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## SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 11th July, 2011 at 10.00 am

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

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### MEMBERSHIP

#### Councillors

S Bentley - Weetwood;  
A Blackburn - Farnley and Wortley;  
J L Carter - Adel and Wharfedale;  
B Chastney - Weetwood;  
Dawson - Morley South;  
A Gabriel - Beeston and Holbeck;  
P Grahame (Chair) - Cross Gates and Whinmoor;  
J Hardy - Farnley and Wortley;  
A Lowe - Armley;  
C Macniven - Roundhay;  
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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**LEEDS LS1 1UR**  
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# A G E N D A

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

3

### **LATE ITEMS**

To identify items which have been admitted to the agenda by the Chair for consideration.

(The special circumstances shall be specified in the minutes.)

4

### **DECLARATIONS OF INTEREST**

To declare any personal / prejudicial interests for the purpose of Section 81 (3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct.

5

### **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES**

To receive any apologies for absence and notifications of substitutes.

6

### **MINUTES OF THE PREVIOUS MEETING**

To confirm as a correct record, the minutes of the meeting held on 17<sup>th</sup> June 2011

(Copy attached)

1 - 4

7

### **FINANCIAL PERFORMANCE - OUTTURN 2010/11**

To consider a report of the Head of Scrutiny and Member Development which sets out details of the Council's financial performance for the year ending 31<sup>st</sup> March 2011.

The Director of Resources, Alan Gay will attend the meeting and address the report answering any questions from Board Members

(Report attached)

5 - 40

8

## **CUSTOMER ACCESS STRATEGY**

41 -  
42

To receive a presentation from the Chief Business Transformation Officer providing details of the Customer Access Strategy.

(Report attached)

9

## **WORK SCHEDULE**

43 -  
68

To consider a report by the Head of Scrutiny and Member Development which sets out the Board's Work Schedule for the forthcoming municipal year

(Report attached)

10

## **DATE AND TIME OF NEXT MEETING**

To note the arrangement for future meetings of the Board:

Monday 5<sup>th</sup> September 2011

Monday 3<sup>rd</sup> October 2011

Monday 7<sup>th</sup> November 2011

Monday 5<sup>th</sup> December 2011

Monday 9<sup>th</sup> January 2012

Monday 6<sup>th</sup> February 2012

Monday 5<sup>th</sup> March 2012

Monday 2<sup>nd</sup> April 2012

(All meetings to take place in the Civic Hall, Leeds commencing at 10.00am)

# Agenda Item 6

## SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

FRIDAY, 17TH JUNE, 2011

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

Councillors S Bentley, A Blackburn,  
N Dawson, J Hardy, C Macniven, R Wood  
and C Fox (Substitute)

### 1 CHAIR'S OPENING REMARKS

The Chair welcomed everyone to the first meeting of the Scrutiny Board (Resources and Council Services) of the 2011/12 Municipal Year.

### 2 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting

### 3 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

Apologies for absence were received from Councillors: J L Carter, Chastney, Gabriel and Lowe

Notification had been received for Councillor C Fox to substitute for Councillor J L Carter

### 4 MINUTES OF THE PREVIOUS MEETING

**RESOLVED** -That the minutes of the former meeting of the Scrutiny Board (Central and Corporate) held on 4<sup>th</sup> April 2011 be confirmed as a correct record.

### 5 CHANGES TO THE COUNCIL'S CONSTITUTION IN RELATION TO SCRUTINY

The report of the Head of Scrutiny and Member Development provided the Board with information on recent amendments to the Council's Constitution, as agreed by Council on 26 May 2011, which directly related to and/or impacted on the work of Scrutiny Boards. The more significant amendments made to the Council's Constitution in relation to the Overview and Scrutiny function were summarised in the report.

Members of the Board were informed of the following main changes:

- There would now be five themed Scrutiny Boards that reflected the Boards of the Strategic Partnership.

Draft minutes to be approved at the meeting  
to be held on 11<sup>th</sup> July 2011

- Changes to the Call-In process – these included the requirement to consider the financial consequences of calling in a decision and changes to allow sitting Members of a Scrutiny Board to be a signatory of the calling in of a decision for consideration by their respective Board.

**RESOLVED** – That the amendments to the Council’s Constitution as outlined in Section 3 of the submitted report be noted.

## **6 SOURCES OF WORK AND AREAS OF PRIORITY FOR THE SCRUTINY BOARD**

The Head of Scrutiny and Member Development submitted a report which provided information and guidance on potential sources of work to be developed within the Board’s Work Programme for 2011/ 12.

Copies of the Scrutiny Boards terms of reference along with recent Executive Board minutes and a copy of the Council’s Forward Plan were appended to the report.

The Chair welcome to the meeting Councillor Wakefield, Leader of the Council who suggested the following service areas where a Scrutiny Inquiry may be beneficial:

- The Council Budget – Managing Diminishing Resources
- Apprenticeship and Jobs – Explore opportunities to deliver services with the assistance of the Private Sector
- Consequences of Benefit Changes – To explore the implication when changes are made to the Benefits System
- Customer Access Strategy – An investigation into Customer Care

Other topics raised by Board Members included:

- Best Utilisation of Surplus Properties
- Vehicle Maintenance Garage at Torre Road – Generation of Income
- Quality Control and Contracts
- Best Value Review of ITC
- Internet Provision in Deprived Areas
- Marketing Leeds – Costs of Producing marketing material, value for money and effectiveness
- Council Wide Costs of Publications
- Translation Service – Cost of Service

The Chair confirmed that the Contact Centre Working Group established last year would be reconstituted and continue it’s inquiry

The Chair thanked Councillor Wakefield for his attendance and contributions

**RESOLVED** – That the Work Schedule be amended in line with the discussion and prioritised accordingly.

## **7 WORK SCHEDULE**

The Head of Scrutiny and Member Development submitted a report which gave opportunity for consideration of the Board's work schedule for the forthcoming Municipal Year. A draft work schedule was appended to the report.

**RESOLVED** –

- a) That the contents of the report and appendices be noted.
- b) That the following topics be scheduled for the July meeting:-
  - Customer Access Strategy
  - Final Outturn Report
  - That Members be provided with briefing notes on the quality control of contracts and Agency Staff

## **8 CO-OPTED MEMBERS**

The report of the Head of Scrutiny and Member Development sought the Board's formal consideration for the appoint of co-opted members. Reference was made to the provision in the Council's Constitution for the appointment of co-opted members.

Members discussed the different options for co-opting members to the Board including appointing co-opted Members for the duration of the Municipal Year or making ad-hoc appointments to provide specialist support and advice on specific inquiries.

**RESOLVED** - The Board agreed to appoint co-optees on an ad hoc basis, as and when considered necessary to assist with particular matters or inquiries.

## **9 DATE AND TIME OF MEETINGS FOR THE 2011/12 MUNICIPAL YEAR**

**RESOLVED** – To note that future meetings of the Board be scheduled as follows:

Monday 11<sup>th</sup> July 2011  
Monday 5<sup>th</sup> September 2011  
Monday 3<sup>rd</sup> October 2011  
Monday 7<sup>th</sup> November 2011  
Monday 5<sup>th</sup> December 2011  
Monday 9<sup>th</sup> January 2012  
Monday 6<sup>th</sup> February 2012  
Monday 5<sup>th</sup> March 2012  
Monday 2<sup>nd</sup> April 2012

All meetings to held in the Civic Hall, Leeds commencing at 10.00 a.m.  
(Pre-meeting for Board Members to commence at 9.30 a.m.)

**(The meeting concluded at 11.15am)**



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

#### Scrutiny Board (Resources and Council Services)

Date: 11<sup>th</sup> July 2011

Subject: Financial Performance – Outturn 2010/11

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**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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### 1.0 INTRODUCTION

- 1.1 Attached as Appendix 1 is the Financial Performance Outturn 2010/11. This report presents the Council's financial performance for the year ending 31<sup>st</sup> March 2011.
- 1.2 The Director of Resources, Alan Gay has been invited to attend today's meeting to present the report and to answer any questions from Board members.

### 2.0 RECOMMENDATIONS

- 2.1 Members are asked to;
- (i) Note the Council's Financial Performance Outturn 2010//11.
  - (ii) Engage in a discussion with the Director of Resources
  - (iii) Consider whether there are any resulting issues which require further Scrutiny.

#### Background Papers

None used

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## Report of the Director of Resources

### Executive Board

Date: 22<sup>nd</sup> June 2011

Subject: Financial Performance – Outturn 2010/11

**Electoral Wards Affected:**

Ward Members consulted (referred to in report)

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In   
(Details contained in the report)

### Executive Summary

This report presents the Council’s financial performance for the year ending 31<sup>st</sup> March 2011, prior to the publication of the annual accounts.

2010/11 has presented a number of financial challenges, with the Council having to meet increasing demand pressures, generate efficiencies and maintain key front line services whilst dealing with the impact of the economic downturn. In addition, the Council has had to deal with a £15.0m in-year reduction in revenue grants and £12m in capital grants. A number of actions were taken corporately and within directorates to mitigate against these pressures, As explained in the 3<sup>rd</sup> quarter financial health report to the Board, the 2011/12 budget is predicated on the utilisation of a £2m of reserves carried forward from 2010/11 over and above our minimum level of reserves. This report confirms that this position has been largely achieved with reserves at the 31<sup>st</sup> March 2011 standing at £21.2m the end of 2010/11.

Variations within the Housing Revenue Account (HRA) have resulted in a small underspend of £0.1m. The general reserve now stands at £4.0m. Full details of the variations and the contributions to reserves are contained in the HRA report attached.

Spending on capital investment during the year amounted to £295.9m compared to a budget of £349.8m.

Other areas of year end financial performance reported include schools reserves, subsidiary companies, the collection of local taxation and sundry income, and the payment of creditors.

### Recommendations

Members of the Executive Board are requested to note the contents of this report and approve the treatment of earmarked reserves as detailed in the report.

## 1 Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2010/11, both revenue and capital, and includes the Housing Revenue Account. The report covers revenue expenditure and income compared to the budget and also reports on the outturn for Education Leeds and ALMOs.
- 1.2 The report also highlights the position regarding other key financial health indicators including Council Tax and NNDR collection statistics, Sundry Income, and prompt payments.
- 1.3 Executive Board, as in previous years, are asked to consider the financial performance of the Council during the year and approve the creation and usage of the Council's reserves.

## 2 Background information

- 2.1 Members will recall that the 2010/11 net budget<sup>i</sup> for the general fund was set at £569.3m, which did not assume the use of any reserves.
- 2.2 In a change to the Audit and Accounts regulations there is now no requirement for Corporate Governance and Audit Committee to approve the unaudited Statement of Accounts prior to their publication at the end of June. It is now the responsibility of the Director of Resources in his capacity as Section 151 officer to sign off the accounts by the 30<sup>th</sup> June 2011. The Accounts will be available for public inspection for 20 days from the 20<sup>th</sup> July 2011. The audited Statement of Accounts will be presented to the Corporate Governance and Audit Committee for approval by the 30<sup>th</sup> September 2011.
- 2.3 It should be noted that in accordance with proper accounting practice, any significant event which occurs prior to the audit sign - off of the accounts in September 2011, could impact on the Council's final published outturn position and hence the level of reserves. This is known as a post balance sheet event and should such an event occur, it will be reported back to this Board at the earliest opportunity.

## 3 Main issues – General Fund Revenue

- 3.1 The overall outturn position for 2010/11 for the Council against its budget is an underspend of £5.1m, as summarised below:

	Budget £m	Outturn £000s	Variation £000s
Adults	181.4	184.9	3.5
Children's	143.0	148.3	5.3
City Dev	71.7	72.1	0.4
Environment & N'hoods	99.0	100.0	1.0
Central & Corporate	73.4	68.1	- 5.3
Directorate Total	568.5	573.4	4.9
Strategic	0.8	-9.2	- 10.0
<b>Total</b>	<b>569.3</b>	<b>564.2</b>	<b>- 5.1</b>

3.2 This position has not been easily achieved. In summary the Council has had to deal with pressures in excess of £45m. These have included demand pressures of £24.3m, and declining income especially within City Development. In addition, the new Government announced a £1.166bn in-year reduction in grants to Local Authorities as part of its accelerated deficit reduction plan<sup>ii</sup>. As reported to Members on 22<sup>nd</sup> June 2010<sup>iii</sup>, this included a £15.0m reduction in revenue grants. The scale of these grant reductions and the fact that they were notified part way through the year presented the Council with a significant difficulty in managing them. However, through careful financial management, the delivery of staffing and other savings in directorates and the corporate identification of savings, it has been possible to not only deliver a balanced position, but to also to make a contribution to reserves in line with the budgeted utilisation of reserves in the 2011/12 budget. A detailed breakdown of the outturn variations for each Directorate can be seen in Appendix 1.

3.3 The main variations can be analysed subjectively as follows:

	(Under) / Over Spend				
	Staffing £m	Demand £m	Other Expenditure £m	Income £m	Total (Under) Overspend £m
Adult Social Care	(3.4)	12.7	(1.5)	(4.3)	3.5
Children's Services (Incl. Schools)	1.0	10.9	(5.0)	(1.5)	5.3
City Development	0.1		(3.8)	4.1	0.4
Environment & Neighbourhoods	1.1	0.7	(1.7)	0.9	1.0
Central & Corporate	(3.2)		(1.6)	(0.5)	(5.3)
Directorate Total	(4.5)	24.3	(13.6)	(1.3)	4.9
Strategic					(10.0)
<b>Total</b>					<b>(5.1)</b>

### 3.3.1 Staffing

Overall, staffing budgets were underspent by £4.5m. In line with the Council's financial strategy, staffing numbers have reduced by 1159 during the year in advance of the 2011/2 financial year. This variation does not include the net cost of the Early Leavers Initiative of £2.6m after the capitalisation of £5.7m statutory redundancy payments in accordance with the capitalisation direction that the Council received from the Government.

### 3.3.2 Demand Variations

Externally provided placements, both residential and with independent fostering agencies, have continued to be a major pressure on the Children's Services budget costing £11.6m more than the original budget. However these were partly offset by savings of £1.7m on the in-house allowances and fees to carers budgets which reflected the changing mix of placement provision.

Increased pressure on the budget for Community Care packages resulted in increased costs of £12.7m within Adult Social Care, mainly reflecting residential and nursing care placements being £6.7m higher than budgeted, £5.2m for independent sector domiciliary care and £1m on the Learning Disability Pooled budget.

### 3.3.3 Other expenditure variations

Throughout the year directorates have identified a number of savings proposals to offset in year expenditure pressures and income shortfalls. These are detailed in the directorate reports and total £10.7m. Of this £1.6m relates to housing benefits comprising £1m reduction in the provision for bad debts and £0.6m underspend on rent allowances. Within Environment and Neighbourhoods efficiency savings of £0.9m have been made on the Supporting People contracts. A saving on the LEGI programme within City Development has been utilised to partly offset income pressures within the directorate. In addition, there has been a £1.25m saving on the highways budget, although highway maintenance spend was enhanced by additional pot hole grant during the year. The underspend on the education budgets of £3.4m has been utilised to offset the budget pressures within Children's Services.

