



EXECUTIVE BOARD

Meeting to be held in Civic Hall, Leeds on
Wednesday, 20th November, 2024 at 1.00 pm

MEMBERSHIP

Councillors

S Arif
D Coupar
M Harland
H Hayden
J Lennox
J Lewis (Chair)
J Pryor
M Rafique
F Venner
A Lamb

Note to observers of the meeting: To remotely observe this meeting, please click on the 'View the Meeting Recording' link which will feature on the meeting's webpage (linked below) ahead of the meeting. The webcast will become available at the commencement of the meeting.
<https://democracy.leeds.gov.uk/ieListDocuments.aspx?CId=102&MId=12535>

CONFIDENTIAL AND EXEMPT ITEMS

The reason for confidentiality or exemption is stated on the agenda and on each of the reports in terms of Access to Information Procedure Rules 9.2 or 10.4(1) to (7). The number or numbers stated in the agenda and reports correspond to the reasons for exemption / confidentiality below:

9.0 Confidential information – requirement to exclude public access

9.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Likewise, public access to reports, background papers, and minutes will also be excluded.

9.2 Confidential information means

- (a) information given to the Council by a Government Department on terms which forbid its public disclosure or
- (b) information the disclosure of which to the public is prohibited by or under another Act or by Court Order. Generally personal information which identifies an individual, must not be disclosed under the data protection and human rights rules.

10.0 Exempt information – discretion to exclude public access

10.1 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed provided:

- (a) the meeting resolves so to exclude the public, and that resolution identifies the proceedings or part of the proceedings to which it applies, and
- (b) that resolution states by reference to the descriptions in Schedule 12A to the Local Government Act 1972 (paragraph 10.4 below) the description of the exempt information giving rise to the exclusion of the public.
- (c) that resolution states, by reference to reasons given in a relevant report or otherwise, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10.2 In these circumstances, public access to reports, background papers and minutes will also be excluded.

10.3 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.4 Exempt information means information falling within the following categories (subject to any condition):

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual.
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority.
- 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- 6 Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment
- 7 Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 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 15.2, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information within the meaning of Section 100I of the Local Government Act 1972, 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 the recommendation is accepted, to formally pass the following resolution:-</p> <p>RESOLVED – That, in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of those 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 press and public were present there would be disclosure to them of exempt information.</p>	

Item No K=Key Decision	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF INTERESTS</p> <p>To disclose or draw attention to any interests in accordance with Leeds City Council's 'Councillor Code of Conduct'.</p>	
5			<p>MINUTES</p> <p>To confirm as a correct record the minutes of the meeting held on 16th October 2024.</p> <p><u>CLIMATE, ENERGY, ENVIRONMENT AND GREEN SPACES</u></p>	9 - 24
6 K	Beeston and Holbeck; Hunslet and Riverside	10.4(3) (Appendix 5 only)	<p>DISTRICT HEATING UPDATE - NETWORK EXPANSION AND APPROACH TO COMMERCIAL DELIVERY</p> <p>To consider the report of the Director of Communities, Housing and Environment which provides an update on the development of the District Heating network. A specific update is also provided on the Wellington Street extension to the existing network and the development of the South Bank heat network. The report recommends several actions, including approval for the creation of a joint venture company and the procurement of a delivery partner who will provide capital funding to enable the delivery of the South Bank network and who will develop this network and a wider city centre zone.</p> <p>(Please note that Appendix 5 to this report is designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3))</p>	25 - 66

Item No K=Key Decision	Ward	Item Not Open		Page No
7			<p><u>EQUALITY, HEALTH AND WELLBEING</u></p> <p>IMPROVING HOUSING FOR BETTER HEALTH: PROGRESS UPDATE FOR LEEDS' HEALTH AND HOUSING PROGRAMME</p> <p>To consider the joint report of the Director of Public Health and the Director of Communities, Housing and the Environment which provides an annual update on the Leeds Health and Housing Programme which is overseen by the Health and Housing Steering Group, chaired by the Executive Member for Equality, Health and Wellbeing.</p>	67 - 84
8 K	Roundhay		<p><u>CHILDREN AND FAMILIES</u></p> <p>OUTCOME OF STATUTORY NOTICE ON A PROPOSAL TO CHANGE THE AGE RANGE OF MOOR ALLERTON HALL PRIMARY SCHOOL FROM 3-11 YEARS TO 4-11 YEARS AND PERMANENTLY CLOSE THE LOCAL AUTHORITY-MAINTAINED NURSERY</p> <p>To consider the report of the Director of Children and Families presenting the outcomes from the published statutory notice regarding a proposal to change the age range of Moor Allerton Hall Primary School from 3-11 years to 4-11 years and permanently close the Local Authority-maintained nursery with effect from 1 January 2025. The report seeks a final decision in respect of this proposal.</p>	85 - 96

Item No K=Key Decision	Ward	Item Not Open		Page No
9			<p><u>RESOURCES</u></p> <p>FINANCIAL HEALTH MONITORING 2024/25 - SEPTEMBER (MONTH 6)</p> <p>To consider the report of the Interim Assistant Chief Executive – Finance, Traded and Resources providing an update on the Council’s financial performance against the 2024/25 revenue budget. The report also provides updates on the September (Month 6) position in respect of the Housing Revenue Account (HRA), the Schools Budget (DSG) and the Council Tax and Business Rates Collection Fund.</p>	97 - 146
10			<p>CAPITAL PROGRAMME 2024/25 - 2028/29 - QUARTER 2 UPDATE</p> <p>To consider the report of the Interim Assistant Chief Executive – Finance, Traded and Resources presenting an update on the Council’s Capital Programme for 2024-2029, split between General Fund and Housing Revenue Account. A specific update of the 2024/25 programme is also provided, as at Quarter 2 of the financial year. Additionally, the report also seeks the Board’s approval of several injections into the Capital Programme.</p>	147 - 162
11			<p>TREASURY MANAGEMENT STRATEGY UPDATE 2024/25</p> <p>To consider the report of the Interim Assistant Chief Executive – Finance, Traded and Resources presenting a review and update of the Council’s Treasury Management Strategy for 2024/25.</p>	163 - 176

Item No K=Key Decision	Ward	Item Not Open		Page No
12			<p data-bbox="675 286 1358 360"><u>COMMUNITIES, CUSTOMER SERVICES AND COMMUNITY SAFETY</u></p> <p data-bbox="675 427 1238 461">COST OF LIVING - UPDATE REPORT</p> <p data-bbox="675 501 1374 831">To consider the report of the Director of Communities, Housing and Environment which provides an update regarding the Cost of Living crisis and the actions being undertaken by the Council and partners from a welfare and financial inclusion perspective. This report follows on from the report received by Executive Board in April 2024 and provides update and context at both national and local levels.</p>	177 - 198

Third Party Recording

Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.

Use of Recordings by Third Parties– code of practice

- a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.
- b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.

Webcasting

Please note – the publically accessible parts of this meeting will be filmed for live or subsequent broadcast via the City Council’s website. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed.

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EXECUTIVE BOARD

WEDNESDAY, 16TH OCTOBER, 2024

PRESENT: Councillor J Lewis in the Chair

Councillors S Arif, D Coupar, M Harland,
H Hayden, A Lamb, J Lennox, J Pryor,
M Rafique and F Venner

53 Exempt Information - Possible Exclusion of the Press and Public

There was no information contained within the agenda which was designated as being exempt from publication.

54 Late Items

There were no formal late items of business submitted to the Board for consideration, however, supplementary information had been provided to Board Members and published ahead of the meeting. This was in the form of Appendix 2 to Item 9 (Children and Young People's Transport Policy: Outcome of consultation on proposed changes to transport assistance for post-16 learners with Special Educational Needs and Disabilities (SEND)). This Appendix 2 presented the Scrutiny Board Children and Families Working Group statement relating to the proposed changes to transport assistance for post-16 SEND learners, which had been submitted following the Scrutiny Board's agreement of the statement at the meeting held on 9th October 2024. (Minute No. 60 refers).

55 Declaration of Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

56 Minutes

RESOLVED – That the minutes of the previous meeting held on 18th September 2024 be approved as a correct record.

EQUALITY, HEALTH AND WELLBEING

57 Plans for New Hospital Provision in Leeds

The Interim Chief Executive of Leeds City Council submitted a report which provided an update on the current position regarding the Leeds Teaching Hospitals NHS Trust's (LTHT) proposals for new hospital provision in the city as part of the Government's New Hospitals Programme. This would see existing hospital facilities on the Leeds General Infirmary site being replaced with new state of the art buildings and equipment. It was also noted that proposals included the creation of a Leeds Innovation Village as part of a wider Innovation Arc. The report reconfirmed the support which had been provided by a range of city partners and sought the Board's endorsement of the proposed approach to Government for the swift delivery of the programme in Leeds.

The Executive Member introduced the report, highlighting that the Government's New Hospitals Programme had been the subject of significant delays since its establishment in 2019 and that the current Secretary of State had commissioned a review of the programme in order to put it on a sustainable footing. In advance of the Chancellor's upcoming Budget statement, the Executive Member highlighted that the purpose of the report was to call on the Government, in partnership with colleagues from LTHT to accelerate funding to deliver the new hospital programme for Leeds. Thanks were extended to Councillor Lamb for his support, and also for the work being undertaken to facilitate a cross-party letter to Government on such matters.

The Board welcomed Professor Phil Wood, Chief Executive, LTHT, and Jenny Ehrhardt, Director of Finance, LTHT, who were in attendance for the consideration of this item.

Professor Wood highlighted the readiness in Leeds to proceed with the programme, provided an update on the preparatory progress made to date and emphasised how this facility would not only be key to delivering state of the art health care for Leeds residents, but would have critical importance for the region and the north of England generally. Also noted was how the proposals were consistent with both local and national policy. Emphasis was placed upon the fact that LTHT's estate backlog remained challenging and would continue to accelerate whilst the new facility was awaited. It was noted that the proposals for Leeds were part of an ambitious regeneration development that included the Innovation Village, which would have a significant impact in terms of inward economic investment and job creation. An update on the progress made to date on the first phase of that initiative was provided.

The Leader thanked all involved from within the Council and from the LTHT and all other partner organisations for their continued efforts in this process, their collaborative approach and for providing a clear message of support. The significant healthcare benefits that would be realised as a result of the proposals were reiterated, as were the wider economic benefits from the development of the Innovation Arc.

In considering this matter, Councillor Lamb welcomed the report, reiterated the cross-party and 'Team Leeds' approach being taken and highlighted the importance of ensuring that the support of Leeds MPs was also gained on this matter.

Councillor Lamb moved several proposed amendments to the recommendations in the submitted report, Specifically that:

- Recommendations (a) and (b) remain unchanged;
- Recommendation (c) becomes recommendation (d), and that a new recommendation (c) be added as follows, '*The Executive Board is asked to note that four years of delays have so far cost the NHS Trust £300 million and further delays owing to the latest Government review of the NHS New Hospital Programme (NHP) will cost the NHS considerably more*'; and

- The original recommendation (d) becomes recommendation (e), and that be amended to read as follows, '*The Executive Board requests that, given the Department for Health and Social Care/Treasury review of the new hospitals programme, Executive Board make a submission to the Treasury before the Budget on 30 October, clearly stating the importance of modernised hospital provision in Leeds and requesting that the Leeds scheme be permitted to go ahead without delay. The Leader and Executive Member for Equality and Health and Wellbeing have sought cross-party support for a letter in support of the Council's submission*'.

Those proposed amendments were then seconded by Councillor Venner, and with the Board's agreement, it was -

RESOLVED –

- (a) That the strategic importance to Leeds of replacing existing hospital facilities on the Leeds General Infirmary site with new state of the art buildings and equipment, be noted, with the progress made so far by LTHT and partners of the Leeds Innovation Partnership including the Council, University of Leeds and Leeds Beckett University, also being noted;
- (b) That it be noted that the new hospital programme will deliver a boost to the health of children and adults, act to regenerate the existing and surrounding site and promote innovation and research across Leeds;
- (c) That it be noted that four years of delays have so far cost the NHS Trust £300 million and that further delays owing to the latest Government review of the NHS New Hospital Programme (NHP) will cost the NHS considerably more;
- (d) That the call to Government, as outlined within the submitted report, to approve and to subsequently accelerate the new hospital programme in Leeds, serving as critical regional health infrastructure, be supported;
- (e) That, given the Department for Health and Social Care/Treasury review of the new hospitals programme, agreement be given for Executive Board to make a submission to the Treasury before the Budget on 30 October 2024, clearly stating the importance of modernised hospital provision in Leeds and requesting that the Leeds scheme be permitted to go ahead without delay. That it also be noted that the Leader and Executive Member for Equality and Health and Wellbeing have sought cross-party support for a letter in support of the Council's submission.

58 Fast Track Cities: One Year On (2024)

The Director of Public Health submitted a report which provided an overview of the Fast Track Cities initiative, the achievements in Leeds in the last twelve months, as well as the ambitions for the next year. The report noted that Fast Track Cities is a global partnership between cities and municipalities around the world in which participants declare a commitment to ending HIV, Viral Hepatitis and Tuberculosis (TB) epidemics by 2030.

