

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 15TH JANUARY, 2024

PRESENT: Councillor A Khan in the Chair

Councillors G Almass, H Bithell, S Burke,
A Carter, D Chapman, S Firth,
T Hinchcliffe, W Kidger, A Parnham and
E Thomson

64 Appeals Against Refusal of Inspection of Documents

There were no appeals.

65 Exempt Information - Possible Exclusion of the Press and Public

There was no exempt information considered by the Board.

66 Late Items

There were no late items.

67 Declaration of Interests

There were no declarations of interest.

68 Apologies for Absence and Notification of Substitutes

There were no apologies.

69 Minutes - 11 December 2023

RESOLVED – That the minutes of the previous meeting held on 11 December 2023, be approved as an accurate record.

70 Matters Arising

The Principal Scrutiny Adviser highlighted the following areas as matters arising from the 16 October meeting of the Board:

Min 58 – West Yorkshire Joint Services - Members have received the contact details requested for Trading Standards and WYJS more generally. The request for additional data by members is still being worked on but will be provided to the Board as soon as it is available.

Min 60 – Corporate Risk – It was agreed that the Chair would write to the four other scrutiny board chairs setting out links between performance and risk when considering performance reports in January and June, this will be finalised this month.

Min 61 – Contact Centre Data – This has been circulated to members in advance of today's meeting and colleagues at the Contact Centre will be able to take any questions on that during the site visit scheduled for 31 January.

71 Financial Reporting 2023/24 (Month 7)

The Board received a report from the Head of Democratic Services providing the Board with an update on the in year financial position in respect of the Revenue Budget and the Housing Revenue Account (HRA), in line with the Board's remit.

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Victoria Bradshaw, Chief Officer – Financial Services
- Mariana Pexton, Director of Strategy and Resources

The report related to Month 7 of the financial year, October, and is the latest update on the in year budget considered by the Executive Board throughout the financial year.

The Chief Officer – Financial Services provided an initial overview of the paper by way of introduction to board members.

The projected overspend on the revenue budget was £35.3m. This is a worsening position which reflects ongoing pressure on external residential placements within the Children and Families directorate in addition to transport costs linked to Education, Health Care Plans.

In terms of other directorates, they are also projecting overspend positions with the exception of City Development. These are being managed within directorates, but attention was drawn to Adult Social Care budget pressures the impact of which will depend on demand through the current Winter months.

Tighter budget controls have been introduced since Christmas with restrictions on recruitment and non-essential spend as well as use of agency staff and overtime and the use of purchasing cards and these reflect a strengthening of already existing controls in place throughout the financial year, all aimed at managing the budget pressures.

In addition to this, the board were informed of projected overspends in the Housing Revenue Account (HRA) of £1.3m and Dedicated Schools Grant (DSG) of £900,000.

In response to comments and questions from the Board, discussion included the following:

- Members noted that Month 7 position is now over 8 weeks in the past and given the worsening position of the budget particularly within Children and Families asked if there were any updates available on the revenue budget or any worst case scenarios of the outturn position for 2023/24. The Board heard that there is increasing pressure on the number of children in care particularly external placements but as yet the position is not finalised, and this will be reported to the February Executive Board in line with the agreed process.
- The Board wanted to know more about budget monitoring processes. In response the Board were informed that every month the financial service business partners meet with budget holders to undertake a Red, Amber, Green (RAG) assessment of budget risks. This identifies red, where there are demand pressures and budgetary volatility, amber where there is demand pressure and volatility but less so and green where pressures relate mainly to staffing and fluctuate less. This monthly position is then reported to the internal finance group and financial challenge group and feeds through to the Corporate Leadership Team to provide an updated position. This process identifies mitigation measures to manage budget pressure and inform the savings plans and the robust monitoring of those.
- The Board sought reassurance around the HRA and any plans to address the £1.3m overspend through repairs on council owned housing stock. The Board heard that measures are being considered to reduce the HRA capital programme, in order to balance the budget and that more detail would be provided to the Board on this.
- The Board asked for more detail on the pressures being faced within Children Looked After (CLA) services and welcomed the plans to increase in house provision through additional small group living homes, board members asked how many new homes might be provided and any cost associated. In response members heard that the key aim is to develop a mixed economy for CLA placements to identify those that can return home, would be suitable for a fostering placement and those in external placement who would benefit from returning to being cared for in Leeds or in the region. A key priority of the small group living approach is to identify the children in external residential placements who would benefit from living in this accommodation and safely move them to that accommodation type, in total there are 8 such homes planned.
- In response to a query about potential future pressures within CLA budgets if demand and cost continues to grow, members heard that if that happened then action would need to be taken to address that in the next financial year although it was noted that there are significant plans in place to address pressures and ensure budget sustainability.