### 3.3.4 Income Variations

The economic downturn has again had a significant effect on income levels in 2010/11. Within the City Development directorate there was a shortfall of £4.1m from a number of external income sources, including planning and building fees, sport, parks and countryside and Architectural Design Services. Within Environment and Neighbourhoods, a shortfall in car parking income amounted to £1.3m. In addition, the 2010/11 budget included income from Section 278 schemes of £5.2m, compared to the outturn of £3.0m, reflecting the slowdown in development activity.

Additional income has been generated within Adults Social Care with income of £4.5m from NHS Leeds approved in year to support reablement and effective outcomes around hospital avoidance and hospital discharge. In addition, Children's Services also received £1m funding from health.

### 3.3.5 Corporate Issues

Debt charge savings of £4.6m have been achieved during the year, taking advantage of the continued low interest rates.

As previously reported to Members, recent changes to the accounting rules regarding the treatment of PFI schemes has meant that an element of the PFI payment is now recognised as capital spend and, in accordance with legislation, can therefore be funded from capital receipts. For 2010/11 the amount of PFI payments is £8.4m and capital receipts will be used instead of revenue to fund this element. This is in accordance with proper accounting

practice and is consistent with the newly applied international accounting standards for Local Government. The capital receipts will no longer be available to fund capital schemes which will result in additional borrowing costs.

The Council has to set aside an insurance provision following an assessment of likely future payments in respect of claims received. The provision has increased by £1.5m reflecting more claims received, primarily relating to highways liabilities, and settlements from previous years being higher than initially provided for.

The Council's budget for 2010/11 assumed that it would be possible to identify spending of £5.0m charged to the revenue accounts, but which can be properly charged to capital. In order to mitigate against the spending pressures, at year end it has been possible to identify an additional £3.6m, which can be properly accounted for as capital.

#### 4. Housing Revenue Account

- 4.1 Variations within the Housing Revenue Account (HRA) have resulted in a surplus of £113k which has been added to the HRA general reserve. The general reserve now stands at £4.0m. Full details of the variations and the contributions to reserves are contained in the HRA report attached.

#### 5.0 Schools

- 5.1 The outturn on the Individual Schools Budget for 2010/11 is:

<b>Outturn</b>	<b>£m</b>
Latest estimate	376.0
Outturn	374.8
Variation	<b>(1.2)</b>
<b>Schools Reserves</b>	
Balance Brought Forward	17.1
Net Contribution to Reserves	1.2
Balance Carried Forward	<b>18.3</b>
<b>Extended Services &amp; Partnerships</b>	
Balance Brought Forward	4.2
Net Contribution to Reserves	1.3
Balance Carried Forward	<b>5.5</b>

#### 6.0 Reserves

- 6.1 A full statement of all Council reserves can be found at Appendix 2. A summary of them and an explanation of the key movements is as follows:

<b>Reserves</b>	<b>Balance at 31.3.11 £m</b>
<b>General Fund:</b>	
General risk based reserve	21.2
Earmarked reserves	19.4
Ringfenced reserves - schools	24.1
Ringfenced reserves - other	12.4
<b>Total General Fund Reserves</b>	<b>77.1</b>
<b>Housing Revenue Account:</b>	
General reserve	4.0
Earmarked reserves	16.1
<b>Total Housing revenue</b>	<b>20.1</b>

6.2 General Fund reserves at 31<sup>st</sup> March 2011 are £21.2m:

General Fund Reserve	2010/11	
	Estimate £m	Actual £m
Balance at 31.3.10	12.0	16.1
2010/11 underspend		5.1
Balance carried forward at 31.3.11	12.0	21.2

6.3 The 2010/11 budget assumed that reserves at the end of 2010/11 would be £12m. However, as reported to Corporate Governance and Audit Committee<sup>iv</sup> on 30<sup>th</sup> June 2010, the actual balance carried forward at 31<sup>st</sup> March 2010 was £16.1m. After the use of £2m as agreed to support the 2011/12 budget, this would leave an estimated £19.2m at the 31<sup>st</sup> March 2011 which is broadly in line with the minimum reserves as determined by the Council's risk based reserves strategy.

6.4 Earmarked Reserves at the 31<sup>st</sup> March 2011 are £19.7m. These are detailed in Appendix 2. As part of the Council's response to the in year reductions in Government Grants, Board agreed that a number of earmarked reserves would be used to assist the Council's financial position. At outturn it has not proved necessary to use these earmarked reserves as intended, however, it is now proposed that they are instead earmarked to be used to fund the in year cost of early retirement for 2011/12. The 2011/12 budget assumes that a further 400 staff leave the authority during the year. The intention was to seek a further capitalisation direction to cover the cost of any early leavers but the

Government has increased the affordability threshold which means we are no longer eligible given the projected number of leavers. It is thus proposed that an earmarked reserves of £2.5m be created to support the in year cost of early leavers in 2011/12. It should be noted that earmarked reserves are earmarked for specific priorities, and whilst they can be un earmarked and used to support general revenue expenditure, but in such instances any ongoing liabilities of these reserves would have to be funded from elsewhere

- 6.5 As schools are funded from the Dedicated Schools Grant (DSG), their reserves are ring fenced and must be carried forward. Mainstream school reserves stand at £18.3m. In accordance with previous decisions, the development costs of School PFI and BSF funded schemes are initially met by borrowing from the overall level of school reserves which is then repaid over a period of time. At the close of the year, £4.7m was still outstanding. The cost of Voluntary Early Retirements in schools have also been funded by borrowing against mainstream school reserves. During 2010/11, new VER borrowings were £0.7m. However available resources of £2.6m have enabled all such borrowing to be repaid as at 31<sup>st</sup> March 2011. Taking account of the £4.7m BSF borrowing, the net mainstream schools reserves position is £13.6m as at 31<sup>st</sup> March 2011.
- 6.7 Extended Services & Partnerships reserves amount to £5.5m.
- 6.8 Any net savings on the Central Schools Budget (CSB) services funded from DSG are also carried forward as a ringfenced reserve and are available to fund Schools Budget activity in future years. At the close of 2010/11, CSB reserves amounted to £5.0m ( £2.5m in 2009/10). In-year savings in 2010/11 were primarily due to vacant posts within Education Leeds and reduced demands on the schools' contingency.
- 6.9 Members will note that a recent change to accounting practice requires that any grants not fully used in the year have to be carried forward as a general fund ringfenced reserve instead of receipts in advance where the grant is unconditional. For 2010/11 this amounts to £12.4m where the grant has been received in the current year in respect of future years spend. It is proposed that these are released immediately into revenue in 2011/12 to support the appropriate spend as included in the 2011/12 budget. This constitutes the majority of the other ringfenced reserves.
- 6.10 The table above shows the closing HRA reserves of £20.1m consisting of £4.0m general and £16.1m earmarked. The earmarked reserves are detailed in Appendix 2. Key points to note in respect of the earmarked reserves are as follows:-
- A reserve of £657k for the replacement of Care ring equipment is required. This will be funded from the HRA General Reserve.
  - The ALMO/HRA Capital Reserve is the remaining balance on the £4.6m subsidy refund which Council on 14<sup>th</sup> July 2010 agreed should be earmarked for essential asset management work and strategic housing initiatives.

- The contribution to the Swarcliffe PFI Sinking Fund (£573k) is required to ensure that the project remains affordable throughout its life and can meet future contractor payments.
- A Swarcliffe Access Refusals reserve has been created. This is to fund future capital works to properties where the current tenant has refused access for works to be carried out. This reserve has been funded via savings on the unitary charge paid to the contractor. It will be used to fund required works once the property becomes void prior to a new tenancy being granted.

## 7. Capital Programme

7.1 The approved February 2011 Capital Programme<sup>v</sup> estimated capital expenditure in 2010/11 to be £349.8m. The actual capital expenditure in 2010/11 was £295.9m, an underspend of £53.9m. Details of the main schemes which have generated this underspend can be seen in Appendix 3.

7.2 The following table shows the in year actual General Fund expenditure against the estimate:

General Fund	Feb 11 Estimate	Outturn	Variation	
	£000	£000	£000	%
City Development	77,989	66,322	-11,667	-15.0
Children's Services	14,615	14,199	-416	-2.8
Environment & Neighbourhoods	22,693	18,487	-4,206	-18.5
Adult Services	3,213	2,401	-812	-25.3
Strategic Accounts	71,870	50,762	-21,108	-29.4
Education	93,505	73,552	-19,953	-21.3
Central & Corporate Functions	13,218	8,795	-4,423	-33.5
Interest costs – assets under construction	0	1,091	1,091	100.0
Reserve schemes (includes SDF)	-14,667	0	14,667	-100.0
<b>Total Spend</b>	<b>282,436</b>	<b>235,609</b>	<b>46,827</b>	<b>-16.6</b>

7.2.1 Environment & Neighbourhoods excludes £53.7k estimate and actual 2010/11 spend of £2.058m relating to the Golden Triangle project, a housing partnership arrangement involving Leeds, Harrogate and York councils.

7.2.2 Strategic Accounts include £32.1m for equal pay settlement costs in year plus a contribution to settlement costs when agreed in 2011/12 onwards. £5.7m is included for the capitalisation of redundancy costs relating to the Early Leavers Initiative. Also included is £8.5m of eligible general capitalised expenditure transferred from department's revenue accounts plus £0.753m of capitalised PFI development costs.

7.2.3 £1.091m of interest costs have been capitalised in respect of assets under construction as at 31st March 2011.

7.3 The following table shows the in year actual Housing Revenue Account expenditure against the estimate:

	Feb 11 Estimate	Outturn	Variation	
	£000,	£000,	£000,	%
Strategic Landlord	9,138	8,493	-645	-7.1
ALMOS	58,197	51,838	-6,359	-10.9
<b>Total Spend</b>	<b>67,335</b>	<b>60,331</b>	<b>-7,004</b>	<b>-10.4</b>

7.3 The following table details the overall expenditure and financing position for the Council:

	Feb 2011 Estimate (£m)	May 2011 Outturn (£m)
<b>Net Capital Spend</b>	<b>342.6</b>	<b>295.9</b>
<b>Financed by</b>		
Specific Grants and Contributions	121.7	114.5
Capital Receipts	1.6	1.4
MRA	37.3	37.3
Borrowing	176.1	136.4
Revenue Contributions \ Reserves	5.9	6.3
<b>Total Funding</b>	<b>342.6</b>	<b>295.9</b>

7.31. Capital receipts have not been utilised in 2010/11 as a funding source for General Fund expenditure. A change in accounting policy has resulted in £8.4m of receipts being used to fund PFI liabilities. The remaining £1.4m balance of HRA Right to Buy receipts has been applied as funding to the HRA programme.

7.3.2 Overall capital receipts are 20% lower than 2009/10 due to the continued economic downturn and reduction in property values affecting sales values and the actual number of disposals.

7.3.3 ALMO's have used their in year MRA resources in full in order to fund their programmes along with their Supported Capital Expenditure (SCE) allocations. In addition the HRA has utilised £4.2m of reserves and revenue contributions in order to support the overall HRA programme.

7.3.4 The net debt of the Council as at 31 March 2011 is £1,457m (£1.457bn). Further details of this and the debt financing costs will be presented in the annual 2010/11 Treasury Management report to Executive Board in July 2011.

## 8. Other Financial Results

### 8.1 Education Leeds

- 8.1.1 Due to the cessation of the contract with Education Leeds at 31<sup>st</sup> March 2011, the contract was amended before the year-end in order to repay the accumulated operating surplus as at 31<sup>st</sup> March 2010 and the forecast in-year surplus for 2010/11. This amounted to a reduction in the Education Leeds contract of £3.2m.
- 8.1.2 Once the final accounts for Education Leeds have been prepared, which are subject to audit scrutiny, it is estimated that there may be a small surplus to transfer back to the Council.

### 8.2 ALMOs

- 8.2.1 The three ALMOs generated a combined surplus of £14.2m. This surplus has resulted in the ALMOs carrying forward reserves of £46.0m as at 31<sup>st</sup> March 2011. After taking into account the pensions (FRS 17) deficit of £11.8m, the available ALMO reserves stand at £34.2m.
- 8.2.2 The above figures are subject to Board approval and external audit.

## 9 Other Financial Performance

### 9.1 Local Taxation

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

	<b>2007/08 Leeds Actual</b>	<b>2008/09 Leeds Actual</b>	<b>2009/10 Leeds Actual</b>	<b>2010/11 Leeds Actual</b>
Council Tax collection	96.4%	96.3%	96.5%	96.7%
Non Domestic Rates	98.7%	97.7%	97.8%	97.9%

- 9.1.2 The figures for both Council Tax and Non Domestic Rate collection again show an increase in collection rates from the previous year. The council tax figure has further improved on last year's best collection figure since the introduction of council tax. The improvement from last year is equivalent to the collection of an additional £440k in the year. Business rate collection again improved but continues to be below pre-recession levels, with collection being assisted in 2010/11 by the extension of the small business rate relief scheme and the continuation of the higher rateable value for exemption from unoccupied property rates.

## **9.2 Sundry Income**

- 9.2.1 The collection of current year debt and arrears has increased from 89.2% in 2009/10 to 90.2% in 2010/11, with a collection rate of 98% for invoices raised during 2010/11 (excluding those only recently issued during March).
- 9.2.2 In respect of the current year debt only, the net amount collectable was £127.6m with a balance outstanding of £11.8m at 31st March 2011. The total cumulative debt outstanding is £13.2m.

## **9.3 Prompt Payments**

- 9.3.1 The outturn for the year was 90% (against a target of 92%) of undisputed invoices paid within 30 days, an increase in performance of 2% compared to 2009/10.
- 9.3.2 The total number of invoices processed in the year which met the prompt payment criteria was 572,140. After accounting for 3,595 invoices in query with suppliers, 509,329 were paid within 30 days, leaving 59,216 paid after 30 days.
- 9.3.3 Overall 94% of the authority's invoices were paid within 40 days and 100% of small suppliers were paid within 20 days. The work supporting an increase in the use of Procurement Cards increased spend by this method to £16.12 million; a 234% increase compared to our 2009/10 spend (year end result £4.82 million). The work undertaken in the last year increased the number of purchasing card transactions by 104%, creating efficiencies in the payments process.

## **10 Recommendations**

Members of the Executive Board are asked to:

- 10.1 Note the contents of this report
- 10.2 Agree the creation of an earmarked reserve for an early leavers scheme in 2011/12.
- 10.3 Agree the earmarked reserves as detailed in Appendix 2.
- 10.4 Agree the immediate release of £12.4m earmarked reserves as detailed in paragraph 6.9 above.

## **Background Documents**

<sup>i</sup> Revenue Budget report 2010/11 Executive Board 12<sup>th</sup> February 2010

<sup>ii</sup> Local Government's Contribution to £6.2bn efficiencies in 2010-11, Letter from DCLG to Local Authority Chief Executives 10<sup>th</sup> June 2010.