In presenting the report, the Executive Member provided an overview of the initiative and the ambitious nature of it, the actions which continued to be taken, the challenges which were being faced and the progress that had been made over past year. It was also highlighted that in February 2023, Leeds became the first city in the Yorkshire and Humber region to become a Fast Track City.

In response to a Member's enquiry, the Board received further information on the ways in which progress in this area would be monitored and measured, with it being noted that indicators relating to HIV and blood-borne viruses were part of a dashboard which was considered by the city's Health Protection Board, as part of the Team Leeds health protection processes. It was undertaken that such dashboard data would be shared with Board Members for information.

It was also noted that in the most recent data there had been increases in several indicators, which was partly due to the fact that more testing was being undertaken. Further information was then given on the approach being taken to manage such matters moving forward.

RESOLVED –

- (a) That the achievements of the Fast Track City initiative, as detailed within the submitted report, be recognised;
- (b) That the future ambitions of the Fast Track City initiative, be supported, and that the development of the Leeds: Getting to Zero Action Plan also be supported, together with the aim of reducing the stigma and misinformation associated with TB, HIV and Hepatitis.

CHILDREN AND FAMILIES

59 The Annual report on Academic Outcomes

The Director of Children and Families submitted a report presenting the outcomes from the statutory assessments and examinations which took place during the 2022/23 academic year in primary and secondary state-funded schools in Leeds (both maintained schools and academies) and which covered the Early Years Foundation Stage through to Key Stage 5.

The Executive Member introduced the report and thanked all children and young people who had undertaken assessments and examinations for their efforts. Thanks was also extended to all teachers and those, including parents and carers, who had supported students throughout what could be challenging times for children and young people. An overview of the performance of Leeds pupils when compared to the national average was provided, with it being noted that Leeds was not complacent in respect of the progress which was being made, and that work would continue to improve the outcomes for all children and young people at every stage of education, especially those who faced additional challenges.

In noting the outcomes within the submitted report, a Member highlighted the positive local and national results which had been achieved by the students, and how such positive results reflected upon the educational reforms of the previous Government.

Responding to a specific enquiry, Members discussed the complex, national issue of attendance in schools, which it was highlighted, had been exacerbated by the pandemic. Further details were provided on the partnership approach being taken to improve attendance and engagement in education, with it being noted that this was a priority for Leeds. It was also highlighted that this matter was being considered by the Children and Families Scrutiny Board and also the multi-agency Children and Young People's Partnership. Bearing in mind the context of the pandemic and the range of challenges faced by children and young people as a result, Members emphasised how the pupils' achievements detailed within the submitted report were all the more significant.

RESOLVED –

- (a) That the performance against headline measures for pupils in Leeds in 2023 in comparison to national data, as presented within the submitted report, be noted;
- (b) That the actions taken by Local Authority services to support maintained schools and academies in their work to improve outcomes in Leeds, be noted;
- (c) That it be noted that the data presented within the submitted report has previously been discussed at Children and Families Scrutiny Board on 18 July 2024.

60 Children and Young People's Transport Policy: Outcome of consultation on proposed changes to transport assistance for post-16 learners with Special Educational Needs and Disabilities (SEND)

Further to Minute No. 10, 19 June 2024, the Director of Children and Families submitted a report presenting the outcomes from the public consultation exercise undertaken on proposed changes to transport assistance for post-16 learners with Special Educational Needs and Disabilities (SEND). The report detailed proposed next steps and sought approval of an updated Children and Young People's Transport Policy, as presented at Appendix 3.

Supplementary information had been provided to Board Members and published ahead of the meeting in the form of the Scrutiny Board Children and Families Working Group statement regarding the proposed changes to transport assistance for post-16 SEND learners. This had been submitted following the Scrutiny Board's agreement of the statement at the meeting held on 9th October 2024. The statement was presented as Appendix 2 to the submitted report.

In presenting the report, the Executive Member extended her thanks to Children and Families Scrutiny Board for the work that it had undertaken in

this area. Also, it was highlighted that the Local Authority's duty was to provide home to school transport assistance for children with SEND of statutory school age, and that although it was the parents' responsibility to provide transport arrangements for post-16 year old learners with SEND, the Council had continued to provide substantial assistance. With regard to the proposals within the report, it was noted that they had followed consultation undertaken with young people and their families. The Board was also advised that the proposals would reduce the significant overspend which existed in this service area, whilst maintaining a discretionary transport offer for post-16 students with SEND. The provisions which would be put in place to support those affected were also noted.

In acknowledging the reasons for a review being undertaken, a Member raised his concerns in respect of the proposals and in doing so relayed to the Board an individual concern which had been raised with him, advising that this was representative of others he had received. The Member sought reassurance that the implementation and communication of the proposed policy would be proactive and would be centred around the needs of children, young people and their families, and that for instance, there would be flexibility on the 20-mile radius cap being proposed. In raising such concerns, the Member suggested that further work needed to be undertaken and perhaps a deferral of the final decision was required in order to provide the necessary assurance to parents and families around the approach which would be taken to implement the proposals.

In response, whilst acknowledging the impact of the proposals, it was noted that the current policy was unsustainable. It was also noted that the matter had been considered in detail at Scrutiny Board, where the challenges being faced had been acknowledged, and it was confirmed that the recommendations made by the Scrutiny Board had been accepted.

Assurance was provided to the Board that the proposed policy would take into consideration the individual needs of children, young people and their families, and where such individual needs required provision outside of the agreed policy, then in those exceptional circumstances the policy would provide flexibility to deliver that. A commitment was also provided that communication and engagement would continue with the parents, carers, children and young people affected using a range of methods.

Further detail was also provided on the actions being taken regarding the delivery of SEND provision in Leeds, with the aim of minimising the need for learners having to travel significant distances outside of the city wherever possible. The opportunities arising from the proposals in relation to independent travel were also highlighted. As part of the discussion on this report, clarification was also provided to Members on several specific areas within the proposed policy.

RESOLVED –

- (a) That in general terms, the contents of the submitted report, be noted;

- (b) That the outcomes from the consultation exercise, as agreed by Executive Board at its meeting on 19 June 2024, be noted;
- (c) That approval in principle be given to the proposed Children and Young People's Transport Policy (October 2024) as presented at Appendix 3 to the submitted report, which details how a stepped model of transport assistance would be offered to eligible young people with SEND in post-16 education. Transport assistance would in future be made available on the following basis, depending on eligibility and the level of transport need, assessed against the policy:-
 - (i) limiting post-16 transport assistance to learners with SEND, living 3 or more miles from their education setting;
 - (ii) provide Independent Travel Training and a free bus pass (or equivalent cost) for a young person who is able to travel independently or could make the journey to their learning setting on public transport accompanied by an adult as necessary;
 - (iii) issue a Personal Transport Allowance for post-16 learners with SEND, as set out in paragraph 8 (b) of the submitted report;
 - (iv) the consideration of transport assistance for applications made against the exceptional circumstance criteria set out in the Children and Young People's Transport Policy (October 2024) as detailed at Appendix 3 and as detailed in paragraphs 24-25 of the submitted report.
- (d) That it be noted that implementation would be with effect from the commencement of the new academic year (September 2025) and that transitional arrangements would apply to the application of the new policy, as detailed in paragraph 22 of the submitted report;
- (e) That it be noted that a Children and Families Scrutiny Board Working Group meeting took place on 24 September 2024 to discuss the recommendations detailed within the submitted report and due to timing associated with Executive Board agenda publication and the Scrutiny Board meeting schedule, the resulting Working Group Statement was circulated to Board Members as supplementary information which forms Appendix 2 to the submitted report;
- (f) That further to the approval in principle of the Policy (resolution (c) above), it be noted that any further amendments to this policy would be taken in accordance with existing delegations by the Director of Children and Families.

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

61 Little Owls Nurseries Review

Further to Minute No. 7, 19 June 2024 and Minute No. 22, 24 July 2024, the Director of Children and Families submitted a report which provided an update on the withdrawal of service from three Little Owls settings and on the 'market

sounding exercise' undertaken in relation to a further twelve settings, as previously approved by Executive Board. In addition, the report provided recommendations to Executive Board regarding proposed next steps in relation to those further twelve settings.

The Executive Member introduced the report, highlighting that in response to the financial challenges faced and as part of the review undertaken in relation to the Little Owls Nurseries, Executive Board had previously resolved to undertake a market sounding exercise in relation to the future of those twelve Little Owls nursery settings referenced within the report. The Executive Member provided an update on the work undertaken to date on this exercise together with details of the proposals regarding the future of those settings. As part of any next steps, assurance was provided that engagement would continue with parents and carers, and that actions would be taken to ensure that any new providers continued to deliver a number of issues which had been identified as key by parents and carers during the engagement process. Such matters would be considered on a setting-by-setting basis, and if it was deemed that those critical needs were not met in a specific setting, it was noted that the default position would be for the Council to continue as the provider.

A Member raised a specific enquiry and concern regarding the extent to which child poverty was being taken into consideration as part of the proposals. In response, the Board was provided with assurance that the issue of child poverty remained a key concern in Leeds. It was also noted that whilst the appended Equality Impact Assessment took a broader view on such matters given that the submitted report invited the Board to agree the principle of a series of changes, the bespoke and localised discussions which would take place with potential providers moving forward would allow issues such as child poverty to be considered in detail. However, it was reiterated that the default position would be for the Council to continue as the provider, should it be deemed that any potential provision arrangements were not suitable for a specific setting.

Clarification was provided to the Board that the Local Authority's statutory duty in this case was to ensure sufficiency of childcare provision, with it being noted that as part of the proposals, Leeds would retain at least nine directly delivered nurseries, which was more than any other comparator city and significantly beyond the Council's statutory duty, reflecting the commitment to early years provision in Leeds.

The Board discussed the financial basis on which the review had been undertaken and the proposals being made. Members also discussed the issue of daily fee levels, with the Board receiving further information on the process by which appropriate consideration would be given to such matters, as part of the individual discussions with any potential providers. Responding to a specific enquiry regarding potential fee levels which had been identified as part of the expression of interest exercise, it was undertaken that further detail could be provided to the Member in question, if required.

A Member raised a concern regarding the Call In status of the report, as they felt that the submitted report should be eligible for Call In and recommended that the status of the report should be changed so as to be eligible for Call In. In response, it was confirmed that the report was not eligible for Call In as the matter had already been through the Call In process.

RESOLVED –

- (a) That the activity undertaken to withdraw from service provision at three settings, as agreed by Executive Board in June 2024, be noted;
- (b) That the work undertaken to date in relation to the agreed 'market sounding exercise' regarding the following settings, be noted:-
- Shepherds Lane
 - Meanwood
 - St Mary's Hunslet
 - Hawksworth Wood
 - City & Holbeck
 - Parklands
 - Quarry Mount
 - Bramley
 - Hunslet Rylestone
 - Osmondthorpe
 - Rothwell
 - Burley Park
- (c) That the recommendations set out for each of those settings detailed in resolution (b) (above), be agreed, as set out below:-
- (ci) That the overarching proposal, be agreed, that subject to a successful outcome of detailed discussion with schools and alternative providers, none of the twelve settings identified in resolution (b) will be retained by Leeds City Council for direct delivery. In the event that those detailed discussions do not progress to a satisfactory conclusion, the Council's default position will be that settings are retained by the Council and directly delivered;
- (cii) That the recommendation to engage in detailed conversations with neighbouring schools around their interest in operating Little Owls nurseries at St Mary's Hunslet, Parklands, Hawksworth Wood, Quarry Mount, be agreed, and if required, agreement be given to a procurement process and other statutory consultation processes with the individual neighbouring schools;
- (ciii) That the recommendation to enter a formal procurement process with alternative providers for the future provision at the following settings: Shepherds Lane, City and Holbeck, Hunslet Rylestone, Rothwell, Meanwood, Bramley, Osmondthorpe and Burley Park, be agreed;
- (d) That it be noted that the Director for Children and Families has delegated authority to make the operational decision to move forward with individual providers for the settings set out in resolution (ciii) above.

(As referenced within paragraph 33 of the submitted report, the resolutions above are not eligible for Call In, as they are a direct consequence of implementing a previous key decision on such matters which had been the subject of a previous Call In)

(Under the provisions of Council Procedure Rule 16.5, Councillor A Lamb required it to be recorded that he voted against the decisions referred to within this minute)

RESOURCES

62 Gambling Act 2005 - Review of Statement of Licensing Policy

The Director of Communities, Housing and Environment submitted a report regarding the review of the Gambling Act 2005 Statement of Licensing Policy. The report detailed the outcomes from the consultation undertaken, presented the updated draft Policy for the Board's endorsement and asked the Board to refer it to Full Council with a recommendation that it be formally adopted.

The Executive Member introduced the report, highlighting the statutory requirements for the Local Authority to produce a policy and noted the associated consultation exercise that had been undertaken, which included the consideration of the draft policy by the Strategy and Resources Scrutiny Board. The partnership approach being taken towards addressing the issue of gambling harm across the city was also highlighted.

Responding to a Member's enquiry about the low level of responses received to the associated consultation exercise, assurance was provided that the level of response was expected, and was a reflection of the comprehensiveness of the policy, the fact that regular consultation was undertaken and given that where appropriate, the policy had been adapted in the past to incorporate responses previously received.

