terms of the extent to which such funding contributed towards the cost of meeting all required measures, and the impact that it would have upon the wider HRA Capital Investment Plan.

Finally, the Board also noted that the proposed Council investment into fire safety measures, as detailed within the report, enabled work to progress in this area, whilst the outcomes from the Grenfell Tower inquiry and any subsequent Government decisions were awaited.

## **RESOLVED –**

- (a) That the 10 Year HRA Capital Investment Plan, as detailed within the submitted report and appendices, be supported, subject to further annual review being undertaken as part of the HRA Business Plan;
- (b) That Executive Board support be given to the lobbying of Government: to provide funding for any new fire safety requirements which arise from the Grenfell Tower inquiry, such as the installation of sprinklers in all high-rise stock; and also to the removal of the HRA borrowing cap in order to allow the replacement of homes sold under the 'Right to Buy' initiative.

## **ENVIRONMENT AND SUSTAINABILITY**

### **103 The future of the Waste and Recycling Strategy for Leeds**

Further to Minute No. 56, 27<sup>th</sup> July 2016, the Director of Communities and Environment submitted a report which set out the proposed programme regarding the development of a revised waste and recycling strategy for Leeds. The report provided an update on the local and national context, and discussed some of the key issues for consideration in terms of the Council's future ambitions and the achievement of targets. Also, the report outlined the detailed appraisal work to be undertaken on the options for the Council's kerbside recycling strategy, and sought approval to the guiding principles and proposed programme for the development of the strategy.

Members received clarification on the role of DEFRA's (Department for Environment, Food and Rural Affairs) Waste and Resources Action Programme (WRAP) in respect of the proposals, and noted that funding had been received from WRAP in order to undertake an assessment of a range of kerbside recycling options.

The Board discussed the proposals detailed within the submitted report, and considered the future opportunities and challenges that the waste and recycling service faced, and how such matters would be taken into consideration as part of the overall review.

Responding to a Member's enquiry, emphasis was placed upon the need to ensure that an overarching and joined up approach was taken when considering matters such as the delivery of recycling provision. A specific example was provided in relation to the planning and waste management teams. In response to that specific example, officers undertook to liaise with the relevant directorates and report back to Board Members with the findings.

In addition, it was also highlighted that any future strategy would need to: have a long term vision, in order to ensure that it was able to adapt to the changes brought about by events such as Brexit or the evolving global recycling market; maximise any opportunities to access external funding sources should they become available; and also use Leeds' large scale to its advantage whilst at the same time ensuring that the range of differing requirements found in communities across the city were recognised.

**RESOLVED –**

- (a) That the contents of the submitted report, in particular the context and issues relating to the Council's waste and recycling strategy, as detailed within the submitted report, be noted;
- (b) That the areas and options to be considered and assessed (as detailed within section 5.3 of the submitted report), as a part of the proposed options appraisal exercise, to be led by the Chief Waste Management Officer, be supported;
- (c) That in principle approval be given to the outline programme (as detailed at section 5.5 of the submitted report) for the development of a revised Leeds Waste Strategy, including the undertaking of public consultation, with the detail to be subsequently agreed with the Director of Communities and Environment.

**DATE OF PUBLICATION:** FRIDAY, 17<sup>TH</sup> NOVEMBER 2017

**LAST DATE FOR CALL IN  
OF ELIGIBLE DECISIONS:** 5.00 PM, FRIDAY, 24<sup>TH</sup> NOVEMBER 2017

(Scrutiny Support will notify Directors of any items called in by 12.00 noon on Monday, 27<sup>th</sup> November 2017)