<sup>iii</sup> Executive Board report 25<sup>th</sup> August 2010

<sup>iv</sup> The Statement of Accounts 2009/10 – report to Corp Gov & Audit Committee 30<sup>th</sup> June 2010

<sup>v</sup> Capital Programme report to Executive Board 11<sup>th</sup> February 2011

## ADULT SOCIAL CARE

### 2010/11 OUTTURN POSITION

#### Introduction

This report sets out the 2010/11 outturn position for the directorate and provides an explanation of the major variations.

#### Overall Position

The actual outturn position for Adult Social Care is a net overspend of £3.5m.

	£m
Budget	181.4
Outturn	184.9
<b>Variation</b>	<b>3.5</b>

The reasons for this overspend are explained below, but in summary it is made up of four main elements:

Slippage with budgeted action plans	£3.8m
Demand management issues	£9.6m
In-year health funding	(£4.5m)
In-year savings & other variations (net)	(£5.4m)

#### Context

Part of the context for the current position relates back to the 2009/10 outturn, which was £7.7m higher than the budget. The main variations related to community care packages, mainly for older people and people with learning disabilities.

The 2010/11 budget included additional resources for Adult Social Care of £4.5m. However, additional requirements significantly exceeded this increased funding, mainly reflecting the demographic pressures affecting older people's and learning disability services that impacted on the 2009/10 outturn. In order to fund them £18.4m of measures needed to be included within the 2010/11 budget for different ways of spending.

#### Staffing

The 2010/11 staffing spend was £3.4m lower than budgeted, of which £1m relates to contingency savings delivered through the training budget. This underspend was reduced by £1.9m through in-year virements to support community care budgets to give a net staffing underspend at the year-end of £1.5m. The main pay underspends relate to Access & Inclusion, predominantly reflecting the savings within the Community Support Service through the Early Leavers Initiative. Other savings within Strategic Commissioning and Resources and Strategy reflect the careful management of vacancies throughout the year. The overspend within Learning

Disabilities and Older People reflects high vacancy levels requiring cover through agency staff or overtime to meet minimum staffing requirements in regulated services. Vacancy levels have been maintained to facilitate staff switching from other posts as the service undergoes significant service transformation.

## **Demand**

Expenditure exceeded budget provision by £9.6m on community care budgets. The total overspend on these budgets was £10.2m, comprising £9.6m in respect of demand and £3.1m relating to the delivery of budgeted savings partly offset by in-year virements totalling £2.5m.

The 2010/11 budget for residential and nursing placements anticipated an accelerating downward trend in numbers and reflected a number of planned actions. Some of these totalling £1.3m have been successfully delivered, for example managing inflation and making better use of in-house beds, but there was a shortfall of £0.7m. However, despite rigorous gatekeeping the anticipated demand management savings have not been achieved. This accounts for a projected overspend of £6m, which has been partly offset by an in-year virement of £1m. With regard to managing demand, there are two significant factors that are outside the direct control of Adult Social Care, namely activity levels within hospitals and the number of former self-funders reaching the threshold for statutory local authority funding of their continued placement.

The 2010/11 domiciliary care budget was set anticipating an improvement in the take-up of work by the directly provided service, a reduced need for high cost packages through the impact of reablement and telecare and savings through contracting efficiencies. Some measures have succeeded with savings totalling £1.2m, mainly from telecare and contracting efficiencies. However, there has been slippage in delivering the budgeted reablement savings which reflects a lack of programme management capacity for this major piece of work until the start of the financial year and lessons learned from the early implementer areas necessitating full roll-out being rescheduled over a longer time period. This, together with some relatively minor slippage on other planned actions, accounts for £2m of the projected overspend. A further £2.8m reflects increased demand that has continued since the 2010/11 budget was set, with a further £0.4m additional cost reflecting the care packages transferred to the independent sector as staff leave the directly provided service through the Early Leavers Initiative. These costs are partly offset by an in-year virement of £1.5m. Significant contributory factors outside the direct control of Adult Social Care are the hospital admission and discharge rates and the level of demand for care from people with eligible social care needs.

Direct payments expenditure reflects the extent to which customers choose to receive their services as a cash payment rather than through traditional services and the level of need being met by the care package. This expenditure is £0.2m lower than budgeted.

The Council and NHS Leeds share the responsibility for the learning disability pooled budget on a 60:40 basis and for 2010/11 the Council's share was £1m higher than budgeted. The 2010/11 budget made provision for new care packages based on

cases expected to transfer from children's to adult services and spend is in line with the budget. A further provision was made for new or increased care packages for other potential customers, for example those living with elderly family carers whose increasing age and frailty means they can no longer provide care. The costs for these cases are higher than budgeted, with three complex cases approved at the start of the year amounting to £0.7m.

## **Income**

Income was £4.3m higher than budgeted. Of this, £4.5m reflects funding from NHS Leeds approved in-year to support reablement and effective outcomes around hospital avoidance and hospital discharge, partly offsetting the demand pressures outlined above. A further £0.4m from NHS Leeds relates mainly to Funded Nursing Care. Service user income is £0.6m lower than budgeted. This partly reflects the roll through into 2010/11 of the lower than budgeted home care income identified in the final quarter of 2009/10. It also reflects residential care income being below the budget as more beds than anticipated have been either unoccupied or occupied by transitional care cases which do not generate a customer contribution. There is excess capacity within the residential care sector in Leeds and recently some new purpose-built care homes with the most modern facilities have become operational, both of which have affected demand for beds in Council run homes.

## **Other**

The net effect of other variations is an underspend of £0.9m comprising variations across a range of expenditure budgets and mainly reflecting contingency savings to help to mitigate the demand pressures outlined above. This includes £0.5m on operational furniture and equipment.

## CHILDREN'S SERVICES - 2010/11 OUTTURN POSITION

### Introduction

This report sets out the 2010/11 outturn position for the Children's Services Directorate and provides an explanation of the major variations.

### Overall Position

Against a net managed budget of £142.879m, the outturn spend for Children's Services is £148.172m resulting in a net overspend of £5.293m, which is equivalent to 3.70%. This overall variation is consistent with the in-year reporting.

	£m
Budget	143.0
Outturn	148.3
<b>Variation</b>	<b>5.3</b>

The position by individual service is;

	Budget £'000	Outturn Over/(under) £'000	Variation Adv/(fav) £'000
Directorate & Central	2,746	3,827	1,081
Children & Young People's Social Care	74,175	85,512	11,337
Integrated Youth Support Service	14,878	15,114	236
Youth Offending Service	2,815	1,829	(986)
Early Years	5,084	2,289	(2,795)
Education	43,181	39,601	(3,580)
<b>Total – Children's Services</b>	<b>142,879</b>	<b>148,172</b>	<b>5,293</b>

### Context

The 2010/11 financial year was very challenging for Children's Services. There was significant pressure on the budget of around £23m which reflected increasing levels of demand, particularly around externally provided placements for looked after children, and also the in-year reductions in grant funding, including the £5m reduction in Area Based Grant.

These pressures were offset by around £18m of budget action plans and savings/efficiencies across the Directorate, including the delivery of the Children's Services integration budget action plan, utilising balance sheet reserves, management and implementation of the in-year grant/funding reductions strategies which were agreed by Executive Board, as well as continued delivery of the

Children's Centre sustainability programme. In addition, the Directorate also received £1m of funding from health.

## **Staffing**

Against an overall employee budget of £71.5m, the outturn spend was £72.5m, resulting in an overspend of £1m. Within this £72.5m overall spend, the spend on basic employees was £62.5m (an underspend of £6.4m), the spend on agency staffing was £6.7m (an overspend of £5.9m) and the spend on overtime was £1.5m. These outturn variations recognise the continuing number of vacant posts across the Directorate and the need to maintain essential front-line service provision. In addition, the £1.25m Children's Services integration budget action plan was budgeted for within the employee budgets and the outturn variations recognise that £0.4m of this plan was delivered from within Children's Services with the remainder delivered and accounted for as part of the £3.4m underspend on the education budgets.

## **Demand**

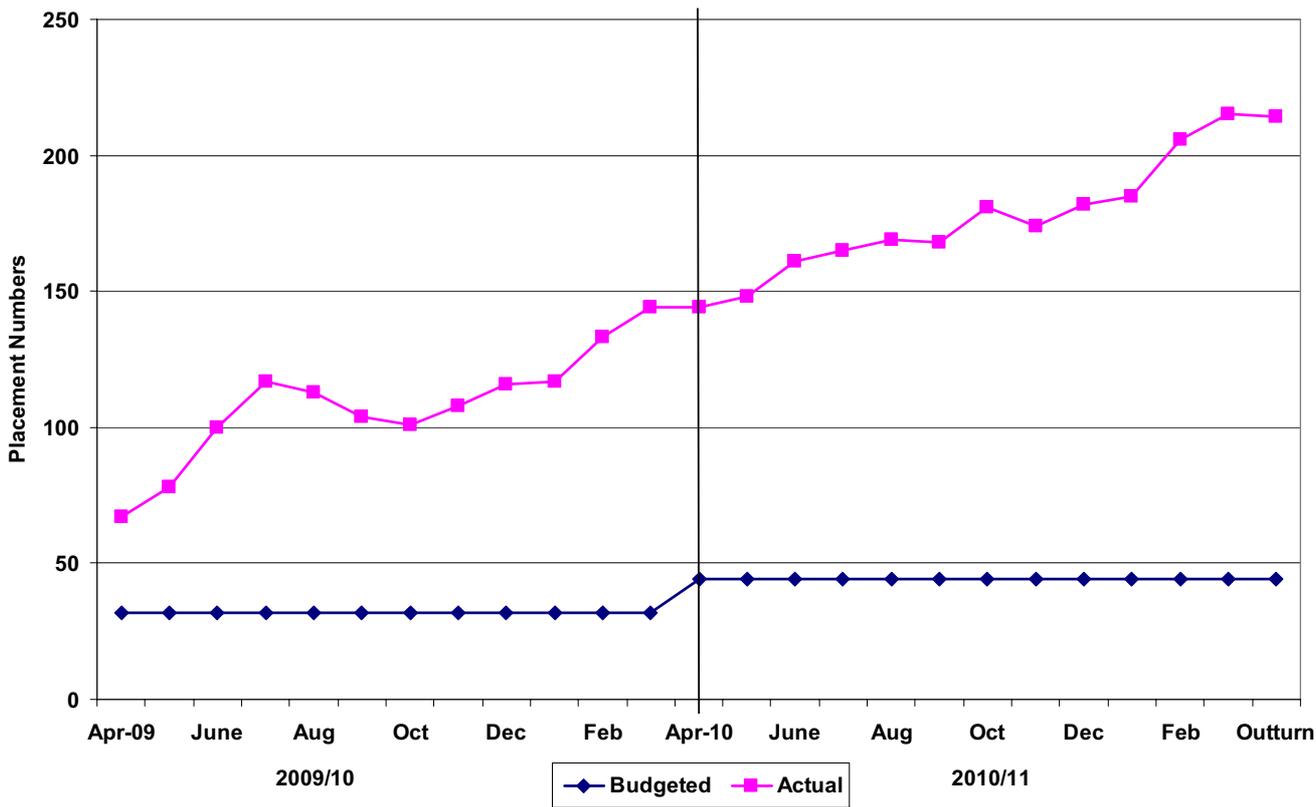
The 2010/11 financial year saw a continuation of the increase in demand across Children's Services in terms of the number of looked after children (1,446 as at March 2011), the number of children subject to a child protection plan (984 as at March 2011) and also in the number of referrals and assessments.

As projected throughout the year, the main financial pressure in Children's Services was in the externally provided residential and fostering budgets. The gross cost of the externally provided placements for looked after children in 2010/11 was £20.78m, with contributions of £70k from health and £0.32m from education. The total variation against the budget was £12.1m, of which £11.6m was due to additional expenditure and £0.52m was due to a shortfall in budgeted income from health.

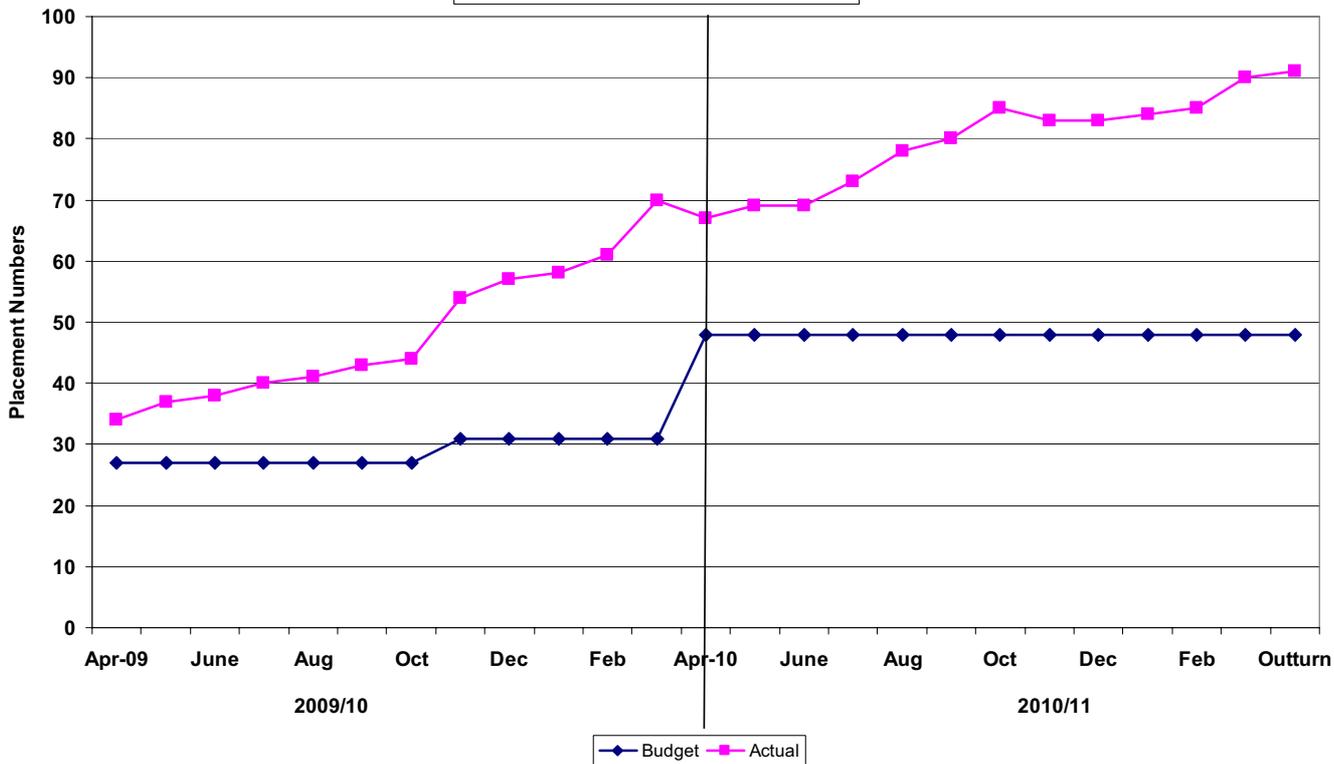
At the end of March, there were 91 children & young people in externally provided residential placements (48 budgeted for), and 214 children & young people in placements with Independent Fostering Agencies (44 budgeted for). The pressures on the external placement budgets were partly offset by projected savings of £1.7m on the in-house allowances & fees to carers budgets, which reflected the changing mix of placement provision. The outturn position recognises that the £0.5m budget action plan in respect of additional health contributions for placements will not be achieved in 2010/11, however placement by placement work is continuing in order to determine the appropriate basis for placement contributions across partner organisations.