An enquiry was raised regarding the Authority not being informed by the Gambling Commission about an establishment's breach of its operating license. In response, it was noted that the Council had written to the Commission in order to make its concerns known with a request that the Council be kept informed of such matters in future. It was also noted that there had not been any further breaches that the Council had been informed of since that incident.

Noting the Public Health team's involvement in the field of Licensing activity, further information was provided on the actions which were being developed in this area. It was noted that whilst this process was in its relatively early stages Members had welcomed Public Health's involvement, and given the limited resource available, actions were being taken to ensure that such resource was being used as effectively as possible.

RESOLVED –

- (a) That the contents of the submitted report and appendices be noted, including the final draft Statement of Licensing Policy which includes the outcomes from the statutory consultation exercise and any comments/recommendations from Strategy and Resources Scrutiny Board; and

- (b) That approval be given to refer the final draft Statement of Licensing Policy, as presented, to Full Council, with a recommendation that it is formally adopted.

(Given that the above decisions were being made in accordance with the Council's Budget and Policy Framework Procedure Rules, they were not eligible for Call In)

63 Financial Health Monitoring 2024/25 – Month 5 (August)

The Interim Assistant Chief Executive – Finance, Traded and Resources submitted a report providing an update on the Council's financial performance against the 2024/25 revenue budget, as at month 5 of the financial year. The report also presented the August (Month 5) position in respect of the Housing Revenue Account (HRA), the Schools' Budget (DSG) and the Council Tax and Business Rates Collection Fund.

In presenting the report the Executive Member provided an overview of the key points in which it was noted that as at month 5 of the financial year, the Council was forecasting a General Fund overspend of £22.0m. The Executive Member also highlighted the range of mitigating measures being taken to address the overspend.

Responding to a Member's enquiry, the Board noted that the savings proposals which were established for the current financial year were largely being achieved, and that the overspend being experienced was due to the increased demand in both children's and adults' social care services. The range of work being undertaken to mitigate the current overspend was highlighted, with the scale of the challenge faced being reiterated.

RESOLVED –

- (a) That it be noted that at August 2024 (Month 5 of the financial year) the Authority's General Fund revenue budget is reporting an overspend of £22.0m for 2024/25 (3.6% of the approved net revenue budget) after application of reserves and within a challenging national context. That it also be noted that a range of actions are being undertaken to address this position as detailed within the submitted report;
- (b) That it be noted that at August 2024 (Month 5 of the financial year) the Authority's Housing Revenue Account is reporting a balanced position;
- (c) That it be noted that at August 2024 (Month 5 of the financial year), the DSG budget is projecting an in-year pressure of £15.1m which equates to 2.73% of the total estimated DSG funding;
- (d) That it be noted that known inflationary increases, including demand and demographic pressures in Social Care and known impacts of the rising cost of living have been incorporated into this reported financial position. The position assumes a pay settlement of 3.5%, with the final pay award for 2024/25 yet to be agreed. That it also be noted that these pressures will continue to be reviewed during the year and

reported to future Executive Board meetings as more information becomes available, and that proposals would need to be identified to absorb any additional pressures;

- (e) That it be noted that where an overspend is projected, directorates, including the Housing Revenue Account, are required to present action plans to mitigate their reported pressures and those of the Council's wider financial challenge where possible, in line with the Revenue Principles as agreed by Executive Board in February 2024 through the annual Revenue Budget report.

64 Revenue Savings Proposals for 2025/26 TO 2027/28

Further to Minute No. 47, 18 September 2024, which presented the Council's Medium Term Financial Strategy for the period 2025/26 – 2029/30, the Interim Assistant Chief Executive – Finance, Traded and Resources submitted a report providing details of a first tranche of savings proposals to contribute to closing the Council's projected revenue budget gap over the next three financial year period and to meet the statutory requirement to achieve a balanced budget for 2025/26. The report noted that 'savings proposals' was a collective term used in this context to apply to reductions in expenditure and increases in income.

In presenting the report, the Executive Member highlighted that the submitted report presented the initial revenue savings proposals for the Board's consideration, totalling £37.4m. It was noted that subsequent reports would be submitted to the November and December 2024 Board meetings presenting further savings proposals.

Responding to a Member's enquiry, the Board received further information regarding potential implications should National Insurance Contributions be increased in the future. Also, it was confirmed that whilst the current financial monitoring position assumed a pay settlement of 3.5% for 2024/25, every 1% in addition to that equated to approximately £4.3m cost to the Council.

RESOLVED –

- (a) That the 'Business as Usual' savings presented in the submitted report be noted, and that decisions to give effect to them shall be taken by the relevant Director or Chief Officer in accordance with the Officer Delegation Scheme (Executive functions);
- (b) That the Board's agreement be given for consultation to commence, where required, with regard to the 'Service Review' savings proposals detailed within the submitted report, and that it be noted that decisions to give effect to them shall be taken by the relevant Director or Chief Officer following any consultation period, in accordance with the Officer Delegation Scheme (Executive functions) and decision-making framework, save where the Leader or the relevant Portfolio Holder has directed, or the Director considers that the matter should be referred to Executive Board for consideration;

- (c) That it be noted that additional savings proposals will be brought to Executive Board for consideration at its meetings on 20th November 2024 and 11th December 2024;
- (d) That it be noted that further savings will be required to close the Council's estimated budget gaps in the years 2026/27 and 2027/28, and that proposals on such matters will be brought to future meetings of Executive Board.

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

ECONOMY, TRANSPORT AND SUSTAINABLE DEVELOPMENT

65 Highway Maintenance Strategy Review

The Director of City Development submitted a report providing an update on the work being undertaken to address the highways maintenance backlog in Leeds in the face of current and historical financial challenges.

In presenting the report, the Executive Member highlighted that this report followed a White Paper Motion resolution from the full Council meeting held on 20th March 2024. It was noted that whilst the Council had provided almost £200m of Capital investment in highways maintenance since 2010, a backlog of £288m still existed, which had been exacerbated by inflation and also adverse weather conditions. It was noted that the challenges faced were being experienced by Local Authorities nationally. The Executive Member extended his thanks to Infrastructure, Investment and Inclusive Growth Scrutiny Board for the work which they had undertaken in this area, and reference was also made to the joint letter being sent to Government on such matters in the names of Councillor Bithell as relevant Scrutiny Board Chair and Councillor Pryor as relevant Executive Member.

The Board welcomed Councillor Bithell to the meeting, who was in attendance for the consideration of this item in her position as Chair of the Infrastructure, Investment and Inclusive Growth Scrutiny Board. The Scrutiny Board had produced a statement on this matter which was appended to the submitted report for the Board's consideration. Councillor Bithell thanked Members and officers involved in this piece of work and acknowledged the high level of activity and innovation being undertaken by the service. The scale of the challenges being faced were also highlighted. Councillor Bithell provided an overview of the key conclusions and recommendations of the Scrutiny Board, as highlighted in the appended statement.

In considering the report, a Member raised several enquiries regarding the current position with respect to Network North funding, the service's utilisation of the latest technology and innovation, and also regarding the latest backlog position.

Regarding the Council's current highways maintenance backlog position and the worst affected Ward within that, it was undertaken that this information would be provided to the Member in question.

The Board received further information on the actions which continued to be taken in order to innovate the service and adapt to new technology in this area. It was noted that experiences would be shared with other Local Authorities in order to ensure that best value was delivered. It was also highlighted that the service wanted to embrace the Scrutiny Board's recommendations and also embrace new technology, with it being emphasised that highways maintenance remained a key priority of the Council. Responding to a further question, it was noted that associated review work continued to be undertaken and that at the appropriate time, recommendations would be brought forward which covered new ways of working across the whole of the highways service.

In conclusion, the Executive Member extended his thanks to Highways Services for the vital work that they continued to undertake throughout the city.

RESOLVED –

- (a) That the contents of the submitted report, including the maintenance strategy and policy as presented, be noted and endorsed;
- (b) That it be noted that the submitted report was considered by the Infrastructure, Investment, and Inclusive Growth Scrutiny Board at its July 2024 meeting and that a Scrutiny Board Statement has been submitted to the Executive Member for Economy, Transport and Sustainable Development and which is attached to the submitted report at Appendix B.

66 Leeds City Council Vote in the Leeds Business Improvement District 2025-2030 Ballot

Further to Minute No. 14, 19 June 2024, the Director of City Development submitted a report presenting the finalised 2025-2030 Business Plan from Leeds Business Improvement District (LeedsBID) and which set out the themes and work streams that LeedsBID would focus upon in its next term of 2025-2030. The report also provided information about the Council's financial contribution as a BID levy payer.

The Executive Member introduced the report, highlighting that LeedsBID would cover an expanded geographical area for the forthcoming term and recommending that the Council vote in favour of LeedsBID for a third term (2025-2030) based upon the submitted business plan.

Members welcomed the proposals within the submitted report.

With regard to the expanded geographical area, a Member highlighted the importance of ensuring that effective communication was established with those businesses which would now be included within the LeedsBID area.

RESOLVED –

- (a) That the LeedsBID business plan (2025-2030), as appended to the submitted report, which sets out the organisation's plan of delivery in its third term, be noted;
- (b) That approval be given for Leeds City Council as a LeedsBID levy payer, to vote in favour of LeedsBID for a third term (2025-2030), based upon the appended business plan, thereby enabling the opportunity for significant investment of circa £18.75m in Leeds city centre through the activities of LeedsBID;
- (c) That the resource implications for the Council arising from a successful BID ballot, as detailed within the submitted report, be noted;
- (d) That the responsibility of the vote be delegated to the Interim Director of City Development;
- (e) That the Director of City Development (and/or the Director of Communities, Housing and Environment (or a delegate of)) be requested to meet with LeedsBID on a quarterly basis to advocate that the needs and asks of Leeds City Council and those of the communities that the Council represents are met;
- (f) That the Interim Director of City Development be requested to write to LeedsBID to ask that they work with the Council in order to consider destination marketing branding that applies to Leeds city centre as a place, to ensure that visitor experience is optimised and that where possible, any unnecessary duplication is removed;
- (g) That the Interim Director of City Development be requested to write to LeedsBID to ask that a copy of its Forward Plan is provided in December annually to allow Leeds City Council time to consider any resource implications and provide advice to LeedsBID accordingly.

CLIMATE, ENERGY, ENVIRONMENT AND GREEN SPACES

67 Climate Emergency Annual Report

The Director of Communities, Housing and Environment submitted a report presenting the annual review of the work that continues to be undertaken both on a Council and a citywide basis following the Council's declaration of a Climate Emergency in 2019. The report also reflected upon wider changes which have occurred both regionally and nationally that are relevant to the city's decarbonisation.

In introducing the report, the Executive Member extended his thanks to officers involved in the delivery of this work, and also to Members for their efforts in this area. Special reference was made to Councillor Dye as Chair of the Climate Emergency Advisory Committee, together with all other Members of that Committee.

An overview was provided on the progress being made and the actions which had been taken to reduce carbon emissions in Leeds over the past twelve months. It was noted that such actions were being delivered both via cross-directorate activity and collaboratively with external partners.

A Member raised an enquiry regarding a recent press report regarding the use of incinerators and their potential impact upon the environment. It was noted that significant work had been undertaken following that press report in order to provide reassurance on the use of the RERF (Recycling and Energy Recovery Facility) in Leeds and how it continued to contribute towards the carbon reduction agenda. It was emphasised that at the current time, the RERF provided the best solution. It was then undertaken that the detailed response which had been prepared on such matters would be shared with the Member in question for their information.

RESOLVED – That the progress being made in Leeds’ ambition to become the first net-zero city in the UK, as set out within the submitted report, be acknowledged.

DATE OF PUBLICATION: FRIDAY, 18TH OCTOBER 2024

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00PM, FRIDAY, 25TH OCTOBER 2024

District Heating Update – network expansion and approach to commercial delivery

Date: 20th November 2024

Report of: Director of Communities, Housing and Environment

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Leeds PIPES district heating network is now well established across Leeds following three main phases of work, with the most recent phase now complete. Customers continue to connect regularly to the network, benefitting from more reliable, more affordable, lower carbon heating. There has been a rapid increase in the number of prospective customers with whom the Council is working for future connections. Headline achievements to date are as follows:

- **£58.8m** total network investment, including **£27.4m** of grant funding secured;
- Around **30km** of pipework installed, with over **50** individual buildings connected;
- Over **2,000** council flats and a range of student accommodation, public sector and commercial buildings connected;
- Over **28,000** MWh heat delivered across the whole network during 2023/24, saving almost **6,000** tonnes of carbon;
- The project has resulted in employment of over **400** people, including **19** apprentices, and;
- Leeds PIPES has now won several prestigious, national awards, including most recently 'Energy Project of the Year – Residential' at the Energy Awards.

In March 2024, Executive Board received a [report on future investment plans](#) and gave approval for the Council to enter into grant funding agreements for an extension to the existing network at Wellington Street, and, separately, a new network on the South Bank.