- The Board also heard about the national nature of pressures on CLA budgets and that that budgetary experience in Leeds is replicated in most other local authority areas. In Leeds the increase in demand is actually lower than in statistical neighbours and that the main issue is the cost of external placements as opposed to being driven by demand. There are also plans to develop an adolescent service within Children and Families that could divert some young people away from care into other alternative support services, this approach is currently being developed.
- In response to a question about sufficiency of reserves the Board heard about different classification of reserves. There are general balances which is set aside for risks within the budget if they materialised, there are general reserves as well which are established corporately to ensure financial resilience (such as strategic contingency) and there are also directorate reserves which are established to enable investment in new schemes or initiatives or to facilitate external grant usage.
- The Executive Board Member for Resources, in summary, highlighted the monthly financial monitoring process carried out in Leeds, emphasising that this is not a requirement but is done to ensure transparency with the public and elected members. Commenting on the current position of a projected overspend of £35.3m it was noted that there is ongoing lobbying to secure additional funding from Government to meet the budget pressures in children and families that are being felt in all local authorities. A comparison was made with past treatment of budgetary pressures in Adult Social Care where the Government responded to lobbying and made additional funding available through grants to local authorities.

Resolved:

Members noted the updated financial position for 2023/24 in respect of the Revenue Budget and Housing Revenue Account.

72 The Proposed Budget 2024/25 and Provisional Budgets for 2025/26 and 2026/27

The Board considered a report from the Head of Democratic Services that introduces the Council's proposed budget for 2024/25 and provisional budgets for 2025/26 and 2026/27 for consideration, review and comment on matters and proposals that fall within the Scrutiny Board's remit. Following consideration of the report feedback from this board will be incorporated into a composite report that will be submitted to Executive Board for consideration on 7 February 2024 as set out in the Council's Budget and Policy Framework.

In attendance for this item were:

- Cllr Debra Coupar, Executive Board Member for Resources
- Cllr Jonathan Pryor, Executive Board Member for Culture, Economy and Education
- Victoria Bradshaw, Chief Officer – Financial Services
- Mariana Pexton, Director of Strategy and Resources

- Eve Roodhouse, Chief Officer Culture and Economy
- Andy Dodman, Chief Officer Human Resources

By way of introduction the Chief Officer for Financial Services set out that key elements of the report which were, the assumptions contained in the budget, the funding announcements made by Government, details of the Provisional Local Government Settlement and the outcome of the Government's Autumn Statement announced on 5 December 2023. To enable a balanced budget to be proposed, as required by law, the 2024/25 budget sets out a total of £65.8m of savings.

It was noted that the report also covers other elements of the budget including Business Rates, Council Tax, Dedicated Schools Grant, Capital Programme and Housing Revenue Account including rental increase for Council Homes.

The Council faces further challenges in future years totalling £106.7m combined in 2025/26 and 2026/27.

The Board heard in more detail the proposals that impact on its remit these were broken down into Arts and Heritage services and Strategy and Resources services.

In response to comments and questions from board members the following discussion took place:

- The Executive Board Member for Resources set out the severe nature of the budget challenge and that unfortunately as a result some difficult decisions will be required. In different financial circumstances some of the proposals under consideration would not have been made.
- Members queried the consultation held in relation to the Golden Acre car parking charges proposal and the timing of the expected decision. The Board were informed that a decision on the parking charges would be unlikely before the Full Council meeting in February.
- In respect of the Pudsey Civic Hall service review proposal the Board mentioned that it is used on a city wide basis and there were concerns about marketing of the site and 'under selling' of the facility that if done differently would assist in it delivering a balanced budget and that a strong case could be made for it remaining open. It was also suggested that accessibility of the site should be a key consideration as it is used by groups who have wheelchair users and is considered to be a good venue from an accessibility perspective. The Board heard that income from events covers the operational costs of the hall but the overall feasibility of the site is dependent on income from parking which has dropped post-covid when a long term lease agreement with a business nearby was not renewed resulting in an income pressure for the site. The Board also heard that action is already underway to improve marketing including implementation of findings from a commercial review undertaken by Leeds Museums and Galleries in autumn 2022 and a service review of Events and Attractions. Whilst there is new car parking available at the train station there were also concerns that impact of the closure could