The graphs below show the trend in the number of externally provided residential placements and placements with independent sector foster agencies from April 2009 through to March 2011.

Children & Young People's Social Care  
Independent Fostering Agency Placements



Children & Young People's Social care  
External Residential Placement Numbers



Other demand-led budget pressures included a £0.9m pressure on the cost of legal advice/fees which was partly offset by a budget action plan of £0.2m around recycling a surplus from legal services, and also a £0.3m pressure on client transport.

## **Income**

As a result of the Government's accelerated deficit reduction plan in June 2010, funding for Children's Services was reduced by around £8m through reductions in Area Based Grant, LPSA 2 funding and other reductions in specific grants such as the Nursery Education Pathfinder, Buddying, etc. The proposals to mitigate the financial impact of these funding reductions were agreed by Executive Board in August and September 2010 and are reflected in the 2010/11 accounts.

As mentioned earlier, as part of an agreement with health, Children's Services received an additional £1m of funding in 2010/11.

As outlined in last year's outturn report, there is an ongoing dispute with the Department for Education regarding the former neighbourhood Nurseries Initiative and a debtor for £1.1m was raised in the 2009/10 accounts whilst awaiting a response. The Department for Education has now confirmed in a letter received on the 26<sup>th</sup> April 2011 that in their opinion we will not receive this grant. The Council is considering further options for recovery of this funding but considers it prudent to not include the debtor in the 2010/11 accounts.

## **Other**

The £3.5m underspend on the Education budgets relates to the decision to use the remaining £1.9m Education Leeds operating surplus in 2010/11, in addition to the in-year underspend in the company. These savings have been offset in 2010/11 by £0.95m of costs relating to the Early Leaver Initiative scheme.

In the Early Years Service, the £2.8m forecast underspend is largely being generated across the staffing budgets and in particular across the Early Years managed Children's Centres. This recognises that a continuing cornerstone of the Children's Services financial strategy is to enable these centres to be sustainable over the medium and longer-term by targeting value for money and increasing occupancy.

The outturn position also reflects an underspend of £986k in respect of the Youth Offending Service, which includes the planned utilisation of £500k of the earmarked reserve in 2010/11.

**CITY DEVELOPMENT**  
**2010/11 OUTTURN POSITION**

**Introduction**

This report sets out the 2010/11 outturn position for the directorate and provides an explanation of the major variations.

**Overall Position**

The actual outturn position for City Development is a net overspend of £0.439m.

	£m
Budget	71.7
Outturn	72.1
<b>Variation</b>	<b>0.4</b>

**Context**

The outturn position of an overspend of just over £0.4m was made up of a small overspend on staffing of under £0.1m, an underspend on other expenditure of £3.8m and a shortfall in income of £4.1m. The main overspend at £3.1m occurred in Planning and Sustainable Development mostly as a result of income shortfalls. Recreation Services overspent by £1.1m as a result of income shortfalls and an overspend on staffing. Other services including Highways and Transportation, Economic Development, Libraries, Arts and Heritage and Resources and Strategy spent below budget. The major Budget Pressures can be summarised as follows:

<u>Major Budget Pressures:</u>	£000s
Building Fees shortfall	366
Planning Fees shortfall	649
Architectural Design Services net income shortfall	500
Recreation external income	620
Net Staffing	82
Planning appeal costs	516
Loss of Housing Planning Delivery Grant	<u>900</u>
	3,633
Offset actions:	
Highway spend	(1,250)
Library book fund	(300)
Local Enterprise Growth Incentive scheme	(842)
Other net variances	(802)
<b>Total</b>	<b>439</b>

The 2010/11 budget included significant savings that needed to be delivered during the year including reductions to staff costs of over £3m, implementing the vision for sport, workload and income assumptions, above inflation price increases and significant savings on running costs across all services. During the year the implementation of some actions took longer than was originally planned in the budget but most actions were successfully delivered.

The directorate has a controllable income budget of just under £100m and the prevailing economic conditions can have a significant impact on the level of income earned. During 2010/11 the level of economic growth remained low and shortfalls in income were experienced against a number of key income targets. In addition, in year grant cuts provided a further challenge from reduced revenue grant income, reductions to work programmes and reduced workloads following cuts to capital grant funding. The directorate also had to manage the financial consequences arising from ongoing uncertainty over the future of some major projects such as New Generation Transport and the Holt Park Wellbeing Centre PFI scheme. Reduced external income, reduced workloads and in year cuts in grants were the major budget pressures that the directorate had to react to during the year.

In order to manage the significant shortfall in income a number of options for expenditure savings were identified early in the financial year. These were actively implemented and further savings identified as it became clear that some income shortfalls were increasing. By the year end running costs were reduced by £3.8m compared to the budget.

The directorate had set a challenging staff saving target for 2010/11. Services were proactive in progressing Early Leaver Initiative business cases first through the directorate scheme and later through the corporate scheme and in managing vacancies. Overall staff numbers and costs were reduced through out the year and by the end of the year staffing costs were virtually within budget.

## **Staffing**

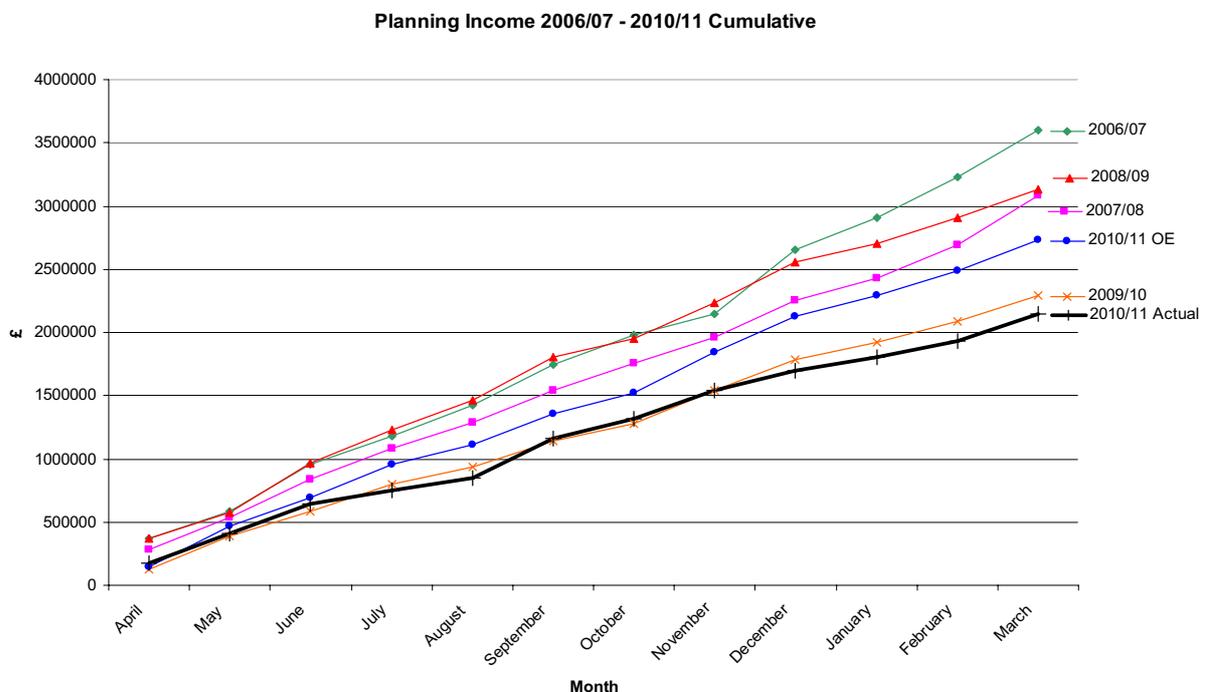
Target savings of over £3m were included in the 2010/11 budget. All services have been progressing Early Leaver cases and a number of restructures were approved. FTEs have reduced by 229 since March 2010, reflecting the large number of staff who left the directorate at the end of March 2011 through the directorate and corporate ELI schemes. This equates to a reduction in staff levels of 8.6% in the year. The projected overspend on staffing has been reduced significantly during the year and the overall overspend has been reduced to £82k. The capitalisation of additional ELI costs has been a major contribution to reducing the overspend from that projected at Periods 11 at 12 but the overall outturn position also reflects the tight control over staffing in the directorate throughout the year and the major effort in all services to progress business cases through the directorate and corporate ELI schemes.

Significant staff savings were achieved in Highways and Transportation and Libraries, Arts and Heritage and Resources and Strategy.

## Income

The 2010/11 budget included some challenging income targets. These included above inflation increases for some charges in Sport and assumptions about workloads and income trends. It was recognised that some of these assumptions were high risk. During the first quarter of 2010/11 it became clear that some income sources were falling short of the budget assumptions and the projected shortfall actually increased during the year. Overall the shortfall in income was £4.1m. The main income shortfalls are in Planning and Sustainable Development Services with a £1m shortfall in planning and building fees and the loss of HPDG of £0.9m, Asset Management with reduced income in ADS of £0.5m, Highways and Transportation with reduced income in the highway maintenance DLO and Recreation Services with reduced internal and external income. In some cases the reduction in income is matched by reduced expenditure but in other cases such as planning and building fees, the loss of HPDG and reduced income in ADS this is a significant problem that the directorate has had to manage and these issues are likely to continue to have an impact in 2011/12 despite some budgets being adjusted to reflect trends in 2010/11.

The actual shortfall on planning and building fees is £649k for planning fees and £366k for building fees. It is a major concern that actual income for both planning and building fees is lower than that in 2009/10 and there are no signs of the income trends improving, if anything the position has been declining in the second half of the year. The graph below shows the profile of actual planning fees received compared to previous years and shows the extent of the shortfall against the 2010/11 budget, the decline in planning fee income has been almost £1.5m since income peaked in 2006/07.



Architectural Design Services has been experiencing reducing workloads for some time and a report recommending a future proposed direction of the service was approved at the Executive Board meeting of 9<sup>th</sup> March 2011. Overall there was a net income shortfall of £500k for the year.

A number of income targets across Parks and Countryside have not been met including income from cemeteries and crematoria, golf and work done for other directorates. The Sport budget included some significant increases in income levels mainly from above inflation increases in charges for school swimming, swim lessons and bodyline cards. These increases were considered to be a relatively high risk because of the potential impact on demand but the service successfully delivered these income gains and total income in sport increased by 5% and after allowing for a reduction in capacity of 8% there was a real gain of 13%.

In addition to the above income variations a number of grants were reduced as part of the Government in year grant reductions. These included a reduction of £0.9m to the Local Enterprise Growth Incentive Scheme programme managed by Economic Development, £0.8m reduction to the Road Safety Grant and £0.9m loss in budgeted income following the abolition of the Housing Planning Delivery Grant. A reduction of £32k was made to the School Travel adviser and Sustainable Travel grants. The services affected by these reductions identified and implemented actions to reduce expenditure to match the grant reductions. The Free Swimming grant was also abolished part way through the year. The grant was £0.6m in 2010/11 and this was reduced to £0.2m with the grant abolished from July 2010. Part of the loss of the grant was recouped by the reinstatement of charges for the groups benefiting from free swimming although the decision was made to delay reintroducing charges until after the school holidays. Capital grants were also affected by the in year grant reductions. Highways and Transportation was particularly affected by a reduction of over £3.7m in capital grants. This has a direct impact on the level of work available to support existing staffing levels and the service had to manage resources down to reflect reduced work programmes.

### **Other Expenditure Variations**

Throughout the year savings in operational budgets have been identified to offset income shortfalls. Overall, running costs show an underspend of £3.8m and this reflects the effort throughout the directorate to realise savings to help offset the income pressures. A large number of actions had been put forward and included reductions to the library book fund of £300k, a saving on the LEGI programme of over £800k and savings on highway spend of £1.25m, although the highway maintenance budget has also been enhanced this year by the receipt of an additional £774k from the 'pot hole' grant. The tight control over spending across the directorate has also helped generate additional savings in all services.

There are some areas of overspend and these include operational budget overspends due to delays in the implementation of 2010/11 budgeted actions. Other budget pressures include additional expenditure of £516k on planning appeals in Planning and Sustainable Development, including a provision of £200k for court costs still to be billed.

Although there was significant spend on winter maintenance in November and December, the remaining winter months were not as severe meaning overall spend was in line with the budget.

## ENVIRONMENT AND NEIGHBOURHOODS

### 2010/11 OUTTURN POSITION

#### Introduction

This report sets out the 2010/11 outturn position for the directorate and provides an explanation of the major variations.

#### Overall Position

The actual outturn position for Environment and Neighbourhoods is a net overspend of £1.0m.

	£m
Budget	99.0
Outturn	100.0
<b>Variation</b>	<b>1.0</b>

#### Context

The priority for the Directorate is to ensure that the city is safe and clean, that it helps people meet their housing needs and assist people to find work. These priorities sit in a longer term context of promoting a sustainable approach to the environment and regenerating the most disadvantaged areas of the city.

Given this context the Directorate was impacted upon by the June 2010 announcement by Government with regard to in year reductions in the level of grant receivable. The impact of this reduction in grant, which was supporting Directorate priorities, has been largely managed through a combination of the utilisation of other funding sources and the identification of efficiency savings.

Similarly Government decisions in year with regard to asylum contracts have required the Directorate to manage out costs associated with the provision of these functions.

The delivery of the Streetscene Change Programme has been impacted upon by the fact that the process for the delivery of the identified efficiency savings has proved to be complex.

Income receivable from car parking income and enforcement activity makes a significant contribution to the Council's resources and reduced activity levels has impacted upon the level of income received.

#### Staffing

In overall terms staffing within the Directorate was overspent by £1.1m.

Within the Jobs and Skills function an overspend of £0.7m is largely due to a delay in the implementation of restructure proposals. This delay was occasioned by a requirement to re-direct the service to concentrate on outreach to those excluded from the labour market and connect employers to the worklessness agenda.

The impact of costs associated with staff displaced through restructure has made a significant contribution to the overspend on staffing within the Regeneration function (£0.5m).