This new report provides an update on the Wellington Street extension of the network. It also provides an update on progress and strategy in relation to the South Bank scheme which is planned to include the connection of up to **28** buildings, benefitting up to **8,000** residents and mixed-use customers, making it the most significant single investment into the network since its inception. A further **£28.9m** of grant funding has been secured for these two new phases.

The report seeks approval for the creation of a joint venture company and the procurement of a delivery partner who will provide capital funding to enable the delivery of the South Bank network and who will develop this network and a wider city centre zone. This is expected to be based on a standard Department for Energy Security and Net Zero procurement approach, but through which the Council would retain a level of control or influence over key matters.

This is within an evolving national policy and legislative context which will support the delivery of heat networks through the creation of designated zones within which new buildings would be mandated to connect to existing networks where they offer the lowest cost solution for decarbonising heat, with zone developers appointed through procurement to develop the networks.

The development of the South Bank heat network will also support the key aims of the Leeds Transformational Regeneration Partnership with Government by providing infrastructure that supports the growth of the city centre in a sustainable way.

Recommendations

Executive Board is requested to:

- a) Note the contents of this report and the updates on the development of the district heating network;
- b) Noting the contents of Confidential Appendix 5, give authority to spend £2,982,286 from the capital programme for the design and build of the Wellington Street extension, funded by £1m of GHNF grant and £1.982m of borrowing;
- c) Give authority to procure a development partner to commercialise a city-centre heat zone (as described at paragraph 41 – the “**Zone**”), including the South Bank GHNF scheme, and subsequently to develop the Zone subject to meeting a range of specified mandatory requirements as assessed by the Council at an approval gateway prior to financial close, noting that the decision to award will be the subject of a further report to Executive Board;
- d) Note and affirm that decisions on the more detailed matters on the approach to the procurements referred to in this report shall be taken by the Director of Communities, Housing and Environment in accordance with the Officer Delegation Scheme;
- e) Subject to the development partner successfully meeting the requirements at the approval gateway, to approve the creation of a joint venture (JV) company involving the Council and the development partner, to approve the Council entering into any other ancillary agreements or taking other actions to facilitate delivery of the Zone, and to affirm that decisions on detailed matters in relation to creation and establishment of the JV and delivery of the Zone shall be taken by the Director of Communities, Housing and Environment in accordance with the Officer Delegation Scheme, and;
- f) Delegate the decision on any land purchase or use of land in the Council’s ownership for the development of an energy centre to support the South Bank network to the Director of City Development subject to VfM assessment and consultation with the Executive Member for Resources.

What is this report about?

- 1 The Leeds PIPES district heating network continues to grow in terms of scale, customer numbers and reputation. The network, and district heating generally, offers a cheaper, reliable, low carbon alternative for heating compared to conventional gas and newer forms of heating such as heat pumps which rely on electricity.
- 2 The project team were successful with two grant funding applications submitted in September 2023, seeking grant funding support to unlock two new phases to the expansion of the network: Wellington Street, the new main business district in the city centre, and South Bank.
- 3 Following Executive Board approval in March 2024 to enter into the Grant Funding Agreement for each scheme with the funder (Department for Energy Security and Net Zero – “**DESNZ**”), the Council has progressed each of these two schemes, working with a wide team of stakeholders.
- 4 Given the scale of the investment that is likely to be required for the South Bank scheme, the Council has been exploring delivery models which differ from the model used for the Leeds PIPES scheme since inception (i.e. wholly owned and operated via contracts by the Council). These models would involve entering into a joint venture (JV) with a private sector partner who would bring private investment into the project as well as delivering the network.
- 5 This would ensure the network can continue to expand in a way which best mitigates risk to Council finances whilst still being able to extend the benefits of low carbon, affordable, reliable heating and hot water to buildings and residents in the city. Following a period of engagement with prospective partners to establish market interest and to seek feedback on key issues, the Council is now in a position to recommend what it believes is the optimum procurement route.
- 6 In parallel with the development of these projects, central government has continued to develop key legislation affecting the heat network industry: Heat Network Zoning and Heat Network Regulation. These emerging policies and direct engagement with DESNZ have also closely informed the formulation of the recommended procurement strategy.
- 7 This report therefore seeks to:
 - a) provide Executive Board members with a progress update on the schemes;
 - b) recommend to Executive Board that a procurement is undertaken to deliver the South Bank scheme and a wider heat network zone, and;
 - c) provide an update on the policy context for district heating.

What impact will this proposal have?

Phase 4 - Wellington Street extension

- 8 At the last Executive Board update on the project in March 2024, the Board were updated that an application to the GHNZ for partial grant funding for the Phase 4 extension to the network in the Wellington Street area of the city had been successful. A recommendation to proceed with the first phase of this extension, 4a, along St Paul’s Street and down to the old Yorkshire Post site on Wellington Street, was approved at the same Board meeting. The decision to proceed with 4b, to Wellington Place and Whitehall Road, was deferred to a later Board meeting.
- 9 Since the March 2024 update, the project team have worked to bring Phase 4a to delivery. However, there have been challenges with identifying a deliverable route for elements of the extension which would take the network to Whitehall Road, as the adopted highway routes present significant technical hurdles, and private land options which have been explored have also been discounted on detailed assessment.
- 10 In addition to the challenges associated with the route, there has been limited progress in discussions with customers which the extension had been designed to connect to the network,

and it is therefore recommended that the extension to Whitehall Road is not pursued further in the immediate term.

- 11 Alternative building connections have been explored which could be supported by the extension, as well as alternative routes into other areas of the city centre, such that the grant funding originally intended to take the network to Whitehall Road, can be re-purposed rather than fully withdrawn from the application. The preferred option of these alternatives has been confirmed and, for comparison, the original and new proposals are shown at Appendix 1.
- 12 On the basis of these changes, a change request has been submitted to the funder, DESNZ, for a change in scope to the original grant application. Our application has been updated to be based on £3.1m of grant funding for an estimated £7.49m scheme, for which prudential borrowing will be required of £4.39m. This is the cost for the full scope of the Phase 4 extension, and the change request was approved by the funder in October 2024.
- 13 Following a similar approach as set out within the March 2024 Executive Board update on the extension, this report recommends that the Phase 4 extension is split into two approvals: one approval sought within this report for an extension on St Paul's Street and Park Place (Phase 4a) and a subsequent approval for extending the network further to Wellington Street (Phase 4b). The second approval for 4b will be dependent on securing commitments from prospective customers in the area which improve the business case but which are currently not in place. Once secured, a further update will be brought to Executive Board to seek this approval.
- 14 The financial impact of these works and connections has been modelled and is shown in detail in Confidential Appendix 5. The business case highlighted here shows that the additional investment relating to Phase 4a will result in a more positive long-term business case for the network and supports the £1.98m of borrowing required to deliver Phase 4a, which will have a total capital expenditure of £2.98m, with £1m funding from GHNf. It should be noted that Heat Network Zoning policy, covered later in this report, will see buildings mandated to connect to heat networks and, as such, the current business case is seen as a conservative projection.
- 15 It is anticipated that these works will be directly awarded to Vital Energi Utilities Ltd who have delivered the Leeds PIPES network to date and are currently engaged by the Council under its existing operation and maintenance contract. This direct award is proposed not only due to the very challenging project and funding timescales and Vital Energi's unique ability to mobilise quickly, but also the technical difficulties in potentially introducing contractual and physical interfaces with another contractor for what is essentially an extension of an existing installation. These issues would be expected to result in an absence of competition. This is in contrast to the proposed South Bank network covered in the next section of this report, which would stand alone in terms of having a separate primary heat source and hydraulic separation from Leeds PIPES, and is to be subject to a full competitive procurement process. Construction is planned for Phase 4a in the early part of 2025, whilst 4b will be dependent on the progress of buildings planning to connect to the network.

South Bank GHNf scheme

- 16 The South Bank GHNf scheme represents a major new network rather than an extension of the existing network, and a plan illustrating the proposed route is included at Appendix 2.

Regeneration context

- 17 In March 2024, Executive Board approved the Council entering into a long-term Leeds Transformational Regeneration (LTR) Partnership with Government, Homes England (the Government's national housing and regeneration agency) and West Yorkshire Mayoral Combined Authority to support a ten year programme of change and investment focused on central Leeds.

- 18 The work will set the basis of a spatial regeneration strategy for the city centre and adjoining 'city rim' neighbourhoods, which will be developed and delivered through the partnership, and will set out how we propose to design and accelerate city centre growth to support the delivery of the social, economic and spatial ambitions in the 2023 Inclusive Growth Strategy. The Leeds Transformational Regeneration partnership will develop proposals to deliver infrastructure to support growth, including new public realm, active travel connections, Leeds Station enhancements, Mass Transit and wider infrastructure to support the city's growth and net zero ambitions.
- 19 South Bank forms one of the neighbourhoods of the partnership. Guided by the 2018 South Bank Regeneration Framework Supplementary Planning Document, there is significant momentum to the Regeneration here: c3,700 homes have completed or are under construction; a further c8,000 are consented in Planning and moving towards implementation; c600,000 sq ft of commercial development is completed or under construction); a further 2.5 million sq ft is consented in Planning. This includes the developments with a major focus on carbon reduction such as the Climate Innovation District and Aire Park. The potential investments into Leeds Station, Mass Transit, British Library North and Royal Armouries, as well as the pipeline of new development sites provide major opportunities.
- 20 In developing the heat network to expand into the South Bank, this will support key aims of LTR by providing infrastructure that supports the growth of the city centre in a sustainable way. Furthermore, work will take place across the Council to integrate and align the proposed locations for heat networks with proposed infrastructure proposals that may emerge through LTR, or more widely (such as Leeds Station and Mass Transit).

Network Design

- 21 The original GHNF funding business case was based on 28 buildings connecting to the network, and the project team has been working to progress technical and commercial discussions with these developers or building owners with a view to entering ultimately into formal connection agreements for the supply of heat.
- 22 The primary heat source for the network would be waste heat from Verallia's glass manufacturing process in the South Bank area (formerly Allied Glass). The project team has been in technical and commercial discussions with Verallia since the last update to Executive Board and expects to be in a position soon to enter into formal heads of terms. This facility would then connect to an energy centre from which the heat would be delivered to the network and connected buildings.
- 23 The energy centre will house pumping equipment, thermal storage cylinders and also electric boilers or other heating infrastructure to provide back-up in the event of primary heat source outages. The project team is completing site selection work to identify a suitable site on which the energy centre can be located which is in close proximity to the primary heat source and the proposed network route given the very significant costs of installing the connecting pipework.
- 24 Since the preferred energy centre site has yet to be identified and agreed, it is proposed that a decision in relation to this matter is delegated to the Director of City Development in consultation with the relevant Executive Member.
- 25 The commercialisation of the South Bank network is now well underway, with the RIBA 2 design for the scheme nearing completion. This work has been largely delivered through GHNF funding and is supported by a multidisciplinary advisory team consisting of AECOM (technical), Hermetica Black (commercial), Asteros (financial), and Addleshaw Goddard (legal).
- 26 Commercialisation activity is currently expected to complete in early 2025, with construction of the network starting in late 2025.

27 Based on the current modelling undertaken by AECOM Ltd, the South Bank scheme has the following metrics:

Pipework length	6.966km
CAPEX Total	£67.1m
CAPEX Phase 1 (2025-2027)	£55.5m
CAPEX Phase 2 (2029-2030)	£11.6m
Annual volume of heat delivered – Phase 1	17GWh
Annual volume of heat delivered – Phase 1 & 2	57GWh
Annual CO ₂ reduction	11,311 tonnes
Internal Rate of Return*	13.74%
Net Present Value*	£55.2m

*40 years, real, pre-tax, pre-financing, post-grant

28 As shown above, the cost of the South Bank scheme is currently anticipated to be in the region of £67.1m, spread over a number of years. This would require significant borrowing for the Council over and above the £24.5m GHNF funding already secured if it were to be self-funded and without private sector investment.

29 Another aspect of the project (included within the figures above) is to deliver an interconnection between the South Bank network and the existing Leeds PIPES network to the north of the river. The benefit of this interconnection is that, should one low carbon heat source such as the Recycling and Energy Recovery Facility (RERF) go offline, for example during periods of planned annual maintenance, the additional low carbon heat sources added through the South Bank project may be able to step in to supply not only the South Bank sites but also the Leeds PIPES network, and vice versa. This would further reduce carbon emissions for the whole network by reducing gas consumption from use of back-up boilers when heat from primary heat sources is unavailable.

30 Within the South Bank scheme, the Council has identified a section of pipework installation which will need to be completed in advance of the main construction. This is to tie in with a Highways scheme planned along Clarence Road, as well as a private landowner's programme of works on an area of their land through which pipework will need to be installed. The maximum cost of this work is forecast to be £2.75m. The funder has confirmed that the Council can access this as early construction funding, 100% grant funded, with no Council match funding obligation. As with the Wellington Street extension, it is proposed that these works be directly awarded to Vital Energi Utilities Ltd, primarily due to the unavoidable urgency and technical challenges associated with co-ordinating with Highways and landowners as set out above and the resulting anticipated absence of competition.