- affect residents in the surrounding area, particularly if alternative local venues were used that do not have adequate parking on site.
- The Board heard that the Executive Member for Economy, Culture and Education had agreed to attend the Outer West Community Committee to discuss the Pudsey Civic Hall proposal in more detail. In addition, the Board were assured that the Equality Impact Assessment would be updated should the proposal be taken forwards. Accessibility of alternative venues will also be an important consideration.
 - Similar concerns were aired around the Thwaite Mills service review proposals, particularly in respect of marketing and on the site being a heritage asset with significant historical value for the city. In response the board heard that the site is promoted by Leeds Museums and Galleries alongside the other eight sites with dedicated resources carrying out this work. Visitor numbers were low and would be lower if numbers were taken out for those attending events held at the site, which in the current financial climate has led to concerns about its viability.
 - The Chair asked about the ability of the Canals and Rivers Trust to manage the site or contribute to it in the future. In response the Board were informed that they do not have the resources to keep the site open if the Council lease were to cease. Officers from the service remain committed to working with partners, including the Canals and Rivers Trust to develop alternatives, where possible, that would ensure that the site can be maintained and open to the public.
 - On Thwaite Mills the board also heard that there are significant maintenance costs linked to the site as it can flood, and this leads to issues with maintenance of the water wheels and can result in significant costs when this occurs which is also linked to invasive species.
 - In response to further questions from board members on these issues, it was noted that the service reviews on both Pudsey Civic Hall and Thwaite Mills were not easy for officers to bring forwards and that public consultation on the proposals will be factored in when finalising the budget for 2024/25.
 - The Board referenced the possibility of consultation fatigue in relation to the parking charges proposals as charging had been the subject of a consultation earlier in the year. By way of response the consultation on the budget that takes place annually has been at a similar level to responses in 2024 compared to previous budget rounds, suggesting that consultation responses to the budget as a whole is unchanged.
 - On a wider point about consultation members were keen to ensure that residents felt this was meaningful and that their voice can have an impact on the budget proposals being put forward. The Board heard that decision making does take account of consultation and that often these are documented in the reports that set out the decision. It was noted that a consultation is not a vote and communication on any decision that is not in line with consultation responses is done carefully and with regard to consultation responses.
 - The Board wanted to know more about the approach to voluntary redundancies and how this will ensure that essential skills and experience are not lost to the authority. It was reported that 361 staff (2-3% of the workforce) are impacted by the budget proposals. In anticipation of the

budget challenge being faced a number of initiatives were introduced most notably voluntary leavers and flexible retirement schemes and through these means it is anticipated that the 361 'target' can be achieved which will avoid the need for any compulsory redundancies. An important element of this approach has been consultation with both staff and Trade Unions to ensure fairness and transparency.

- In addition to the potential loss of skills through voluntary redundancy the Board felt that work should be done to ensure that there is not a disproportionate impact on minority groups or disadvantaged staff through the voluntary redundancy processes.
- The Board questioned the new Homes Bonus and whether this would continue in future financial years. the New Homes Bonus will continue in 2024/25 following confirmation from the Government. This funding mechanism tends to benefit more affluent areas as they generate more new homes bonus. This funding was originally part of the Revenue Support Grant (RSG), and Leeds would likely receive more funding if these monies were allocated on the needs based formula. The Board were also informed that right to buy purchase, estimated at 550 sales in 2024/25, will have an adverse impact on the HRA.
- The Executive Board Member for Culture, Economy and Education emphasised the difficult financial decisions that are having to be made in the current budgetary climate, where often the choices before the council leadership are not palatable and in different circumstances would not be put forward.
- The Executive Board Member for Resources made concluding remarks in relation to consultation highlighting the Council's commitment to it and the fact that in past years consultation had led to changes in the proposals being put forward. It was further noted that the financial challenge is unprecedented and none of the choices being made are made lightly or are easy choices.

Resolved:

The Board noted the content of the report and appendices and that a summary of the deliberations of all five Scrutiny Boards during the period of consultation on the Executive Board's proposed budget will be submitted for consideration by Executive Board on 7 February 2024.

73 Performance Report

The Board considered a report from the Director of Strategy and Resources which presented a summary of performance data relating to Council and city priorities that fall within the remit of Scrutiny Board (Strategy & Resources). This included the newly added Office for Local Government (OFLOG) indicators of which there are 8 within this Board's remit, all within Financial Services, in addition to 21 Key Performance Indicators.