Within Environmental Services staffing is underspent by £0.1m. This reflects the impact of the fall out of LPSA grant (£0.5m) offset by savings on vacant posts of £0.8m. Delays in the realisation of anticipated savings within the Streetscene Change Programme has resulted in additional staffing costs of £0.5m. This variation is offset by other savings of £0.3m within Streetscene Services which has arisen largely as a result of delays in service developments within the Waste Strategy.

### **Demand**

During 2010/11 the Government announced reductions in the target contract for asylum seekers and the termination of the contract for the use of Hillside as a regional asylum facility. Reductions in level of income receivable have subsequently required the Council to deliver similar reductions in the costs associated with delivering this function. The variation of £0.7m reflects the fact that not all of these running costs could be managed out during 2010/11.

### **Income**

A shortfall in Car Parking income of £0.7m reflects a reduction in patronage of both on street and off street facilities in the City.

Further income variations of £0.6m are as a result of reductions in the number of parking offences and delays in the implementation of bus lane enforcement in the City Centre.

Additional income of £0.2m has been generated as a result of price increases for the sake of recycled materials whilst a further £0.2m additional income has been generated within the Pest Control function.

### **Other**

Savings of £0.9m which have been realised on Supporting People contract payments are due to a combination of the delivery of 10% efficiency savings by providers and cash surpluses generated by variations in activity levels.

By reviewing the activities of the mobile CCTV function, the usage and geographical location of Community Centres and the provision of housing related support, an appropriate recharge to the HRA has been made (£0.7m).

Additional costs of £0.6m have arisen as delays in the implementation of the Streetscene Change Programme. When combined with staffing variations of £0.5m

there is an overall variation of £1.1m on the Streetscene Change Programme when compared to the targeted level of saving of £1.4m for 2010/11.

Within Streetscene Services expenditure on repairs is £0.4m higher than budgeted although this is partially offset by savings on other areas of transport expenditure of £0.2m.

Across the Directorate line by line savings within all services have generated savings of £1m.

## **Housing Revenue Account - 2010/11 Outturn**

### **Overall position**

As shown in the following table the outturn position on the HRA is an in year surplus of £113k. This £113k has been added to the HRA General Reserve.

A number of factors have contributed to the year end position. These are as detailed in sections 3 and 4 below.

	<b>Latest Estimate 2010/11 £000</b>	<b>Actual Expenditure 2010/11 £000</b>	<b>Variance £000</b>
<b><u>Income</u></b>			
Dwelling Rents	165,514	168,260	-2,746
Other Rents	2,740	2,849	-109
Service Charges	3,943	4,068	-125
Housing subsidy	29,778	25,739	4,039
Recharges	5,512	2,684	2,828
ALMO recharges to capital	18,710	15,380	3,330
Other Income	3,858	5,080	-1,222
<b>Total Income</b>	<b>230,055</b>	<b>224,061</b>	<b>5,994</b>
<b><u>Expenditure</u></b>			
Salaries and Wages	4,524	4,129	-395
Premises & repairs	1,314	1,350	36
Supplies & Services	13,370	8,833	-4,537
Transport	111	102	-9
Recharges	15,466	16,736	1,270
ALMO Management Fees	112,696	114,122	1,427
Provisions	2,280	1,807	-473
Revenue Contribution to Capital	4,640	2,769	-1,871
Capital	75,654	72,267	-3,387
<b>Total Expenditure</b>	<b>230,055</b>	<b>222,116</b>	<b>-7,939</b>
<b>Net Expenditure</b>	<b>0</b>	<b>-1,945</b>	<b>-1,945</b>

	<b>Latest Estimate 2010/11</b>	<b>Actual Expenditure 2010/11</b>	<b>Variance</b>
<b>Appropriation</b>			
Sinking Fund - PFI		573	573
Swarcliffe Access Refusals		348	348
Swarcliffe Environmental Works		-52	-52
Transfer from Reserves - Lifetime Homes PFI		-650	-650
Transfer from ELI reserve		-51	-51
Transfer from General Reserve (Care ring)		-733	-733
Transfer to Care ring Replacement Reserve		657	657
Transfer to HRA/ALMO Capital Reserve		1,740	1,740
<b>Net position HRA</b>	<b>0</b>	<b>-113</b>	<b>-113</b>

### **Key variances - Income**

Rental income from dwellings has exceeded the budget by £2,746k. This reflects improved void levels, higher levels of stock than anticipated due to the decline in Right to Buy (RTB) sales and improved collection rates. Of this additional income £2,130k has been paid to the ALMOs as additional void incentive payments.

Housing subsidy is £4,039k less than budget. Of this £3.3m is due to the Council's CRI rate reducing from 4.53% when the budget was agreed to 3.75%. This reduction in subsidy is offset by a reduction in capital charges. The balance of £710k relates to a repayment to CLG for Housing subsidy overpaid in relation to 2009/10.

Of the net reduction of £2,828k in recharges, £2,931k is due to the fact that procurement costs associated with the Little London, Beeston Hill and Holbeck and the Lifetime Homes PFI project will not be capitalised.

The allowance to fund the borrowing costs associated with Decent Homes has been passported in full to the ALMOs. At year end the HRA is charged for all HRA/ALMO borrowing and the ALMOs pay back to the HRA the interest charges associated with the borrowing undertaken to fund works in their area. The reduction in the Council's average rate of interest has led to the ALMOs being charged a lower rate of interest than budgeted and is the reason for the shortfall of £3,330k.

Other income has increased by £1,222k from budget due to a number of key variances. These include additional income from City Development for Telecomm backdated leases (£370k), income from Leaseholders (£200k) and £598k for access refusals in relation to the Swarcliffe PFI scheme. This is transferred to a reserve earmarked for this purpose.

### **Key variances - Expenditure**

Savings on salaries and wages (£395k) are mainly due to a number of officers taking early retirement during the year and vacancies not being filled. In addition there are savings on training (£98k) and Occupational Health (£12k).

The position on the supplies and services budget (saving of £4,537k) reflects the requirement to show the capital element of the unitary charge payable to the Swarcliffe PFI contractor (£4,507k) within the capital expenditure line.

There are however, a number of key variances within the supplies and services budget which contribute to the net saving of £30k. These include net savings on PFI consultancy contracts (£294k), savings on IT software, office expenses and consumables (£214k) savings agreed with the Leeds Tenants Federation (£44k) and savings on conferences and catering (£43k). Key overspends include increased expenditure on valuations (£132k) and insurance (£477k) arising from the requirement to fully provide for large claims.

The overspend on recharges (£1,270k) can largely be accounted for by the identification of expenditure in the General Fund for which it is more appropriate to recharge the HRA. These areas include mobile CCTV, Community Centres and Housing related support.

Payments to the ALMOs have increased by £1,427k due to the ALMOs receiving additional payments for improved performance on voids when compared to budgeted assumptions.

Contribution to provisions is £473k less than budgeted with the main variation (£398k) relating to the contribution to the bad debt provision

Council on 14<sup>th</sup> July 2010 agreed that £4.6m should be earmarked for essential asset management work and strategic housing initiatives. Of this £2,769k has been utilised in 2010/11. The balance has been transferred to a new ALMO/HRA Capital Reserve.

The £3.6m reduction in the cost of capital is due to a combination of a reduction in the Council's average rate of interest on debt and notional cash interest on HRA working balances.

## CENTRAL AND CORPORATE

### 2010/11 OUTTURN POSITION

#### Introduction

This report sets out the 2010/11 outturn position for the directorate and provides an explanation of the major variations.

#### Overall Position

The actual outturn position is a net underspend of £5.395m:

	Benefits £m	Other £m	Total £m
Budget	2.5	70.9	73.4
Outturn	0.9	67.2	68.1
<b>Variation</b>	<b>-1.6</b>	<b>-3.7</b>	<b>-5.3</b>

Explanation of the underspend:

#### Resources (underspend of £4m)

By far the biggest contribution to the overall underspend has been savings on pay, reflecting the tight control on the release of vacancies and also a review of temporary and agency staff. This has mainly been in response to the Government's in year grant reductions and, more significantly, the grant settlements for 2011/12 and 2012/13.

In support service areas (i.e. Finance, HR, ICT and Business Support Centre) there was an overall underspend on pay of £2.1m. In addition Revenues and Benefits were £0.4m underspent and Corporate Property Management, £0.5m.

There have also been significant savings in running expenditure with a net saving (after containing some cost pressures) in support services of £0.8m. This represents a general tightening of spend but also some specifically targeted savings. For example £215k was saved from the Corporate Initiatives budget within HR.

Within Corporate Property Management, the Council's building maintenance spend has been contained within budget (overspent by £0.6m in 2009/10) mainly due to the new joint working with Property Maintenance and a new, simplified charging mechanism.

The Trading Services have generally performed well during the year, despite several pressures and uncertainties. Overall, the surplus is £0.5m better than budget. The main contribution (£451k) has been property maintenance income, which represents additional income from ALMO's, other external income, grant funded schemes and internal demand. In addition savings of £550k have been realised as a result of

extending the asset life of vehicles within Fleet Services, this saving is reflected in the strategic account.

The Public Private Partnership Unit (PPPU) made savings on expenditure of £0.4m during the year (staffing £0.3m, running costs £0.1m) and increased external income, mainly from work for the Police service, by £0.4m. This meant that charges to Council departments came in £0.8m less than original budget.

Passenger Services have delivered savings of £550k against budget which have been passed back to internal clients. The use of e-procurement has reduced the cost of private hire to Education Leeds by £250k. In addition, various initiatives resulting in better use of in-house fleet and a switch from private hire to in-house have delivered £300k savings to Adult Social Care.

### **Planning, Performance and Improvement (underspend of £149k)**

Careful control of vacancies, despite significant work pressures particularly in Customer services, meant the pay budget came in on-line.

Several specific savings were agreed mid year in response to the initiative to identify in year savings, in particular:

- Reduction in the grant to Marketing Leeds by £50k;
- Reduction in the publication of 'About Leeds' from four to two editions saving £117k.

### **Corporate Governance (overspend of £389k)**

Pay spend came in largely on line with budget.

The main reason for the overspend is that the budget assumed that there would be a saving of £250k as a result of the parliamentary election falling on the same day as the local election in 2010. In reality this saving did not materialise, mainly due to a stricter than anticipated application by the Ministry of Justice of the rules on what expenditure can be claimed by the local authority.

### **Housing Benefits (underspend £1.6m)**

There are two main elements to the underspend on the benefits budget. Firstly, it has been possible to revise downwards by £1m the provision for bad debts in respect to overpaid housing benefits. Collection performance by the Revenues Division has improved significantly during the year, both in respect of the number of overpayments made and the collection of debts. This has been achieved mainly through the increased use of 'ongoing recovery', particularly in respect of 'public tenant' debt. Secondly, additional benefit subsidy of £325k has been received in 2010/11 relating to expenditure in 2009/10.

## **STRATEGIC ACCOUNTS**

### **2010/11 OUTTURN POSITION**

#### **Introduction**

This report sets out the 2010/11 outturn position for the service and provides an explanation of the major variations.

#### **Overall Position**

The actual outturn position for Strategic accounts is a net underspend of £9.9m.

	£m
Budget	0.8
Outturn	-9.2
<b>Variation</b>	<b>-10.0</b>

#### **Context**

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

#### **Staffing**

Strategic Accounts does not hold any staffing budgets, however during the year directorates faced pressures due to the Early Leavers Initiative. The majority of these costs were funded by a capitalisation directive from central government, but the remaining £2.6m has been borne by this service.

#### **Income**

The amount of money received from developers to fund highways works required for new developments (section 278 monies) was £2.2m less than had been budgeted for. This arose from a continuing slowdown in development activity as a result of the general economic downturn.

The authority had budgeted to receive £0.5m as part of the Local Authority Business Growth Initiative (LABGI), however this grant was included in the reductions to local government funding announced in June 2010.

#### **Other**

A review of all expenditure was undertaken to identify items that should more properly be classed as capital expenditure. As a result of this exercise an additional £3.6m of expenditure was capitalised during the year, resulting in a £3.6m reduction in revenue expenditure.

The Council has to set aside an insurance provision following an assessment of likely future payments in respect of claims received. The provision has increased by £1.5m reflecting more claims received, primarily relating to highways liabilities, and settlements from previous years being higher than initially provided for.

Debt savings of £8.5m have been achieved during the year due to an active policy of treasury management. £5.7m of these savings were passed on to the HRA as a reduction in the debt charges they receive. Additional debt related savings of £1.8m were achieved, including a £1.1m saving by capitalising the interest costs of assets under construction. This gives a saving of £4.6m within the General Fund.

Recent changes to the accounting rules regarding the treatment of PFI schemes has meant that an element of the PFI payment is now recognised as capital spend and, in accordance with legislation, can therefore be funded from capital receipts. For 2010/11 the amount of PFI payments is £8.4m and capital receipts will be used instead of revenue to fund this element. This is in accordance with proper accounting practice and is consistent with the newly applied international accounting standards for Local Government.