Heat Network Zoning Regulations and Advanced Zoning Pilot

31 It should be noted that there is an important evolving national Heat Network Zoning policy and legislative context which will support the delivery of heat networks, and through which new buildings would be mandated to connect to existing networks where they offer the lowest cost solution for decarbonising heat. This is expected to provide significant confidence in terms of the commercial viability of heat networks. Zoning Co-ordinators will be established at local level whose role it would be to implement policy and legislative requirements locally through the designation of specific heat zones within their administrative area and to appoint, via formal procurement process, a developer to develop the heat network in these designated zones.

Once appointed, the successful developer would have exclusive rights to develop the heat network in that zone. It is expected that heat network developers would also have incumbency rights in areas where they already have an established network. However, Heat Network Zoning policy is not expected to come into effect through legislation until late 2025.

- 32 In anticipation of this, DESNZ has been developing clearly defined routes to market for procuring zone developers, including standard contract documentation compliant with Procurement legislation. These routes are intended to reduce bidder fatigue through avoiding numerous authorities going to market with bespoke procurements and contracts, and to minimise the risk of legal challenge by following these standardised and tested approaches.
- 33 However, since the Council's South Bank scheme will be ready to go out to market ahead of Zoning Regulations coming into effect, the approach needs to anticipate and ensure consistency with this forthcoming regulatory context. The Council also has an opportunity here to procure a development partner who would then have developer rights for a wider zone within the City rather than only the area of the GHNf funded South Bank scheme. Procuring a wider zone would potentially substantially enhance market interest in the opportunity and would also allow for the maximum expansion of the network through this process.
- 34 In light of the above, the Council has been working with DESNZ on two fronts: firstly, through participating, along with other cities, in the Advanced Zoning Pilot, via which DESNZ has engaged technical advisors, Arup, to complete techno-economic modelling and an outline business case for a Leeds city centre zone, and; secondly, through engaging with DESNZ and their legal advisors on the emerging standard procurement routes to enable an early procurement of a wider zone, including the South Bank GHNf scheme but remaining aligned with the standardised approach to procurement envisaged by DESNZ once Zoning Regulations come into force.
- 35 The procurement which the Council is therefore recommending to Executive Board is intended to appoint a development partner not only for the scope of the South Bank scheme for which the Council has secured GHNf funding, but also for a wider city centre Zone which it is anticipated would ultimately be formally designated by the Zoning Co-ordinator, with the developer then awarded exclusive rights to develop the network in this area.

Procurement strategy

- 36 An appraisal of options was completed earlier in the year to determine the optimum commercial delivery model for the South Bank GHNf network. The capital funding shortfall and potential borrowing for the Council would create unacceptable financial impacts given current budgetary pressures, and it has therefore not been deemed viable for the Council to deliver the South Bank scheme itself on the same basis as the existing Leeds PIPES network. However, the Council wishes as a minimum to retain a level of control over key issues relating to the development of the network so as to ensure consistency with some of the key priorities and principles of the existing network (see paragraph 39 below).
- 37 The Council undertook a soft market testing exercise during Summer 2024 to ascertain market interest in entering into a JV with the Council to provide capital funding and develop the network, and to seek feedback on key issues. Responses were received from a significant number of the key market players, demonstrating a strong level of interest in both the South Bank GHNf scheme and the wider zonal opportunity.
- 38 One of the issues the Council has sought to explore is whether the existing Leeds PIPES network could be transferred into the new JV as an equity investment, thus providing a greater level of consistency and unity across both networks, but also potentially giving the Council an equity shareholding in the JV. However, this would require comprehensive valuations of Leeds PIPES to be undertaken both by the Council and by prospective development partners which

would be both costly and time-consuming. As well as the risk that this would represent to the Council in maintaining project and funding timescales, the soft market test feedback showed strong resistance to inclusion of an onerous valuation process within the procurement given that it would be undertaken by bidders at their cost and risk. The Council, supported by legal advice, has concluded that the potential future inclusion of Leeds PIPES into the proposed JV should be dealt with separately and subsequent to the South Bank procurement, although the mechanism to enable this in future may to some extent need to be built into the contract requirements now. It should be emphasised that any future decision to transfer the existing Leeds PIPES network into the JV would be the subject of a separate VfM assessment and a further decision in accordance with the Council's decision-making procedure rules.

- 39 In assessing the route to procuring a delivery/JV partner the Council identified a number of key priorities which it will seek to ensure are incorporated into and delivered through the proposed JV partnership:
- a) The Council wishes to retain an influence over the strategic growth of the network to ensure it grows in a way that is right for the city, particularly in relation to zero carbon and affordable heat priorities;
 - b) The network will be competitively priced with clear benefits to connected customers;
 - c) A level of consistency of pricing between the existing Leeds PIPES network and the South Bank network/proposed Zone will be sought, and;
 - d) In the event that Leeds PIPES were to be transferred into the planned JV, existing contracts should be honoured until contract expiry.
- 40 To this end, and given the conclusion noted above in relation to the approach to a potential future transfer of the Leeds PIPES assets into the JV, it is currently expected that the Council would procure a delivery partner on the basis of DESNZ's standard 'JV with golden share' model (with Leeds specific amendments) through which the procuring authority does not make any financial or other investment into the JV and the development partner will be solely responsible for the capital cost of delivery. Through this approach, the Council will have no commercial risk exposure from the project, but will require certain identified 'reserved matters' within the agreement over which it would have influence, control or power of veto. An indication of some of these reserved matters is set out at paragraph 39 above, although this is not an exhaustive list.
- 41 In terms of the boundary of the Zone to be procured, which would incorporate the South Bank GHNF scheme, the original techno-economic modelling undertaken by Arup (commissioned by DESNZ) identified a potential 'city centre zone' which was viable from a technical and commercial perspective and this is illustrated at Appendix 3. Arup is currently completing further analysis of this overall indicative zone which will inform, in discussion with DESNZ, what specific area within, or closely aligned to, this overall area the Council includes within the scope of its heat network developer procurement. It is emphasised that the 'city centre zone' shown at Appendix 3 is not the Zone to be procured, and the decision on the exact boundary of the Zone will be taken by the Director of Communities, Housing and Environment subject to the outcome of the aforementioned further techno-economic analysis and further engagement with DESNZ.
- 42 As noted above, the proposed procurement of a delivery partner is currently expected to follow the DESNZ 'JV with golden share' model. However, it should be noted that the DESNZ models and the sector in general are currently developing and, as such, the detailed approach to procurement will be kept under review and decisions on detailed matters in relation to creation and establishment of the JV and delivery of the Zone will be taken in due course in order to ensure the optimum position for the Council.

Equality, Diversity, Cohesion & Integration (EDCI)

- 43 EDCI impact assessments have been undertaken regularly for the project, including most recently for the March 2024 Executive Board update (see Appendix 4). In particular, the assessment identified positive impacts from the expansion of the network in terms of the potential for reducing the cost of energy bills for residents receiving heat from the network, thus reducing financial exclusion.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 44 The Leeds PIPES heat network uses low carbon heat from the RERF for around 95% of the heat supplied to customers, so achieves significant savings against other heating fuels, particularly where it replaces gas, but also when it is used in place of low carbon alternatives such as air source heat pumps.
- 45 The South Bank and wider zonal expansion will add further low/zero carbon heat sources to the network, and will also provide opportunities for interconnection between networks, thus reducing the carbon factor of the network and delivering an even lower carbon heat supply to customers.
- 46 As the network grows, it becomes more efficient with improved steam to hot water conversion efficiencies and lower losses throughout the network. This would significantly decarbonise heat for connected customers, with customers replacing gas boilers typically reducing heating and hot water emissions by c80%. Removing gas boilers from dense urban areas also has a positive impact on background air quality, with a positive impact on health.
- 47 As Leeds PIPES uses so little gas with the bulk of the heat from the RERF, the network is less exposed to energy market price volatility. This allows the avoidance of the rapid escalation in heating costs observed over recent years, which risks pushing thousands more people into fuel poverty. This helps customers to afford to heat their homes and businesses, improving health and wellbeing and supporting inclusive growth. The reliance on gas boilers will reduce further as further low/zero carbon heat sources are added to the network. This principle will be extended through the South Bank and wider zone heat network development.
- 48 The project also creates or secures significant numbers of short-term construction jobs when extensions are built or customers connected. Leeds PIPES also has a dedicated team of engineers to service and maintain the network. The South Bank extension is one of significant scale and encompasses energy centre construction as well as the pipework extension itself, which will ensure a larger number of jobs are required to complete the work than a smaller scale extension.
- 49 The Best City Ambition is the council's vision for the future of Leeds, outlining our mission to tackle poverty and inequality, and improve quality of life for Leeds residents. The paragraphs above demonstrate how closely aligned the Leeds PIPES project is with these ambitions.

What consultation and engagement has taken place?

Wards affected: Hunslet and Riverside, Beeston and Holbeck

Have ward members been consulted?

Yes

No

- 50 The relevant Executive Board Members have been briefed on these proposals. The Hunslet & Riverside and Beeston & Holbeck Ward Members have been contacted and briefed, with more detailed briefings offered and provided where requested.

- 51 The Executive Member for Climate, Energy, Environment and Green Spaces is regularly updated on the PIPES programme and is supportive of the continued development of the network as set out within this report.
- 52 Extensive consultation has been undertaken with the Council's advisors, DESNZ, prospective developers and customers, and with heat network providers through a formal soft market testing exercise.

What are the resource implications?

Phase 4 - Wellington Street extension

- 53 The proposed changes in scope to the original grant application for Phase 4 have changed the grant request of government and overall capital expenditure for the project. The project now has a capex of £7.49m, with a grant funding ask of £3.1m.
- 54 As noted at paragraphs 13-14, it is recommended that the Phase 4 extension is split into two approvals. This report seeks approval for Phase 4a, which has a total capital expenditure of £2.98m. Of this, £1m will be grant funded, meaning £1.98m of prudential borrowing is required. Whilst Public Works Loan Board (PWLB) borrowing is the baseline option for capital projects for the Council, at the previous update provided by the project to Executive Board in March 2024, it was noted that UK Infrastructure Bank funding was being explored for the borrowing element of the financing of the project. Over the course of 2024, discussions have taken place between the Council and UKIB to explore this in more detail. However, it has been concluded that PWLB remains the best value borrowing route in this instance and will therefore be utilised for this project.
- 55 The recommendation to invest £1.98m of borrowing in Phase 4a of the scheme is based on the detailed financial case outlined at Confidential Appendix 5. The business case behind previous investment in Leeds PIPES was predicated on growth to continually improve the business case, and this latest extension will open up further opportunities to connect buildings outside of those included in the updated business case.
- 56 The financial modelling shown in Confidential Appendix 5 demonstrates an overall positive gain for the project from the Phase 4 extension. Over the 40 year life of the scheme the net gain is c£250k versus the baseline. Whilst this is a marginal increase, as always, extensions to the network create wider opportunities for connecting buildings to the network along the installed pipework route, which would further improve the cashflow position.
- 57 Since September 2023 a further six sites have connected to the network, whilst four more have signed up to connect over the next twelve months, each having a positive impact on the business case and the majority being enabled by their proximity to previous grant funded extensions.
- 58 With Heat Network Zoning policy being introduced within the next two years, buildings can be mandated to connect to networks in close proximity, and extensions to the network therefore mean the Council can spread the benefits of district heating to a much larger number of customers with government policy to back it up.

South Bank and wider zone

- 59 The South Bank scheme is the most significant extension to the network since the initial phase in 2018, and, as such, carries with it a level of financial risk that needs to be managed. The GHNf funded commercialisation of the project is now well underway and will give greater certainty with regard to customers who will connect to the network and the terms of agreement with heat providers, as well as progressing site selection work to secure land for the development of the energy centre required.

- 60 The Council has engaged external advisors to provide extensive support with the delivery of the project and the current phase of commercialisation of the scheme given its technical complexity and challenging timescales, but this has been funded through GHNZ funding from DESNZ.
- 61 As regards the early installation of the section of pipework in the Clarence Road area, the funding for this has already been received in full from government.
- 62 Fundamentally, the proposed South Bank and wider Zone development, on the basis that the existing Leeds PIPES asset is not transferred into the JV, does not involve any capital contribution or ongoing payment by the Council, and it will be for the development partner to assume the risk on all costs and income. Should the Council seek to transfer Leeds PIPES into the JV, this would be the subject of a full commercial and financial assessment at that time.

What are the key risks and how are they being managed?