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Mariana Pexton, Director of Strategy and Resources
- Andy Dodman, Chief Officer HR
- Emma Kamillo-Price, Senior Intelligence and Policy Officer

In response to comments and questions from the Board, discussion included the following:

- Members queried the workforce statistics set against city wide demographics. In relation to staff over the age of 41 there has been a drop of 1.6% in those staff employed by the Council. The Board were informed that retirement of staff will have impacted on the data and that it is possible that the services concerned could have had a higher than normal volume of leavers to other employment.
- Members requested additional data in relation to the representative workforce KPI, this related to including the grade of staff in the data that is provided in the breakdown.
- The Board highlighted the impact of mental health on staff absence with mental health conditions accounting for 36% of absences. Drawing a link to the well-being work being done by the Council it was suggested that perhaps that work may need to be revisited given the high number of absences in this area. The Board heard more about ongoing work particularly on the Promotion – Prevention – Support model. In addition, there has been a mental health first aiders conference which was attended by the Chief Executive and took place in December 2023.
- On this issue it was noted that the figures for staff at the Council replicated societal trends. The Board also suggested that interventions made to support staff should be assessed if they are not already, to determine whether they worked or not or whether they should be revisited and improved.
- A further update on this, following a report to scrutiny earlier in the year, was suggested for the March meeting of the Board subject to available space in the Board's Work Programme.
- The Board queried the gender pay gap which has remained in the same range in the dataset (marginal decrease), the concern being that if not addressed there is a possibility of the Council incurring costs in the future. The Board heard that the mean hourly rate has gone down to 3.8% with further reporting in March 2024 (showing the March 2023 figures) expected to bring more up to date information. The aim being to eliminate the gender pay gap. It was noted that this information will be reported at future meeting of the Board. The Board did note that it would be preferable to have more up to date information if possible on this KPI.

- In relation to absence by condition the Board asked for a comparison with previous reports to identify trends, this was agreed to.
- The Board welcomed the improvements in services at the contact centre and in relation to information governance indicators all of which have shown improvement in the past year.
- Returning to employee mental health, members mentioned the possible benefits of lower level measures such as socialising and walking together and other low cost or nil cost initiatives that could benefit mental health absence.
- In concluding remarks, the Executive Board Member for Resources noted the aim to reduce the gender pay gap and also supported the need to improve and maintain mental health and well-being amongst staff and the complex nature of the issue not least work related and non-work related mental health.

Resolved:

Members noted the performance information contained in Appendix 1, and identified employee mental health as an area for further scrutiny work in the future.

74 Best City Ambition - 2024 Update

The Board considered a report from the Director of Strategy and Resources providing an update on work to refresh the Best City Ambition following initial consideration of the scope of this work by this Board in October 2023.

The Board heard that The Best City Ambition is part of the council's Budget and Policy Framework and therefore Full Council is responsible for its adoption. As part of that process the Strategy and Resources Scrutiny Board are required to consider as part of their work programme.

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Mariana Pexton, Director of Strategy and Resources
- Mike Eakins, Head of Policy

The Board received a presentation setting out details of the Best City Ambition 2024 Update including the principles underpinning the Team Leeds Approach and details on the key pillars, as well as the extensive engagement with members, managers and partners, in developing the update:

- **Health and Well Being** - Leeds will be a healthy and caring city for everyone

- **Inclusive Growth** - Leeds will be a place where we create growth in our economy that works for everyone
- **Net Zero** - Leeds aims to become the first net zero city in the UK

In response to questions and comments from the Board the following discussion took place:

- The Board welcomed and supported the Best City Ambition and the Team Leeds approach particularly when set against the financial challenge and further supported the ongoing work with city partners and continuing ambition despite this challenge.
- Whilst being supportive overall of the Ambition members wanted to emphasise the role of the Third Sector in the Innovation Arc, given the commitment to working with partners and with communities, the Board believed that the role of the Third Sector should be reflected more strongly in this work due to the Third Sector having strong and often far reaching community links.

Resolved:

The Board noted and supported the Best City Ambition Update and agreed to provide feedback on the consideration today to the Executive Board.

75 Work Programme

The Board considered the Scrutiny Board's work programme for the 2023/24 municipal year.

In attendance for this item was:

- Rob Clayton, Principal Scrutiny Adviser

The Board were informed of the forthcoming site visit to the Council's Contact Centre which builds on an item on the same subject considered by the Board at its December meeting. This will take place on 31 January 2024 at 9.30AM.

In addition, the discussion held at today's meeting on a potential item on Staff Mental Health and Well Being it was explained that this will require some adjustment to the existing work programme to allow sufficient time for it at the March meeting.

Members were also informed that an additional item on Financial Reporting has been included in the Work Programme for March following discussion at the last meeting.

Resolved:

The Board:

Draft minutes approved at the meeting held on Monday, 19th February, 2024

a) Noted the Scrutiny Board's work programme for the 2023/24 municipal year.

Meeting closed at 12.25PM.

76 Date and Time of Next Meeting

The next public meeting of the Board will take place on 19 February 2024 at 10.00am. There will be a pre-meeting for all board members at 9.30am.