## Appendix 2

### Reserves Statement 2010/11 Outturn

	<i>Actual Balance 31st March 2010</i>	<i>Net Movement in Year</i>	<i>Actual Balance 31st March 2011</i>	<i>Reason for the Reserve</i>
	£k	£k	£k	
<b>General fund</b>	<b>(16,076)</b>	<b>(5,058)</b>	<b>(21,134)</b>	
<b>Earmarked Reserves</b>				
Schools PFI & Building Schools for the Future	(5,824)	(3,819)	(9,643)	} PFI Sinking Funds
Street lighting PFI	(50)	50	0	
Adult Social Care PFI	(151)	0	(151)	
LBIA Compensatory Added Years	(695)	695	0	Element of the Airport receipt used to meet pension obligations of LBIA employees.
Capital reserve	(1,773)	(2,949)	(4,722)	Directorate contns towards borrowing costs of capital schemes. Contns received over life of asset and released back to revenue to cover debt costs over life of loan.
LPSA Earmarked Reserve	(244)	244	0	Used to partly offset fallout of 2010/11 LPSA Reward Grant
Financial Inclusion Reserve	(500)	427	(73)	Yorkshire Forward Financial Inclusion Grant
Schools sickness absence reserve	(442)	342	(100)	School based reserve to pay for the cost of cover due to sickness absence.
Schools consequential loss insurance	(619)	0	(619)	School reserve to fund any related costs as a result of fires not covered by insurance.
Schools fire prevention works consortia	(195)	195	0	School reserves for fire prevention works
Members club	(8)	0	(8)	Surplus on the members club.
Leeds Learning Network	(348)	(54)	(402)	Unspent school contributions used to develop learning platforms and maintain the quality and resilience of the network.
Youth Offending Service	(563)	563	0	Surpluses of partner contributions used for liabilities such as fixed term employment contracts and accommodation dilapidation costs.
Lord Mayor	(40)	2	(38)	Unspent mayoral allocation cfwd at year end due to the difference between the financial & mayoral years.
Energy efficiency reserve - LCC	(287)	260	(27)	Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Children's - IYSS reserve	(200)	(5)	(205)	Residual Connexions reserve to pay for the remaining staff on the Sub Regional Activity Agreement to enter workforce change when the project ends in 2011/12.
Economic, Social and environmental wellbeing fund	(251)	(28)	(279)	Underspends on the wellbeing area committees.
Environmental Services	(94)	91	(3)	Reserve used to fund Armley Asbestos compensation claims
Miscellaneous	(6)	6	0	Cfwd of unspent Grants to other bodies used to fund the Armed Forces day in 2010/11.
Housing Needs	(854)	415	(439)	Pakistani Fire Receipt for Inner East
Mercury Abatement Reserve	0	(216)	(216)	Extra surcharge on top of cost of a cremation, to deal with the environmental impact of any release of mercury during a cremation
ELI Reserve	0	(2,501)	(2,501)	Use of balance sheet items to fund Early Leavers Initiative in 2011/12
<b>Total Earmarked Reserves</b>	<b>(13,144)</b>	<b>(6,282)</b>	<b>(19,426)</b>	
<b>Total non-Ring fenced Reserves</b>	<b>(29,220)</b>	<b>(11,340)</b>	<b>(40,560)</b>	
<b>General Fund Ring fenced Reserves</b>				
Taxi & Private Hire licensing surplus	(174)	25	(149)	Ring fenced reserve for taxi and private hire licensing service.
Schools Balances	(10,666)	(2,949)	(13,615)	Schools Balances net of VER borrowings and BSF PFI borrowing.
Extended schools balances	(4,215)	(1,298)	(5,513)	Cfwd of surpluses on extended school activities.
Central schools block - DSG	(2,462)	(2,494)	(4,956)	Cfwd of ring fenced DSG for centrally managed pupil orientated services.
Energy efficiency reserve - Salix	(611)	305	(306)	Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Revenue grants	(6,847)	(5,088)	(11,935)	Revenue grants carried forward as per IFRS requirements (See note 1)
<b>Total General Fund Ring fenced Reserves</b>	<b>(24,975)</b>	<b>(11,499)</b>	<b>(36,474)</b>	
<b>HRA Ring fenced Reserves</b>				
HRA General Reserve	(4,639)	620	(4,019)	Reserve set up to fund the replacement of Care ring equipment
Care ring replacement	0	(656)	(656)	Fund to support the review of the future of council housing in Leeds
Future of Council Housing in Leeds	(90)	0	(90)	Injection to be made into the capital programme to support additional spending toward decency target.
Contribution to WNWHL Decency Targets	(73)	0	(73)	The balance of the £4.6m subsidy refund to be used for essential asset management work and strategic housing initiatives
ALMO/HRA Capital Reserve	0	(1,740)	(1,740)	Reserve used to fund procurement costs of Beeston Hill and Holbeck PFI scheme
Beeston and Holbeck PFI (Structural Surveys)	(150)	150	0	Reserve used to fund pre-procurement costs of the Lifetime Homes PFI scheme
Lifetime Homes scheme - PFI	(500)	500	0	Contribution to fund decanting and demolition costs
Affordable Social Housing	(800)	0	(800)	To fund the downsizing of lone tenants to widen the pool of suitable properties available for families
Underoccupancy	(98)	0	(98)	Fund to support the Early Leavers' Initiative
Workforce Change (Property Management Services)	(480)	51	(429)	To fund the purchase of land at Holdsworth Place
Holdsworth Place - land purchase	(64)	0	(64)	Tenants in the Swarcliffe area have the right to refuse contractors access to carry out improvement works. Reserve set up to fund improvement works once these tenants have vacated these properties
Swarcliffe Access Refusals	0	(348)	(348)	To fund environmental works in the Swarcliffe PFI area
Swarcliffe Environmentals	(292)	52	(240)	PFI Sinking Fund
Swarcliffe PFI	(10,946)	(573)	(11,519)	
<b>Total Other HRA Reserves</b>	<b>(18,132)</b>	<b>(1,944)</b>	<b>(20,076)</b>	
<b>Total Ring fenced Reserves</b>	<b>(43,107)</b>	<b>(13,443)</b>	<b>(56,550)</b>	
<b>Total Reserves</b>	<b>(72,327)</b>	<b>(24,783)</b>	<b>(97,110)</b>	
<b>Note 1</b>				
<b>Revenue Grants - Analysis</b>				
Adult Social Care	(1,207)	(106)	(1,313)	
City Development	(1,397)	676	(721)	
Environments & Neighbourhoods	(1,901)	977	(924)	
Children's Services	(2,342)	1,569	(773)	
Central & Corporate Functions	0	(195)	(195)	
Schools/Education Leeds	0	(8,009)	(8,009)	
<b>Total Revenue Grants</b>	<b>(6,847)</b>	<b>(5,088)</b>	<b>(11,935)</b>	

## APPENDIX 3

### CAPITAL PROGRAMME – 2010/11 OUTTURN VARIATIONS

The main reasons for the £53.9m underspend in year on the Council's capital programme can be summarised as follows:

Scheme	Underspend £000	Reason
Leeds Arena	1515.5	It was anticipated that some materials would be bought in advance of need to take advantage of good pricing (mainly £1.125m of steel) but delivery occurred in 11/12. There was also later than expected billing of advance contract work.
A65 Quality Bus Initiative	968.1	A65 - the scheme had originally been programmed by the contractor with the cash flow on a straight line basis, roughly 27 months evenly split. In the early part of this year the scheme was totally reprofiled and the surfacing and drainage have been pushed to the back of the programme and hence last years costs have fallen. The scheme is on its new programme and is 100% externally funded.
City Varieties	859.9	Post Feb 11 the contract administrator granted an extension of 10 weeks to the contract. Therefore anticipated spend in 10/11 has been slipped into 11/12. Contract now due to end in June.
Cross Green Group Repair Ph1	745.1	This is a fully externally funded scheme that uses Regional Housing Board Monies. This scheme is due to finish end of June 2011 and the new spending profile was not updated until after the cap prog was set in Feb 2011.
West Leeds Academy BSF Ph4	3466.2	Underspend is a combination of scheme profile costs not being updated and contractors not claiming costs as expected.
Priesthorpe BSF Ph2	2656.7	Underspend is a combination of scheme profile costs not being updated and contractors not claiming costs as expected.
Farnley Park BSF Ph2	1100.0	Underspend is a combination of scheme profile costs not being updated and contractors not claiming costs as expected.
Devolved Capital 2009/10	1502.3	Grant is allocated to schools on a formula basis, for them to spend. However spend, which is at their discretion, has been lower than anticipated.
Schools Capital Investment Partnership	521.5	Schools bid for funding, and these bids are evaluated on set criteria around building condition (warm and weather tight). Schools match fund this usually from their devolved capital budgets. Actual spend which is again at their discretion, has been lower than anticipated.
Capitalisation of Equal Pay	7806.2	Final provision required was less than anticipated.
Acquisition of land at Lowfields Road	689.7	Completion slipped to April 2011.

<b>Scheme</b>	<b>Underspend £000</b>	<b>Reason</b>
East Leeds Household Waste Site	546.9	This is an externally funded scheme that uses Defra grant. Although the scheme is on programme, and is expected to finish in August 2011, the new spending profile was not updated until after the cap prog was set in Feb 2011.
A660 Leeds Rd – Stubbings Farm	587.1	A660 - the scope of work on this scheme has been cut and with changes to design and the way the work has been done. Costs could now come in at under £250k in total. The balance will be put back into the parent scheme and further schemes issued. The scheme is fully TSG funded and the balance of the grant will be used in 11/12.
HRA - Strategic Landlord	645	Within the non ALMO programme the variation can largely be explained by slippage on retentions for the 63 new build properties in EASEL.
HRA – ALMOS and BITMO	6,359	<p>This is a result of further slippage which will roll over to Quarter 1 2011/12</p> <ul style="list-style-type: none"> <li>• £1.3m from the additional subsidy that is being used to provide added value over and above ALMOs planned works. This delay entailed a new commissioning process in order to provide for local sourcing of contractors for adaptations which has subsequently been awarded to Care and Repair.</li> <li>• £0.8m in heatlease installations.</li> <li>• £1m of existing adaptations contracts.</li> <li>• £1.2m of void properties work</li> <li>• £0.7m of Service delivery improvements.</li> <li>• £1.3m applications of refunds received from external contractors credited to schemes.</li> <li>• The £6.3m slippage will form part of a £58m HRA/ALMOs programme to be delivered in 2011/12.</li> </ul>



Originator: Peter Marrington

Tel: 39 51151

## Report of the Head of Scrutiny and Member Development

### Scrutiny Board (Resources and Council Services)

Date: 11<sup>th</sup> July 2011

Subject: Customer Access Strategy

#### Electoral Wards Affected: All

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

## 1 Purpose of this report

- 1.1 At the last meeting of the Board, Members discussed with the Leader of Council, Councillor Wakefield, issues around customer care. As a follow on to that discussion the Chair has invited the Council's Chief Business Transformation Officer to today's meeting to discuss the Customer Access Strategy.

## 2 Main Issues

- 2.1 The Customer Access Strategy 2011-2015, (which is still in draft form), has been developed around improving customer access across the council and, has involved collaboration with directorates and service areas through the Customer Strategy Board. The purpose of the strategy is to ensure that services are designed, managed and delivered to meet customer need and, that services to customers are provided first time and on time.
- 2.2 It establishes the vision, ethos and values which will form the foundation blocks for how the council will provide its services in an effective, responsive and efficient way. The strategy brings together how we will tailor our services around the customer, by delivering a programme of change focussed on creating a customer-centric culture within the organisation. It also outlines the strategic customer outcomes, corporate key performance standards and a set of fundamental principles, upon which, customer access and customer-focused change will be built.

3. Recommendations

3.1 Members are asked to:

Receive a presentation from the Chief Business Transformation Officer and make comment as appropriate.

Background papers

None used



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## Report of the Head of Scrutiny and Member Development

### Scrutiny Board (Resources and Council Services)

Date: 11<sup>th</sup> July 2011

Subject: Work Schedule

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#### Electoral Wards Affected: All

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

- 
- 1 Purpose of this report
    - 1.1 The purpose of this report is to consider the Scrutiny Board's work schedule for the forthcoming municipal year.
  - 2 Main Issues
    - 2.1 A draft work schedule is attached as appendix 1. The work programme has been provisionally completed pending on going discussions with the Board. The work schedule will be subject to change throughout the municipal year.
    - 2.2 Also attached as appendix 2 and 3 respectively are the minutes of Executive Board 22<sup>nd</sup> June 2011 and the Council's current Forward Plan relating to this Board's portfolio.
  - 3 Recommendations
    - 3.1 Members are asked to:
      - a) Consider the draft work schedule and make amendments as appropriate.
      - b) Note the Executive Board minutes and Forward Plan

#### Background papers

None used

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## Scrutiny Board (Resources and Council Services) Work Schedule for 2011/2012 Municipal Year

Area of Review	Schedule of meetings/visits during 2011/12		
	June	July	August
<b>Contact Centre Working Group (missed bins)</b>	Consider potential scope of review		Site visit – WG date to be confirmed
<b>Budget Monitoring</b>		Receive Outturn report -SB	
<b>ICT</b>			Site visit –SB date to be confirmed
<b>Customer Care</b>	Consider potential scope of review	Receive presentation on customer access strategy -SB	
<b>Officer registration of interests</b>			
<b>Vehicle maintenance</b>			
<b>Cost of Publications</b>			
<b>Discussion with Leader of Council</b>	Leader of Council -SB		
<b>Budget &amp; Policy Framework Plans</b>			
<b>Recommendation Tracking</b>			
<b>Performance Monitoring</b>			

Key: SB – Scrutiny Board (Resources and Council Services) Meeting

WG – Working Group Meeting

## Scrutiny Board (Resources and Council Services) Work Schedule for 2011/2012 Municipal Year

Area of Review	Schedule of meetings/visits during 2011/12		
	September	October	November
<b>Contact Centre Working Group (missed bins)</b>	Working Group to report back to full Board - SB		
<b>Budget Monitoring</b>	Financial report - SB		
<b>ICT</b>	Consider external review of ICT -SB		
<b>Customer Care</b>			
<b>Officer registration of interests</b>	To receive and Consider request from former City Development Scrutiny Board - SB		
<b>Vehicle maintenance</b>		Present initial data/budgetary information	
<b>Cost of publications</b>		Present initial data/findings -SB	
<b>Discussion with Leader of Council</b>			Leader of Council -SB
<b>Budget &amp; Policy Framework Plans</b>			
<b>Recommendation Tracking</b>			
<b>Performance Monitoring</b>	Council Business Plan -SB		

Key: SB – Scrutiny Board (Resources and Council Services) Meeting

WG – Working Group Meeting

## Scrutiny Board (Resources and Council Services) Work Schedule for 2011/2012 Municipal Year

Area of Review	Schedule of meetings/visits during 2011/12		
	December	January	February
Contact Centre Working Group (missed bins)			
Budget Monitoring	Half year finance report - SB		Financial Report-SB
ICT			
Customer Care			
Officer registration of interests			
Vehicle maintenance			
Cost of publications			Leader of Council -SB
Discussion with Leader of Council		Leader of Council -SB	
Budget & Policy Framework Plans		Initial Budget Proposals - SB	
Recommendation Tracking			
Performance Monitoring		Council Business Plan	

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**Scrutiny Board (Resources and Council Services) Work Schedule for 2011/2012 Municipal Year**

Area of Review	Schedule of meetings/visits during 2011/12		
	March	April	May
Contact Centre Working Group (missed bins)			
Budget Monitoring			
ICT			
Customer Care			
Officer registration of interests			
Vehicle maintenance			
Cost of publications			
Discussion with Leader of Council			
Budget & Policy Framework Plans			
Recommendation Tracking			
Performance Monitoring	Council Budget Plan		

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## EXECUTIVE BOARD

WEDNESDAY, 22ND JUNE, 2011

**PRESENT:** Councillor K Wakefield in the Chair

Councillors J Blake, A Carter, M Dobson,  
R Finnigan, S Golton, P Gruen, R Lewis,  
A Ogilvie and L Yeadon

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

**RESOLVED** – That the public be excluded from the meeting during consideration of the following parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present there would be disclosure to them of exempt information so designated as follows:-

- (a) Appendices 1 – 5 to the report referred to in Minute No. 5, under the terms of Access to Information Procedure Rule 10.4(5) and on the grounds that the appendices detail legal advice and related correspondence. As there is potential for legal action to be initiated by any of the interested parties, in that context, the public interest in allowing access to the specific legal advice to and analysis of the present position by Council officers, is outweighed by the need for the Council to be able to respond appropriately to any potential future legal challenge. Therefore, the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.
- (b) The appendix to the report referred to in Minute No. 24, under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the public interest in maintaining the exemption outweighs the public interest in disclosing the information by reason of the fact that it contains information and financial details which, if disclosed would adversely affect the business of the Council and may also adversely affect the business affairs of the other parties concerned.