- 63 As at each phase of the network development, there is a risk that negotiations with targeted customers stall or are ended without reaching agreement, resulting in fewer than anticipated customers connecting to the network and impacting the financial forecasts outlined in this report. This risk is being mitigated through regular ongoing engagement with these customers and proactive work to identify additional customers and opportunities in the event that discussions with others stall. The funder also requires certain milestones to be reached before funding can be used and the project can proceed further such as having signed heads of terms or full customer supply agreements, thus providing an additional external control.
- 64 Emerging Heat Network Zoning policy and legislation also adds another layer of resilience to investment decisions taken since it is expected that buildings will be mandated to connect to networks to which they are in close proximity where this represents the lowest cost and carbon option. This will significantly increase the number of buildings we anticipate will connect to the network over the next 5-10 years.
- 65 The impact of district heating works on highways networks across the city is closely monitored throughout all phases of work. The multi-disciplinary Council project team and the Council's primary contractor work closely to carefully plan and manage works to minimise disruption to the highways network, key stakeholders and city events.
- 66 A further risk on the South Bank is any potential clawback of the £2.75m of grant funding relating to the works at Clarence Road should the further development at South Bank be deemed not financially viable and therefore not proceed any further. However, only a very limited proportion of this funding has been committed at this stage for pipework which could be used elsewhere on the network. Market interest in the South Bank procurement also seems to be strong, and the risk of not delivering the network successfully from a commercial point of view seems limited.
- 67 Failure to agree satisfactory terms with the primary heat source provider for the South Bank would be a major setback to the project, but discussions have progressed very positively to date with the emerging agreement having mutual benefits.
- 68 Failure to secure a suitable site for the energy centre would also potentially have a significant impact on the scheme. However, the project team has been working closely with Asset Management colleagues to undertake site selection work with a view to identifying a deliverable site option to be developed for this purpose.
- 69 Use of a standard DESNZ procurement approach and contract documentation as proposed should minimise risk of procurement challenge, though it should be noted that these are new models and, while they are considered to be appropriate and compliant, they have yet to be tested before the courts or in the market. The Council intends to issue Voluntary Ex-Ante

Transparency Notices in respect of any direct awards referred to in this report in order to ensure transparency and mitigate risk in respect of such direct award.

What are the legal implications?

- 70 The information contained within Confidential Appendix 5 to this report is designated as exempt from publication in accordance with paragraph 10.4(3) of the Access to Information Rules and Schedule 12A(3) of the Local Government Act 1972 on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The appendix includes commercially sensitive information regarding and underpinning the project. Disclosure of this information could seriously harm the council's negotiating position when discussing heat sales with potential customers. Therefore, it is considered that the public interest in maintaining the content of Confidential Appendix 5 as exempt outweighs the public interest in disclosing the information at this time.
- 71 As outlined at paragraphs 15 and 30, it is anticipated that the proposed Phase 4a works and the South Bank early works will be directly awarded to Vital Energi Utilities Ltd. Given the nature of the additional works and technical complexities (including existing contractual obligations and third party programmes), such direct awards are considered justifiable in accordance with the Council's Contract Procedure Rules and public procurement law.
- 72 As outlined above, the Council is intending to create a JV company and to procure a funding and delivery partner. The approach to procurement has been informed by advice from the Council external legal advisors and will be in accordance with the relevant Procurement legislation. Should the procurement commence after 24th February 2025, this would fall under the new Procurement Act 2023, which will replace the existing Public Contracts Regulations 2015, Utilities Contracts Regulations 2016 and Concessions Contracts Regulations 2016.

Options, timescales and measuring success

What other options were considered?

- 73 Two other options have been considered for the Phase 4 Wellington Street extension. One option is to continue to proceed with the route originally proposed, but this is not deemed deliverable for the reasons set out earlier within this report. The other option is not to proceed with the extension at all. However, this has been discounted since, as demonstrated by Confidential Appendix 5, the growth of the network via this extension would improve the financial position of the network and therefore benefit the Council.
- 74 As regards the South Bank scheme, the Council could decide not to proceed. However, the GHNf funded commercialisation phase of the project has been substantially progressed and this demonstrates a commercially viable scheme. Market sounding has also demonstrated significant market interest. The Council has also already secured £24.5m GHNf funding which would have to be relinquished, which would make any future network significantly more expensive for connecting customers.
- 75 The Council could develop the new network itself on the same basis as Leeds PIPES, but given the requirement for additional capital investment in the scheme over and above the GHNf funding secured for the South Bank scheme, this is not considered viable in light of current budgetary pressures.
- 76 The Council could procure a developer solely to complete the detailed design and commercialisation of the scheme, with the developer then delivering the network themselves without further involvement from the Council other than in its regulatory role. However, this would mean that Council retained no control over the development of the network nor any opportunity to share in the benefits of its success.

77 In terms of the existing Leeds PIPES network, the Council could seek to transfer the asset to a new JV as a part of the South Bank procurement. However, the need for valuations would impact negatively on project timescales and market interest, and so the Council is intending to consider pursuing this option separately and at a later stage (subject to further consideration and decision by the Council prior to the exercise of any such option).

How will success be measured?

78 Success for the Wellington Street scheme will be measured by realising new customer connections via the expanded route of the project, and increasing the heat demand on the network, achieving the financial outputs detailed in Confidential Appendix 5.

79 The addition of new customers will reduce carbon emissions in the city and contribute to the ambition of achieving net zero by 2030. This growth will also further raise the profile of the DHN, demonstrating to potential customers that connecting to the network can deliver a range of benefits.

80 Success for the South Bank and wider zonal scheme will at this stage be measured by the conclusion of a successful procurement and the appointment of delivery partner to enter into a joint venture partnership with the Council, although award of this contract will be the subject of a further approval by the Executive Board. The scheme will make a significant contribution to the achievement of net zero and energy security objectives.

What is the timetable and who will be responsible for implementation?

81 The timetable for the works included in this report are currently forecast as outlined at below. It should be noted that the programme is subject to discussions with and approvals from the Highways service.

82 Phase 4a extension:

- Contract award – December 2024
- Design and procurement activity – Completing March 2025
- Construction – April 2025 - August 2025
- Phase 4b timescales are subject to further Executive Board approval for investment

83 South Bank:

- Commercialisation period – up to summer 2025
- Procurement period – early 2025 to summer 2025
- Executive Board report seeking approval to award contract to JV delivery partner – late summer 2025
- Construction – early 2026 – 2028

84 The Chief Officer for Climate, Energy and Green Spaces will be responsible for implementation.

Appendices

- Appendix 1 – Maps of Wellington Street extension route
- Appendix 2 – Map of South Bank GHNF scheme route
- Appendix 3 – Map of DESNZ Advanced Zoning Pilot ‘city centre zone’
- Appendix 4 – EDCI screening
- Confidential Appendix 5 – Wellington Street extension financial modelling (*exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3)*)

Background papers

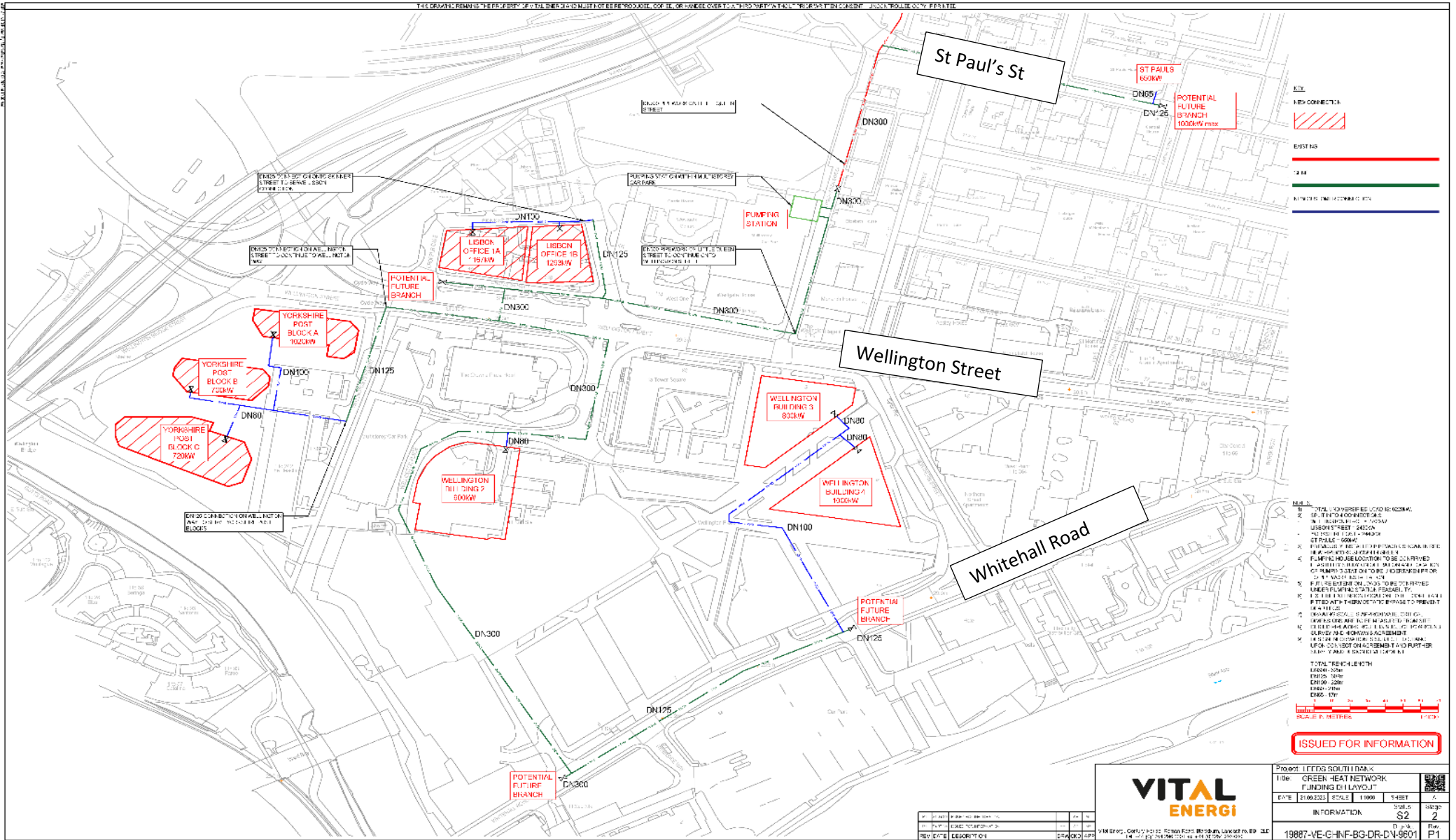
- None

Wellington Street extension route

APPENDIX 1

Original proposal:

Page 39



KEY

NEW CONNECTION

EXISTING

214

NUMBER OF CONNECTIONS

NOTES

1. TOTAL COVERED LENGTH 1000M
2. TOTAL COVERED LENGTH 1000M
3. TOTAL COVERED LENGTH 1000M
4. TOTAL COVERED LENGTH 1000M
5. TOTAL COVERED LENGTH 1000M
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18. TOTAL COVERED LENGTH 1000M
19. TOTAL COVERED LENGTH 1000M
20. TOTAL COVERED LENGTH 1000M

TOTAL TRENCH LENGTH
1000M

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DN150 200M
DN100 200M
DN75 100M

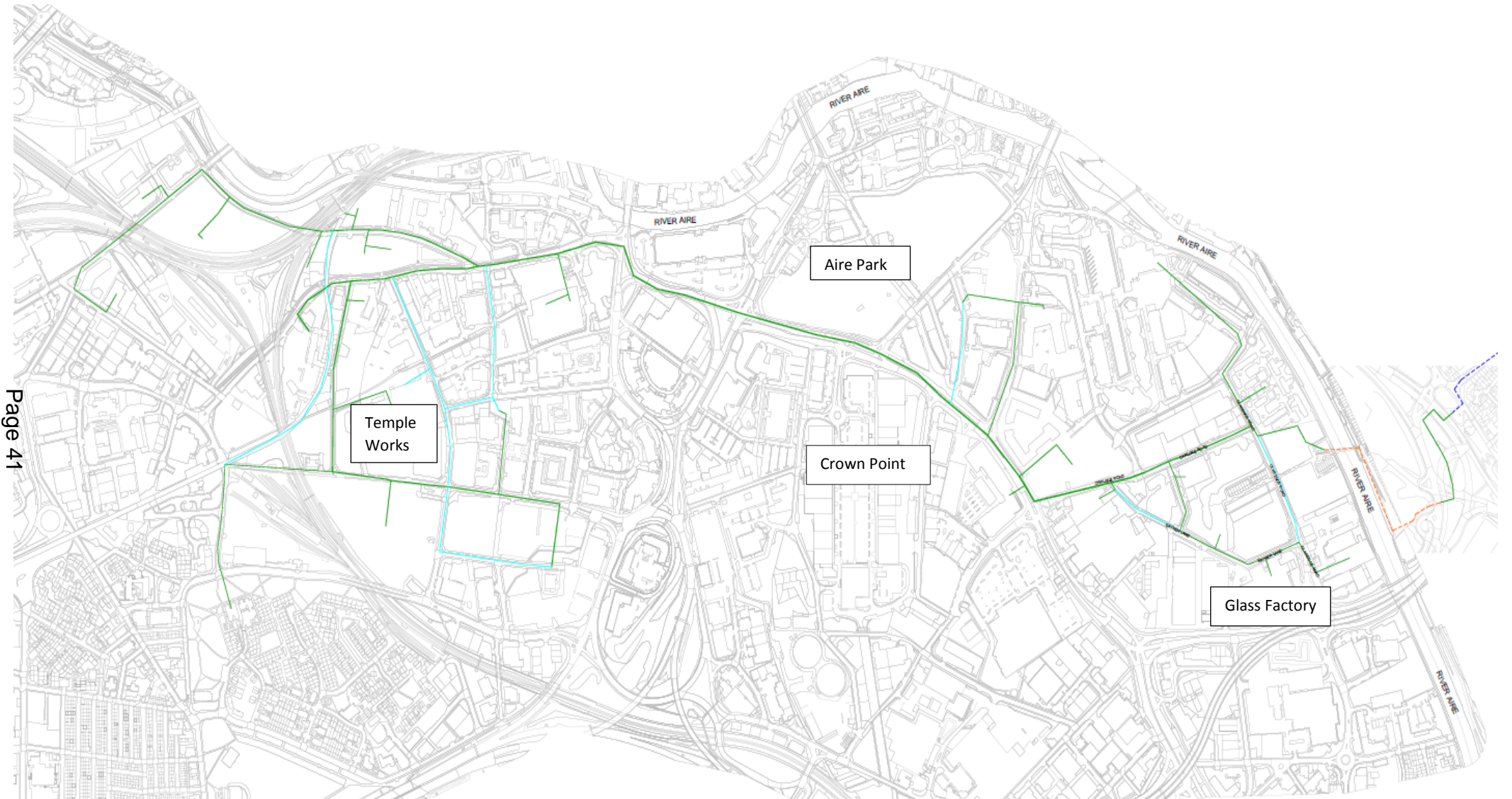
SCALE IN METRES

ISSUED FOR INFORMATION

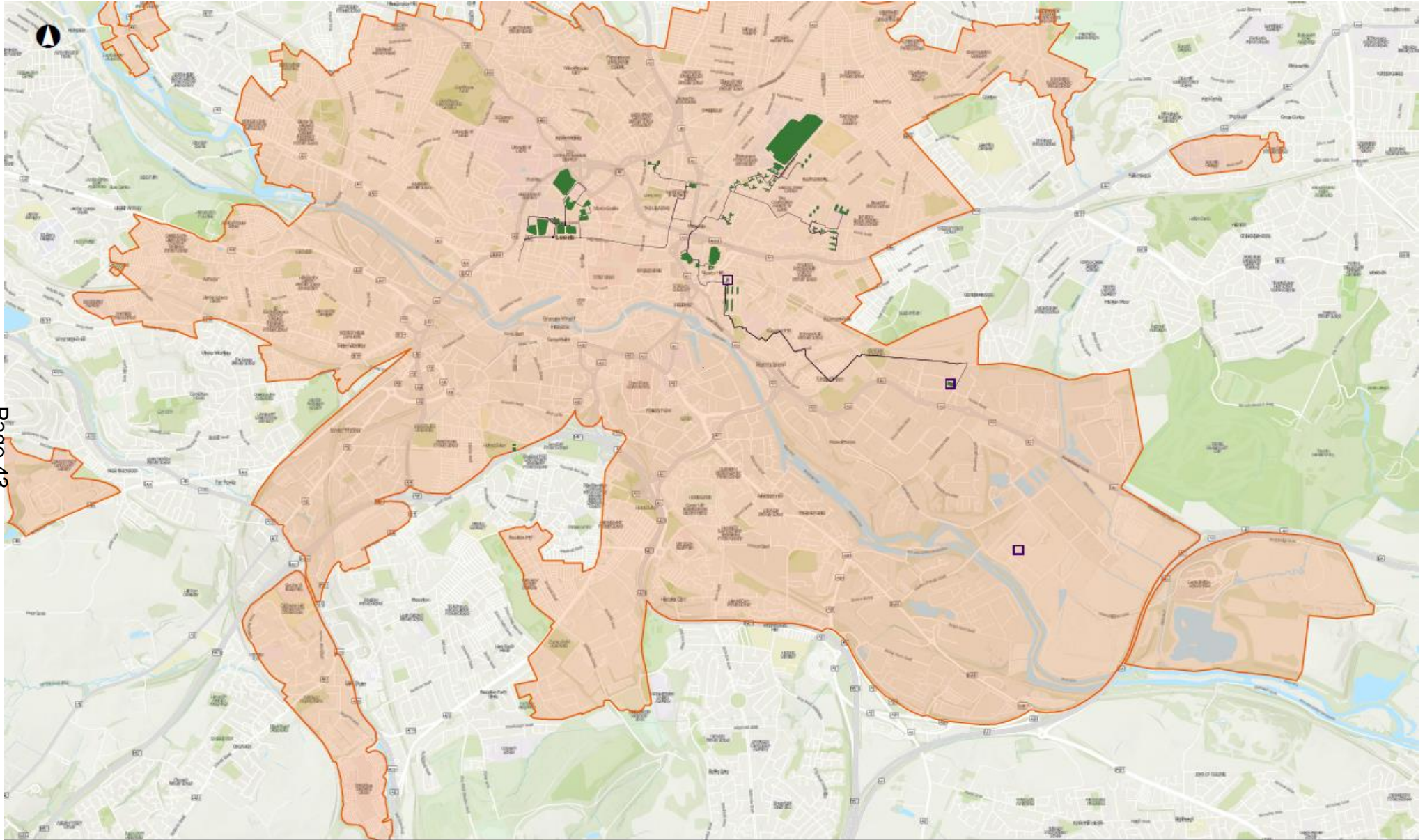
VITAL ENERGI

Project: GREEN HEAT NETWORK
 Title: GREEN HEAT NETWORK
 DATE: 21/09/2023 | SCALE: 1:1000 | SHEET: 2
 INFORMATION: S2 | Page: 2
 19887-VE-C-INF-BG-DR-D-V-3601

REV	DATE	DESCRIPTION	BY	CHK
01	21/09/2023	ISSUED FOR INFORMATION	DR	DR



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Leeds Pilot Project Outputs

- Local Authority Boundaries
- Other Local Authority Boundary
- Potential Heat Network Zone
- Energy Centre
- Initial Zone Opportunity
- Connected buildings/ high potential connection opportunity



Local Authority Details

LA Name: Leeds City Council
LA Contact Name: Jon Collis
LA Contact Email: joncollis@leeds.gov.uk

NOTE:

The largest orange-bounded area is the AZP City Centre Zone as referred to in the main Executive Board report. Within this zone, the existing Leeds PIPES network is shown in green.

The other smaller, orange-bounded zones shown above have been identified by central government through the AZP work as additional distinct zones within which it is assumed that a new heat network could potentially offer the cheapest method to decarbonise heat in the area.

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration. In all appropriate instances we will need to carry out an equality, diversity, cohesion and integration impact assessment.

This form:

- can be used to prompt discussion when carrying out your impact assessment
- should be completed either during the assessment process or following completion of the assessment
- should include a brief explanation where a section is not applicable

Directorate: Communities, Housing and Environment	Service area: Climate, Energy, Green Spaces
Lead person: Joe Callin	Contact number: 0113 378 5380
Date of the equality, diversity, cohesion and integration impact assessment: 18/01/2024	

1. Title: District Heating Update – Investment Plans
Is this a:
<input type="checkbox"/> Strategy / Policy <input type="checkbox"/> Service / Function <input checked="" type="checkbox"/> Other
If other, please specify – Project

2. Members of the assessment team:

Name	Organisation	Role on assessment team For example, service user, manager of service, specialist
Joe Callin	Leeds City Council	Project Lead

3. Summary of strategy, policy, service or function that was assessed:
<p>This assessment relates to the next phase of construction of the Leeds PIPES district heating network covered in detail in the cover report presented to Executive Board in February 2024.</p> <p>Phase 4 of the project will see an extension of the network into the Wellington and Whitehall Road area of the city. A further extension is planned into the South Bank of the city to follow Phase 4. The continued extensions of the network will further spread the benefits of low cost, reliable, low carbon heat across the city.</p>

4. Scope of the equality, diversity, cohesion and integration impact assessment (complete - 4a. if you are assessing a strategy, policy or plan and 4b. if you are assessing a service, function or event)
--

4a. Strategy, policy or plan (please tick the appropriate box below)	
The vision and themes, objectives or outcomes	<input type="checkbox"/>
The vision and themes, objectives or outcomes and the supporting guidance	<input type="checkbox"/>
A specific section within the strategy, policy or plan	<input type="checkbox"/>
Please provide detail:	

4b. Service, function, event please tick the appropriate box below	
The whole service (including service provision and employment)	<input type="checkbox"/>
A specific part of the service (including service provision or employment or a specific section of the service)	<input checked="" type="checkbox"/>
Procuring of a service	<input type="checkbox"/>

(by contract or grant)	
Please provide detail:	
The specific section assessed is the next phase of construction of the network.	

<p>5. Fact finding – what do we already know</p> <p>Make a note here of all information you will be using to carry out this assessment. This could include: previous consultation, involvement, research, results from perception surveys, equality monitoring and customer/ staff feedback.</p> <p>(priority should be given to equality, diversity, cohesion and integration related information)</p> <p>Previous EDCIs have been undertaken for the District Heating Network project, with the most recent of these taken in July 2023's update report.</p> <p>This screening is an extension of those previously undertaken. Previously it has been noted that connections to the network have positive impacts on equalities issues, improving financial inclusion by providing affordable heat to customers across the city, including social housing tenants in our multi-storey flats. The South Bank scheme specifically has identified additional social housing tenants that could be connected to the network and benefit from this.</p>
<p>Are there any gaps in equality and diversity information</p> <p>Please provide detail:</p>
<p>Action required:</p>

<p>6. Wider involvement – have you involved groups of people who are most likely to be affected or interested</p>
<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

Please provide detail:

We have not consulted with groups directly however we are consulting the Heat Trust on achieving accreditation with them for their customer service standard. This is the gold standard in heat networks customer services and will ensure the council is striving to deliver the best service possible for its customers.

Action required:

7. Who may be affected by this activity?

please tick all relevant and significant equality characteristics, stakeholders and barriers that apply to your strategy, policy, service or function

Equality characteristics

Age

Carers

Disability

Gender reassignment

Race

Religion or Belief

Sex (male or female)

Sexual orientation

Other

(**Other** can include – marriage and civil partnership, pregnancy and maternity, and those areas that impact on or relate to equality: tackling poverty and improving health and well-being)

Please specify:

Stakeholders

Services users

Employees

Trade Unions

Partners

Members

Suppliers

Other please specify

Potential barriers	
<input checked="" type="checkbox"/> Built environment	<input type="checkbox"/> Location of premises and services
<input checked="" type="checkbox"/> Information and communication	<input type="checkbox"/> Customer care
<input checked="" type="checkbox"/> Timing	<input type="checkbox"/> Stereotypes and assumptions
<input type="checkbox"/> Cost	<input checked="" type="checkbox"/> Consultation and involvement
<input type="checkbox"/> Financial exclusion	<input type="checkbox"/> Employment and training
<input type="checkbox"/> specific barriers to the strategy, policy, services or function	
Please specify	

8. Positive and negative impact
Think about what you are assessing (scope), the fact finding information, the potential positive and negative impact on equality characteristics, stakeholders and the effect of the barriers
8a. Positive impact:
<p>A key positive impact of the works is in reducing the cost of energy bills for residents receiving heat from the network. Zoning policy will mandate connections to heat networks for large numbers of buildings across Leeds. This will mean a great number of residents benefit from these reduced costs compared to the usual market rate for gas or electric heating. This reduces financial exclusion.</p> <p>Beyond benefitting only residents themselves, businesses that choose to connect will also see these benefits, improving their opportunities to invest in other sectors of the business such as their staff.</p> <p>The South Bank scheme specifically has identified additional social housing tenants that could be connected to the network and benefit from this.</p>
Action required:

Through the development of the South Bank scheme, further consider the feasibility of connecting additional social housing tenants and look to realise this if possible.

8b. Negative impact:

As has been raised in previous EDCI screening documents at Executive Board for the project, the potential negative impacts on stakeholders are associated with the works themselves, which could cause disruption to the highways and footways. We always work closely with Highways to mitigate this impact as well as with access officers in cases that blue badge parking bays are impacted by works.

Action required:

All proposals from the contractor are subject to approval of the risk assessment and method statements which take account of alternative routes for vehicles, cycles and pedestrians and this will be the case for the next phase of works too.

These are reviewed by the project team, as well as Highways services, who are best placed to understand the potential impact on residents.