### 2 **Late Items**

The Chair admitted to the agenda the following late items of business:

- (a) Proposed Aire Valley Leeds Enterprise Zones (Minute No. 26 refers)  
Whilst the decision of the Local Enterprise Partnership on the 15<sup>th</sup> June 2011 to submit the Aire Valley Leeds proposal to Government as the Leeds City Region Enterprise Zone had been taken after the publication of the Executive Board agenda, it was determined essential that this matter was considered by the Board at the earliest opportunity in order to keep the Board informed of the progress made on this issue,

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whilst also seeking the Board's endorsement to the approach taken and obtaining support for the further work required to deliver an Enterprise Zone in Aire Valley Leeds.

(b) Closure of East Leeds Leisure Centre and Middleton Pool and Reduced Opening Hours of Garforth Squash and Leisure Centre (Minute No. 16 refers)

The report was not available for inclusion within the agenda papers, as the formal responses from the relevant directorate to the Scrutiny Board's proposals were being compiled at that time. However, it was determined necessary that Executive Board consider the responses to the Scrutiny Board's recommendations at the earliest opportunity, following the conclusion of the scrutiny inquiry.

(c) Grants to Culture and Sport Related Organisations (Minute No. 18 refers)

The report was not available for inclusion within the agenda papers, as the formal responses from the relevant directorate to the Scrutiny Board's proposals were being compiled at that time. However, it was determined necessary that Executive Board consider the responses to the Scrutiny Board's recommendations at the earliest opportunity, following the conclusion of the scrutiny inquiry.

(d) Response to the Review of Home Farm, Temple Newsam – Scrutiny Inquiry Report (Minute No. 17 refers)

The report was not available for inclusion within the agenda papers, as the formal responses from the relevant directorate to the Scrutiny Board's proposals were being compiled at that time. However, it was determined necessary that Executive Board consider the responses to the Scrutiny Board's recommendations at the earliest opportunity, following the conclusion of the scrutiny inquiry.

(e) Little London and Beeston Hill and Holbeck PFI Housing Project – Value for Money (VFM) Review and Final Business Case Update (Minute No. 29 refers)

The report was not available for inclusion within the agenda papers, as the correspondence from the Homes and Communities Agency confirming that the project had passed the Value for Money test, subject to some amendments, was not received until the 20<sup>th</sup> June 2011, and it was deemed necessary that Executive Board be formally provided with the latest position at the earliest opportunity.

### **3 Declaration of Interests**

Councillor A Carter declared a personal interest in the item entitled, 'Local Sustainable Transport Fund Bid for West Yorkshire', due to being a member of the West Yorkshire Integrated Transport Authority (Minute No. 23 refers).

Further declarations of interest were made at a later point in the meeting (Minute Nos. 12 and 17 refer).

**4 Minutes**

**RESOLVED** – That the minutes of the meeting held on 18<sup>th</sup> May 2011 be approved as a correct record.

**ADULT HEALTH AND SOCIAL CARE**

**5 Neighbourhood Network Update**

Further to Minute No. 34, 21<sup>st</sup> July 2010, the Director of Adult Social Services submitted a report providing an account of the negotiations held to date in line with the resolutions of the Executive Board in July 2010 in respect of Neighbourhood Networks, detailing the outcome of those negotiations, whilst also providing a recommendation on a potential way forward based upon legal advice obtained by the Council.

Correspondence received from the solicitors acting on behalf of Leeds Irish Health and Homes had been circulated to Board Members for their consideration prior to the meeting, with separate correspondence from the Chief Executive of the same company being tabled at the meeting.

The report provided details of the equality impact assessment which had been undertaken in respect of the original tendering exercise.

Following consideration of Appendices 1,2,3,4 and 5 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(5), which was considered in private at the conclusion of the meeting, it was

**RESOLVED -**

- (a) That no contract (advertised under the overall tendering of Neighbourhood Network services in 2009/10) be awarded for the provision of Neighbourhood Network services in relation to those 5 areas of East Leeds specified in this report, namely Burmantofts, South Seacroft, Swarcliffe, Richmond Hill and Crossgates and District.
- (b) That the commencement of a renewed tendering exercise for the provision of Neighbourhood Network services in relation to those areas of East Leeds specified in the submitted report be approved.
- (c) That the tendering exercise be constructed in such a way as to take account of the lessons learnt in the original tender process, the analysis of the current position as set out in confidential Appendix 4 and arising from the specialist legal advice contained within exempt Appendix 3 to the submitted report.
- (d) That it be noted that the services currently being delivered will continue through an extension of existing contracts to 31<sup>st</sup> March 2012, pending the outcome of resolutions (b) and (c) above.

## **RESOURCES AND CORPORATE FUNCTIONS**

### **6 Financial Performance - Outturn 2010/2011**

The Director of Resources submitted a report setting out the Council's financial outturn position for 2010/11, including both revenue and capital elements, in addition to the Housing Revenue Account. In addition, the report covered revenue expenditure and income compared to the budget, reported on the outturn for Education Leeds and the ALMOs, highlighted the position regarding other key financial health indicators and invited the Board to consider the approval, creation and usage of the Council's reserves.

The Board thanked all of those officers who had been involved in managing the financial performance of the Council throughout the 2010/11 financial year and into 2011/12.

In response to Members' enquiries regarding the issue of car parking charges, the Board noted that a further report regarding car parking policy was scheduled to be submitted to the September Board meeting.

#### **RESOLVED -**

- (a) That the contents of the submitted report be noted.
- (b) That the creation of an earmarked reserve for an early leavers scheme in 2011/12 be approved.
- (c) That the earmarked reserves, as detailed within Appendix 2 of the submitted report, be approved.
- (d) That the immediate release of £12,400,000 earmarked reserves as detailed in paragraph 6.9 of the submitted report be approved.

### **7 Financial Health Reporting 2011/2012**

The Director of Resources submitted a report providing information as to both the context and arrangements for the reporting of the Council's financial health during 2011/2012.

In response to Members' enquiries regarding the timescales for reporting the Council's financial health to the Board, the Director of Resources undertook to ensure that each update report would contain the most up to date information possible.

**RESOLVED –** That the proposals for financial health reporting in 2011/2012, as detailed within the submitted report, be approved.

### **8 New Vision and Strategic Plans**

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report outlining the key stages of the development of several of the Council's important plans, including consultation undertaken with the public and with partners, detailing how due regard needed to be given to equality and diversity in preparing them, whilst presenting the plans

themselves for consideration and endorsement prior to formal approval by Full Council.

The Chief Executive provided details of the changes which had been made to the city and council planning and partnership framework and highlighted the introduction of an outcomes based accountability approach which had been incorporated into the strategic planning and performance management arrangements.

The Board thanked all of those officers and partners who had been involved in the compilation of the Vision for Leeds 2011-30, the City Priority Plan 2011-15 and the Council Business Plan 2011-15.

The report provided details of the Equality, Diversity, Cohesion and Integration Impact Assessment which had been undertaken in respect of the New Vision and Strategic Plans.

#### **RESOLVED -**

- (a) That the Vision for Leeds 2011 to 2030, City Priority Plan 2011 to 2015 and the Council Business Plan 2011 to 2015, as attached at appendix 1 to the submitted report, be endorsed.
- (b) That Members of Full Council be recommended to approve the Vision for Leeds 2011 to 2030, City Priority Plan 2011 to 2015 and the Council Business Plan 2011 to 2015 at their meeting on 13th July 2011.
- (c) That Members of Full Council be recommended to authorise Executive Board to make "in-year" amendments to these plans as may be necessary.
- (d) That the Assistant Chief Executive (Planning, Policy and Improvement) be authorised to complete the plans with any outstanding information prior to their submission for approval to Full Council on 13th July 2011.
- (e) That a report be submitted to a future meeting of the Board in respect of the outcome based accountability approach being incorporated into the strategic planning and performance management arrangements.

(The matters referred to in this minute being matters reserved to Council were not eligible for Call In)

#### **CHILDREN'S SERVICES**

##### **9 Children's Services Improvement Update Report**

The Director of Children's Services submitted a report providing the Board with an update on the improvement activity that was continuing across children's services in Leeds. The report particularly focussed upon the wider context, in view of a number of significant policy developments which had taken place, improvement and inspection activity and the Children's Services Transformation Programme.

Members were provided with responses to enquiries raised regarding the replacement of the Electronic Social Care Recording system for Children's Services.

In response to enquiries, the Director of Children's Services undertook to provide Members with a timetable detailing the proposed schedule for the roll out to a locality level of the outcomes based accountability methodology.

**RESOLVED** - That the contents of the submitted report be noted and that the continuing direction of travel across children's services in Leeds along with the preparations being undertaken for a possible announced inspection during summer 2011 be supported.

**10 Children & Young People's Plan 2011-2015**

The Director of Children's Services submitted a report presenting the final version of the Children & Young People's Plan (CYPP) and seeking endorsement and support for the important statement of outcomes, priorities and indicators which had been agreed by all the Children Leeds partners as the framework for improving outcomes.

The report provided details of the Equality, Diversity, Cohesion and Integration Impact Assessment which had been undertaken in respect of the strategic planning approach and City Priority Plans.

**RESOLVED –**

- (a) That the Children and Young People's Plan 2011-15, as attached at appendix 1 to the submitted report, be endorsed and supported, subject to formal approval by full Council on 13 July 2011.
- (b) That Executive Board Members contribute towards the delivery of the CYPP by using the CYPP 2011-15 as a key criterion in their scrutiny and evaluation of all issues relating to children and young people.

(The matters referred to in this minute being matters reserved to Council were not eligible for Call In)

**11 Annual Review of the Fostering and Adoption Statements of Purpose**

The Director of Children's Services submitted a report presenting for approval the revised statements of purpose for Leeds City Council's Fostering and Adoption Services.

**RESOLVED** - That the Statements of Purpose for both the Fostering and Adoption Services for Leeds City Council be approved.

**12 Design and Cost Report for E-ACT Leeds East Academy, Submission of Stage 0 Proposal to Partnerships for Schools and Disposal of Parklands Leasehold at Nil Consideration**

The Director of Children's Services submitted a report which sought approval to submit the Confirmation of Procurement Approval (Stage 0) Document to

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the Partnerships for Schools (PFS), for the injection of funding and 'Authority to Spend' for E-ACT Leeds East Academy (BSF Wave 1, Phase 5). In addition, the report also sought the relevant approvals in respect of the disposal of the leasehold interest of Parklands Girls' High School at nil consideration.

Copies of the document entitled, 'Confirmation of Procurement Approval for Subsequent Phases in a BSF Wave (Stage 0)' had been provided to Board Members as part of their agenda packs.

The report advised that an Equality, Diversity, Cohesion and Integration Screening form had been completed for the project, which determined that it was not necessary to carry out a formal impact assessment.

#### **RESOLVED –**

- (a) That the submission of the Stage 0 proposal to Partnerships for Schools be approved.
- (b) That the injection of £5,253,100 into scheme 16155 - E-ACT East Leeds Academy into the Council's capital programme be approved, and that the Authority to Spend this additional funding also be approved.
- (c) That the disposal of the leasehold interest of Parklands Girls' High School at nil consideration be approved.

(Councillors Gruen and Finnigan both declared personal interests in this item due to being members of Plans Panel (East))

#### **LEISURE**

##### **13 Response to Deputation to Council: Friends of Bramley Baths**

The Acting Director of City Development submitted a report in response to the deputation to Council on 6<sup>th</sup> April 2011 regarding the reduction of hours at Bramley Baths.

The report provided details of the outline Equality, Diversity, Cohesion and Integration Impact Assessment had been conducted.

#### **RESOLVED -**

- a) That the response to the deputation from the Friends of Bramley Baths be noted.
- b) That the process of advertising for expressions of interest in the Community Asset Transfer of this site, on the terms as described within the submitted report, be approved.

##### **14 Response to Deputation to Council: West Riding Track League**

The Acting Director of City Development submitted a report in response to the deputation to Council on 6<sup>th</sup> April 2011 from the West Riding Track League

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highlighting the League's success over the last 65 years, whilst also seeking Council support for the future of league and grass track racing on the historic track at Roundhay Park.

The report provided details of the Equality Impact Assessment Screening Form which had been completed in respect of this matter.

**RESOLVED** - That the response detailed within the submitted report to the West Riding Track League's deputation to Council of 6<sup>th</sup> April 2011 be noted and endorsed.

**15 Mercury Abatement Works - Rawdon Crematoria: Capital Scheme No. 16194**

Further to Minute No. 68, 25<sup>th</sup> August 2011, the Acting Director of City Development submitted a report advising Members of the current position with regard to facilitating the installation of cremators with mercury filtration equipment at Rawdon crematorium and requesting that Members authorise the letting of the works contract and the incurring of expenditure of £1,645,050, including fees from existing budget provision.

**RESOLVED -**

- a) That the works planned for Rawdon Crematorium be noted.
- b) That the award of the design and build contract in the sum of £1,445,050 be authorised.
- c) That authority to spend up to £1,645,050 on the scheme, including fees, be authorised.

**16 Closure of East Leeds Leisure Centre and Middleton Pool and Reduced Opening Hours of Garforth Squash and Leisure Centre**

The Head of Scrutiny and Member Development submitted a report inviting the Board to consider the recommendations of the former Scrutiny Board (City Development) following the Scrutiny Board's consideration of issues relating to proposals regarding the closure of East Leeds Leisure Centre, Middleton Pool and the reduction in operating hours at Garforth Squash and Leisure Centre.

Councillor J Procter, the Chair of the former Scrutiny Board (City Development) attended the meeting to present the Board's findings.

Copies of the report had been circulated to Board Members prior to the meeting for their consideration.

**RESOLVED –**

- (a) That it be noted that the former Scrutiny Board (City Development) recommends that any proposals to reduce services should be fully consulted upon before the matter is referred to Executive Board for determination.

- (b) That it be noted that the former Scrutiny Board (City Development) opposes the reduction in operating hours at Garforth Squash and Leisure Centre and the proposed Community Asset Transfer to the School Partnership Trust and the closure of East Leeds Leisure Centre and Middleton Pool.

**17 Response to the review of Home Farm Temple Newsam Scrutiny Board Inquiry**

The Head of Scrutiny and Member Development submitted a report inviting the Board to consider the recommendations of the former Scrutiny Board (City Development) following the conclusion of the Scrutiny Board's inquiry entitled, 'Review of Home Farm, Temple Newsam'.

Councillor J Procter, the Chair of the former Scrutiny Board (City Development) attended the meeting to present the Board's findings.

Copies of the report and accompanying documents had been circulated to Board Members prior to the meeting for their consideration.

**RESOLVED** – That the recommendations of the former Scrutiny Board (City Development) and the directorate responses be noted, with a further report being submitted to a future meeting of the Board in order to further consider ways in which the operation of Home Farm can be developed in the future.

(Councillor Wakefield declared a personal interest in this item, as a member of Meanwood Valley Urban Farm)

**18 Grants to Culture and Sport Related Organisations**

The Head of Scrutiny and Member Development submitted a report inviting the Board to consider the recommendations of the former Scrutiny Board (City Development) following the Scrutiny Board's consideration of issues relating to proposals regarding changes by the Arts Council and West Yorkshire Grants to their approach towards grant making.

Councillor J Procter, the Chair of the former Scrutiny Board (City Development) attended the meeting to present the Board's findings.

Copies of the report and accompanying documents had been circulated to Board Members prior to the meeting for their consideration.

**RESOLVED** – That the recommendations of the former Scrutiny Board (City Development) and the directorate responses be noted.

**DEVELOPMENT AND THE ECONOMY**

**19 Response to Deputation to Council: West Park Residents Association**

The Acting Director of City Development submitted a report in response to the deputation to Council on 6<sup>th</sup> April 2011 from the West Park Residents' Association regarding the future use of the centre.

The report provided details of the An Equality, Diversity, Cohesion and Integration impact assessment scheduled to be carried out as part of the options appraisal.

**RESOLVED -**

- (a) That the response to the deputation from the West Park Residents' Association be noted.
- (b) That officers be authorised to undertake an options appraisal in order to determine the future of the building and the future location of services currently provided on site, with the outcomes from the options appraisal being reported back to Executive Board with recommendations later in the year.

**20 Response to Deputation to Council: Danoptra Ltd.**

The Acting Director of City Development submitted a report in response to the deputation to Council on 6<sup>th</sup> April 2011 from Danoptra Ltd. regarding the draft Horsforth and Cragg Hill Conservation Area Appraisal and Management Plan.

**RESOLVED -** That the contents of the submitted report be noted.

**21 Response to Deputation to Council: Leeds Students' Unions**

The Acting Director of City Development submitted a report in response to the deputation to Council on 6<sup>th</sup> April 2011 from Leeds Student Unions regarding the proposed Article 4 Direction affecting Houses of Multiple Occupation (HMOs).

**RESOLVED –**

- (a) That the content of the submitted report which responds to issues raised by the Leeds Student Unions in relation to the proposed Article 4 Direction be noted.
- (b) That a report be submitted to a future meeting outlining the response to the Article 4 Direction consultation.

**22 Housing Appeals - Implications of the Secretary of State's Decision relating to Land at Grimes Dyke, East Leeds**

The Acting Director of City Development submitted a report providing an update on the outcome of an appeal relating to a substantial greenfield housing site at Grimes Dyke, East Leeds. The report noted that the decision taken by the Secretary of State followed a series of similar cases determined by individual inspectors and invited consideration of the consequences arising from the decision in terms of the Council's approach towards similar greenfield developments in the future.

Members highlighted the need for an all party lobbying exercise to be undertaken in order to relay the Council's concerns in respect of this matter to the Minister for Housing and Local Government, with enquiries being made as to the possibility of involving other Local Authorities who were in a similar position.

Having highlighted the importance of maintaining the current balance between greenfield sites and urban settlements across the city, the Chief Executive highlighted the need for officers and Members to engage further with developers in order to move forward on this matter.

**RESOLVED -**

- (a) That the outcome of the appeal at Grimes Dyke and the consequences for Council policy, as set out within the submitted report, be noted.
- (b) That the release of all the Phase 2 and 3 housing allocations in the UDP be agreed, subject to proposals coming forward being otherwise acceptable in planning terms.
- (c) That the withdrawal from the appeal on land at Whitehall Road, Drighlington, be agreed.
- (d) That approval be given to the Regional Spatial Strategy providing the basis for assessing the 5 year land supply pending the Core Strategy.
- (e) That the Prospectus, attached as Appendix A to the submitted report, be endorsed as the basis for informal consultation on the Core Strategy housing issues.
- (f) That Scrutiny Board (Regeneration) be invited to review and report on the population and household projection information that will underpin the Core Strategy, in addition to the land banking practices of developers, with such a review being undertaken as a matter of urgency in order to enable progress to be maintained according to the Core Strategy timetable, with the outcomes from the review being submitted to the Executive Board in due course.
- (g) That an all party lobbying exercise be undertaken in order to relay the Council's concerns in respect of this matter to the Minister for Housing and Local Government.

(The matters referred to in this minute were not eligible for Call In as there was a further, similar appeal case for which evidence was due, and it was important that the Council's approach towards that case was established and confirmed at the earliest opportunity).

**23 Local Sustainable Transport Fund Bid for West Yorkshire**

The Acting Director of City Development submitted a report providing details of the bid which had been prepared and submitted to the Department for Transport regarding the Local Sustainable Transport Fund project for West Yorkshire.

**RESOLVED -**

- (a) That the preparation of funding bids for the Local Sustainable Transport Fund and the submission of a Large Project bid made to the Government on 6th June 2011 be noted.
- (b) That the decision made by the West Yorkshire Integrated Transport Authority Executive (Appointed Members) taken on 3rd June 2011 to approve the bid be noted.
- (c) That it be noted that the Council is a partner in a separate Thematic bid for travel to school, led and submitted by Sustrans in partnership with a consortium of local authorities.

**24 Elland Road Masterplan**

The Acting Director of City Development submitted a report providing an update on the progress made in respect of the Elland Road Masterplan since its inclusion within the Informal Planning Statement for Elland Road, the acquisition of the Castle Family Trust land, developments regarding a potential park and ride facility and the sale of the former Greyhound Stadium. The report also sought approval of the revised Heads of Terms with the operator of the proposed ice rink on Elland Road, whilst also seeking an injection from the Capital Programme into the proposed realignment of Lowfields Road.

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

**RESOLVED -**

- (a) That the continuing development of the Informal Planning Statement through the acquisition of the Castle Family land and the sale of the Greyhound Stadium to the West Yorkshire Police Authority for their new divisional headquarters be noted.
- (b) That the revised Heads of Terms and additional 6 month exclusivity period to the ice rink operator, as identified within the exempt appendix to the submitted report, be approved.
- (c) That approval be given to the injection of £500,000 from the Capital Programme as a contribution towards the implementation of the masterplan, allowing for the realignment of Lowfields Road on the terms identified within the exempt appendix to the submitted report.

**25 Rugby League World Cup 2013**

The Acting Director of City Development submitted a report providing details of the 2013 Rugby League World Cup (RLWC) and the bidding process for potential Host Cities. In addition, the report sought approval for the submission of a final bid and provided details on the role of a consortium who would lead on RLWC activity.

Members thanked officers for the work which had been undertaken on this matter to date, given the restricted timescales involved.

The report provided details of the Equality, Diversity and Cohesion and Integration Impact Assessment (EDCI) which had been undertaken in respect of the bid process and of Leeds hosting the event.

**RESOLVED –**

- (a) That the contents of the submitted report be noted.
- (b) That approval be given for Leeds to submit a bid to be a Host City for the Rugby League World Cup 2013 on July 15<sup>th</sup> 2011.
- (c) That the requirement for the consortium to take responsibility for the Rugby League World Cup bid and subsequent World Cup related activity be noted.
- (d) That approval be given for the consortium to progress contractual and commercial discussions with the Rugby Football League and for officers to report back to Executive Board with requirements once contractual and commercial details are known.

(The matters referred to in this minute were not eligible for Call In due to the imminent deadline for the submission of the final bid to become a Host City for the 2013 Rugby League World Cup)

**26 Proposed Aire Valley Leeds Enterprise Zone**

The Acting Director of City Development submitted a report advising of the submission to the Local Enterprise Partnership Board of the proposal for an Enterprise Zone in Leeds, welcoming the subsequent decision of the Local Enterprise Partnership Board and seeking endorsement to the approach taken and support for the further work required to deliver an Enterprise Zone in Aire Valley Leeds.

Copies of the report and accompanying documents had been circulated to Board Members prior to the meeting for their consideration.

The Board emphasised the significance of the Enterprise Zone as a catalyst for growth throughout the whole of the Leeds City Region (LCR). In addition, Members highlighted the need to support each partner Local Authority within the LCR to help them deliver their strategic priorities, as this would be to the benefit of the whole of the region and underlined the important role that the Local Enterprise Partnership would play in this process.

**RESOLVED –**

- (a) That the recommendation of the Local Enterprise Partnership Board be welcomed and that the further development of the Aire Valley Leeds Enterprise Zone proposal for submission to Government be agreed.

- (b) That the preparation of a Local Development Order be agreed, with the details of which being reported to Executive Board for approval.

## **NEIGHBOURHOODS, HOUSING AND REGENERATION**

### **27 Assistance to Vulnerable Households: the business case for unsupported borrowing to fund equity release loans to vulnerable households**

The Director of Environment and Neighbourhoods submitted a report outlining proposals regarding a financial model which would enable Leeds City Council to deliver unsupported borrowing for the provision of equity loans to vulnerable households.

The report provided details of the Equality, Diversity and Community Cohesion Impact (EDCI) screening form which had been completed in respect of this matter.

**RESOLVED** - That approval be given to the proposal to introduce an equity release loans scheme for vulnerable home owners, funded through unsupported borrowing, with the redeemed Leeds Loans used to subsidise costs, up to a limit of £500,000 per annum based upon the model set out within the submitted report for up to the next 4 years, subject to annual review of the scheme, in order to minimise the risk to the Council.

### **28 Reducing Reported Burglary in Leeds**

The Director of Environment and Neighbourhoods submitted a report providing an overview of the burglary problem in Leeds and outlining the key drivers in relation to this offence. In addition, the report sought agreement to the Leeds Burglary Reduction Strategy and approval to the allocation of £1,326,000 made available through the Community Safety Fund to support the delivery of the Leeds Burglary Reduction Programme.

In response to Members' enquiries, officers undertook to provide Board Members with the burglary statistics broken down by Ward.

#### **RESOLVED –**

- (a) That the Leeds Burglary Reduction Strategy be agreed.
- (b) That the allocation of £1,326,000 of resources made available through the Community Safety Fund to support the delivery of the Leeds Burglary Reduction Programme be approved.
- (c) That the annual funding allocations currently assigned to the Community Safety Fund for 2011/12 and 2012/13 be amended to make this more evenly split across the two financial years and aligned to the Burglary Reduction Programme, as outlined within section 5 of the submitted report.

- (d) That a further report on the progress made to reduce domestic burglary be submitted to the Board in one year (June 2012).

**29 Little London and Beeston Hill & Holbeck PFI Housing Project - Value For Money Review and Final Business Case**

The Director of Environment and Neighbourhoods submitted a report informing the Board of the progress made to date on the Little London and Beeston Hill and Holbeck PFI Housing Project, whilst focussing upon the status of the project in relation to the Department for Communities and Local Government's Value for Money assessment of the programme and the remaining approval processes and likely timetable.

Copies of the report and accompanying documents had been circulated to Board Members prior to the meeting for their consideration.

**RESOLVED -**

- (a) That the contents of the submitted report be noted.
- (b) That the positive outcome for the project with regard to the Department for Communities and Local Government's Value for Money review be noted.
- (c) That the impact of delays on the project and the likely programme to the financial close be noted.
- (d) That a further, more detailed report be submitted to the Board on 27<sup>th</sup> July 2011 in order to confirm the final proposed scope and affordability of the project for further approval by the Government.

**DATE OF PUBLICATION:** 24<sup>TH</sup> JUNE 2011

**LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS:** 1<sup>ST</sup> JULY 2011 (5.00 P.M.)

(Scrutiny Support will notify Directors of any items called in by 12.00noon on 4<sup>th</sup> July 2011)

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**FORWARD PLAN OF KEY DECISIONS  
(Relevant to Resources and Council Services  
Scrutiny Board)**

1 July 2011 – 31 October 2011

Key Decisions	Decision Maker	Expected Date of Decision	Proposed Consultation	Documents to be Considered by Decision Maker	Lead Officer (To whom representations should be made and email address to send representations to)
<p>Provision of Outplacement Services to Various Local Authorities throughout the Yorkshire and Humber Region</p> <p>To award a 2 year call-off framework contract for outplacement services to the successful suppliers, following a competitive tender exercise.</p>	<p>Chief Officer (HR) ( )</p>	<p>1/7/11</p>	<p>Consultation has taken place at the LGYH Regional HR Director's Forum and then within each individual local authority. Consultation with CLT has taken place</p>	<p>Evaluation of Pre Qualification Questionnaires and tender evaluation documents</p>	<p>karen.fentem@leeds.gov.uk</p>
<p>Lotherton Hall and Estate infrastructure and service improvements</p> <p>To approve an injection to the capital programme and authority to spend on infrastructure improvements to Lotherton Hall and Estate fully funded through a prudential borrowing business case.</p>	<p>Director of Resources ( )</p>	<p>1/7/11</p>	<p>Ward Members</p>	<p>Design and Cost Report</p>	<p>Director of Resources ed.mylan@leeds.gov.uk</p>

Key Decisions	Decision Maker	Expected Date of Decision	Proposed Consultation	Documents to be Considered by Decision Maker	Lead Officer (To whom representations should be made and email address to send representations to)
<p>Monthly Financial Health Report 2011/12 In noting the financial position for the month for the Authority a decision will be required as to the treatment of any variation identified</p>	<p>Executive Board (Portfolio: Resources and Corporate Functions)</p>	<p>27/7/11</p>	<p>n/a</p>	<p>The report to be issued to the decision maker with the agenda for the meeting</p>	<p>Doug Meeson, Chief Officer (Financial Management) doug.meeson@leeds.gov.uk</p>
<p>Treasury Management Year End Report 2010/11 To approve the treasury management year end report 2010/11</p>	<p>Executive Board (Portfolio: Resources and Corporate Functions)</p>	<p>27/7/11</p>	<p>N/a</p>	<p>The report to be issued to the decision maker with the agenda for the meeting</p>	<p>Alan Gay, Director of Resources alan.gay@leeds.gov.uk</p>
<p>Capital Programme Quarter 1 update for 2011 - 2015 To provide a quarter 1 update on the capital programme over the period 2011-2015</p>	<p>Executive Board (Portfolio: Resources and Corporate Functions)</p>	<p>27/7/11</p>	<p>N/a</p>	<p>Report</p>	<p>Alan Gay, Director of Resources alan.gay@leeds.gov.uk</p>

Key Decisions	Decision Maker	Expected Date of Decision	Proposed Consultation	Documents to be Considered by Decision Maker	Lead Officer (To whom representations should be made and email address to send representations to)
Fruit and Vegetable Contract Decision to appoint fruit and vegetable supplier to the Yorkshire Purchasing Organisation Framework Arrangement	Chief Commercial Services Officer ( )	31/7/11	None	Report	mandy.snaith@leeds.gov.uk
Supply and Maintenance of Vehicle Tyres To agree the award of tender for the Supply and Maintenance of Vehicle Tyres	Chief Commercial Services Officer ( )	1/7/11	Fleet Services, Procurement Unit, Chief Officer concerned	Tender Submissions	Carl Snowden carl.snowden@leeds.gov.uk
The design and build of a new electrical infrastructure for the Apex Data Centre To award a contract to an appropriate contractor following a regulated tender process	Chief ICT Officer ( )	30/10/11	N/A	Delegated Decision Report	andrew.byrom@leeds.gov.uk