9. Will this activity promote strong and positive relationships between the groups/communities identified?

Yes

No

Please provide detail:

Action required:

10. Does this activity bring groups/communities into increased contact with each other? (for example, in schools, neighbourhood, workplace)

Yes

No

Please provide detail:

Action required:

11. Could this activity be perceived as benefiting one group at the expense of another? (for example where your activity or decision is aimed at adults could it have an impact on children and young people)

Yes

No

Please provide detail:

Action required:

12. Equality, diversity, cohesion and integration action plan

(insert all your actions from your assessment here, set timescales, measures and identify a lead person for each action)

Action	Timescale	Measure	Lead person
Update Executive Board on how Zoning policy will be implemented as government continue to develop the policy	Ongoing until end of 2025 when policy is implemented/legislated formally	Continued expansion of heat networks in the city	Joe Callin
All proposals from the contractor are subject to approval of the risk assessment and method statements which take account of alternative routes for vehicles, cycles and pedestrians and this will be the case for the next phase of works too.	Ongoing throughout works over next couple of years	Approval of the RAMS to allow works to take place	Joe Callin

13. Governance, ownership and approval

State here who has approved the actions and outcomes from the equality, diversity, cohesion and integration impact assessment

Name	Job title	Date
Joe Callin	Senior Project Officer	18/01/2024
Date impact assessment completed		18/01/2024

14. Monitoring progress for equality, diversity, cohesion and integration actions (please tick)

- As part of Service Planning performance monitoring
- As part of Project monitoring
- Update report will be agreed and provided to the appropriate board
Please specify which board – Executive Board summer 2024
- Other (please specify)

15. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality impact assessment should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality impact assessments that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached assessment was sent:

For Executive Board or Full Council – sent to Governance Services	Date sent: 18/01/2024
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

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Improving Housing for Better Health: progress update for Leeds's Health and Housing Programme

Date: 20th November 2024

Report of: Director of Public Health and Director of Communities, Housing and
Environment

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report gives an annual update on the Leeds Health and Housing Programme, which is overseen by the Health and Housing Steering Group, chaired by the Executive Member for Equality, Health and Wellbeing. The Health and Housing programme has delivered some innovative projects through working in partnership across the NHS, LCC, the third sector and housing associations. These projects, mostly delivered at no, or very little cost, make a significant contribution to citywide ambitions to improve health through better housing in line with the Health and Wellbeing Strategy and the Housing Strategy.

The report provides a brief background to the programme and a summary of six projects which have been successfully launched since the programme's inception in late 2022, including a Hospital Discharge Workers scheme based which has been nominated for a Healthy Homes Award.

It also briefly considers forthcoming project delivery and more strategic next steps, in the context of the recent recommendations for Housing made by the Institute of Health Equity through the Fairer, Healthier Leeds (Marmot City) programme.

Recommendations

- a) The Executive Board is asked to note the progress of the Health and Housing Programme as set out in this annual update report.
- b) The Executive Board is asked to note the potential direction of travel for the Health and Housing programme, in response to the Fairer, Healthier Leeds (Marmot City): Housing recommendations.

What is this report about?

Purpose

1. This report sets out progress towards the priorities of the Health and Housing Programme. These are delivered through the Health and Housing Steering group. It is important to note that the programme does not include all projects and areas of focus under 'health and housing' many of which are the mainstream business of the Council, third sector and other partner agencies. To date the programme has delivered six projects, agreed annually through the Steering Group which is chaired by the Executive Member for Equality, Health and Wellbeing.

Background to the Health and Housing Programme

2. Health and Housing was one of the 'breakthrough priorities' identified in 2022 to contribute to delivering the City Ambition. A common feature of the priorities is that partners would come together to maximise improved health outcomes for Leeds residents at little or no cost through innovative and creative ways of working. The health and housing programme was developed in consultation with key partners and in consideration of where greatest value can be added through a partnership approach i.e. in cross system, collaborative working.
3. The Health and Housing work is a key plank of the Leeds City Ambition and sits in that 'sweet spot' between the health and wellbeing, inclusive growth and net-zero strategies. Better homes improve health in a multitude of ways, from tackling respiratory disease by addressing damp and mould through to influencing mental health by promoting security and safety. Secure health promoting energy efficient homes also provide a platform for wider economic growth by providing a longer-term address, lower energy bills and reducing the stresses and strains associated with regular moving such as changing schools and GPs.
4. Initially, the programme was framed across three areas of focus:
 - Health and Housing
 - Health and Homelessness
 - Health and Planning.
5. Projects across these areas were identified through ongoing engagement with partners and taking on board insight from people's voices exercises (e.g. the Big Leeds Chat), seeking opportunities to build on existing good practice and ensuring alignment with relevant strategies and work programmes. Nine potential projects were identified under these focus areas, reflecting opportunities to work together in partnership to maximise improved health outcomes for Leeds residents. Flexibility was built into the programme so that emerging priorities could be picked up; for example, a new project focusing on the role of housing in supporting children's respiratory health, in line with a priority area of the Healthy Leeds Plan, was added to the programme in mid-2023.
6. Housing was subsequently identified as a key priority for the Marmot city programme, reflecting the importance of housing issues in elected members casework and mounting evidence of need described in the Joint Strategic Assessment. These strategic issues include access to social housing and 'starter' owner occupation and challenges related to the growing number of people living in private rented accommodation. Led by Public Health, work to understand how best to maximise opportunities to address health inequalities through housing began in 2023 and has run in parallel to delivery of the health and housing programme. In particular, the Marmot programme has supported work around the Selective Licencing programme and a short evaluation was carried out to support understanding of the impact of selective licencing

on health and to inform a business case for further developments. Further examples of projects in this space include:

- Energy Performance Certificate data linkage work: Work is ongoing, led by Public Health, to link regional housing data to locally held health data to enable better targeting of funding in this area.
- Winter Warmth (Heating on Prescription) preventing cold related exacerbation of illness amongst low-income families, older people, people with living respiratory and cardiac conditions by offering a home assessment and a holistic package of care which included energy advice and equipment (such as radiator panels, and draft proofing) and a £50 fuel voucher.

7. It is worth noting that to date, some work on health and planning (focus area 3) has happened outside of but linked to this programme:

- A major piece of work to embed provision of health and care services in the planning process in relation to new housing developments sits under the Health and Care Citywide Estates programme coordinated by the Health Partnerships Team and involving colleagues from across the Council and NHS.
- A Health Improvement Specialist has been appointed, working across Planning and Public Health. This role provides a public health perspective on planning applications including implementing Health Impact Assessments for all major planning applications, be they housing development or commercial.

Health and Housing Programme project delivery so far

8. Most of the six projects which have been successfully taken forward sit under the broader Health and Housing focus; the Hospital Discharge Workers project also works to support people at risk of homelessness, as per focus area 2. The current programme “plan on a page” for these six live projects can be found at Appendix A.

9. **Hospital Discharge Workers:** Two new posts employed by Health & Housing Service in LCC. Crucially the staff are located within the Transfer of Care (TOC) hub at St James Hospital and around the wards of the Leeds Teaching Hospital Trust’s (LTHT) hospitals.

- The team have received a total of 376 referrals for case worker support. As the majority of the patient cohort (63%) are those who are homeless/threatened with homelessness, the officers have developed strong partnerships working with Leeds Housing Options and other partners in supporting the timely discharge of patients.
- A joined-up working and person-centred approach has been the key to success and whilst re-housing is not always the only discharge option, they have managed to rehouse a total of 31 cases into more suitable accommodation.
- The speed and effectiveness of two discharge workers has been much welcomed and recognised by patients and colleagues within the hospital setting and LCC, for example: a healthcare professional states:
 - *“The housing caseworkers have been very valuable I feel. They are really helpful for enabling discharges quicker and also enabling someone to get rehoused quicker after discharge sometimes. Without them, it would be a massive amount of work for case managers/ social workers just to find out basic information about tenants and liaise with housing about housing related issues. Without them, I feel*

there could be an increased number of referrals for complex discharges/ social work that are really about housing issues. There would also be a lot less scope to do joint working as we do really well with L and J on cases where there are entwined social care and housing issues”.

- The following feedback was provided by a family to one of the housing workers:
 - *“You are a star – Thank you from the bottom of our hearts! I personally can't think of anything you could improve on. You have been amazing from our first contact and bent over backwards, you go above and beyond. You showed empathy and professionalism all at the same time, and we as a family can't thank you enough”*
- The team has also done some initial modelling around potential savings on hospital bed days since the service has been in place. Please see the case study at Appendix B for more details.

10. Embedding Health in Selective Licencing: Since January 2020, Beeston and Harehills have been designated as selective licensing areas. The Health and Housing Steering Group explored ways to embed health into selective licensing in late 2023; the following actions have been taken forward in conjunction with the Marmot City programme:

- Colleagues in Housing and Public Health commissioned a qualitative evaluation of ‘stakeholder perceptions of the impact of Leeds’s existing selective licensing scheme’ which was published in March 2024, which found “some case study evidence regarding the positive impact of the scheme on tenants’ health”. Currently the Council is consulting on the potential for further areas and the findings of the evaluation is supporting a business case to Leeds City Council Executive Board which will be considered in early 2025.
- Public Health and Housing are also working in partnership to embed questions about health and health inequalities into the selective licensing survey completed by housing workers.
- An operational health and selective licensing group has also been established to co-ordinate better relationships on the ground. Actions include sharing information about selective listening with relevant Primary Care networks and supporting better relationships between health staff and housing workers.
- Selective Licensing schemes seek to benefit those living in some of the city’s lowest income communities with generally poorer quality housing stock and health outcomes. Closer working between health and housing in the context of selective licensing can amplify these benefits and is informing the business case for rolling out the scheme into other parts of Leeds.
- Selective licensing is potentially a hugely significant intervention for residents of private rented accommodation in IMD Decile One, the poorest areas of the city. Over a quarter of adults (26%) and a third of children (33%) live in this decile, many in private rented accommodation. More stable, better-quality accommodation will encourage people to put down roots and feel more safe and secure at home and in their community. This stability for adults and children alike could in turn exert a positive influence on health, educational and children’s social care outcomes because regular moving is highly stressful and usually requires a change of schooling, new GP registration and loss of previous local friendships with neighbours.

11. **Joint Health and Housing Workforce Training:** This involves a series of locality-based networking and learning sessions which bring together housing and health staff to improve knowledge and understanding of health and housing issues and build relationships between front line and management staff on the ground.
- First session held in Beeston, LS11 with over 70 professionals from NHS, LCC and third sector organisations based in the south of the city.
 - Sessions are designed to provide networking opportunities and a general overview of both health services and housing services followed by six individual focus areas (three from Housing, three from Health), based on a training needs analysis.
 - The session received great feedback, with 88% of delegates stating their knowledge of Health and Housing had improved a lot or a bit. Delegates told us that they valued the networking opportunities, and would be able to signpost people to relevant services more effectively after attending the training.
 - A second session will be held in November 2024 for the health and care workforce based in the east and northeast areas of the city. This is being co-produced with the HATCH Local Care Partnership. It is anticipated further sessions will run in the north and west of the city in 2025/26.
12. **Weatherproofing Scheme:** Project ensures the homes of vulnerable people (e.g. living with a disability or long-term health condition or frail elderly) are wind and weatherproofed. This includes upgrades/repairs to heating systems and insulation works, when necessary.
- The scheme is funded by LCC's Health & Housing Service and delivered by Care and Repair Leeds. This scheme will continue to be funded into 2025/26 and is now seen as "business as usual".
 - In the first year (2023/24), the scheme provided repairs / improvements to 45 properties. It is projected the scheme will have repaired or improved 55 properties by March 2025.
 - Positive feedback received from homeowners in receipt of the service, including self-reported improvement in low mood and reduction in children's coughs during winter as damp and mould had been reduced.
13. **Children's Respiratory and Housing pathways:** A new partnership to support children who are under the care of LTHT's paediatric respiratory service and who have known housing issues which exacerbate their condition. Clinicians have fed back that the pathway is "working brilliantly" and they are able to get the help and information they need quickly.
- RAG rated pathways in place to ensure timely responses to clinicians - cases of all tenures referred to LCC for action of works to improve the physical environment and improve air quality within the dwelling to reduce hospital admissions.
 - This project is also part of the Children's Respiratory System Flow response under the ICB's Children's Physical Health Programme.
 - Since the pathways were put in place, one family has been rehomed – the family lived in a high rise flat near the city centre next to a bin chute, the fumes of which exacerbated her asthma. The family are now based in a property on the outskirts of the

city. Prior to moving, the child would be regularly admitted to hospital for several days at a time. The child has had one admission for respiratory complications since moving with a reduced length of stay of only 8 hours.

14. **Breathe Easy Homes:** a new service which is effectively the “Green” route of the children’s respiratory and housing pathway, for health professionals in community and primary care settings who see children with persistent respiratory issues linked to poor indoor air quality.
- Delivered by Care and Repair, funded by the Health and Housing Service and developed by the ICB in Leeds, Health Partnerships and Public Health within LCC. Assessment carried out to offer personalised interventions to improve air quality. Packages include items such as hypoallergenic duvets/pillows, hepa-filter vacuums, dehumidifiers, air quality indicators, ventilation fans etc.
 - Over 30 families have been referred to the scheme since it launched in May 2024 and funding should be available throughout 2025. The immediate next steps for this project are a robust evaluation which will then be used to inform future direction and a focus on proactive identification of children who would benefit from the service through GPs / asthma nurse specialists based in Primary Care.
 - Signposting and self-help information is also included in the pathway, e.g. Top Ten Tips for Indoor Air Quality produced by colleagues in Public Health.
 - Whilst the project is still at an early stage, families are reporting an improvement to the air in their homes and that they are learning new techniques to manage this, e.g. getting rid of plug-in air fresheners. Two case studies are included at appendix B.

Sharing our successes

15. Programme leads are active in looking for opportunities to show case good practice regionally and nationally. For example, the Hospital Discharge Workers and Weatherproofing Scheme have both been entered into Healthy Homes Awards. We have also presented at West Yorkshire Health and Care Partnership Health and Housing Network, as there is interest in adopting Leeds’s Children’s Asthma and Housing Pathway regionally. Further, we are in conversation with the national Good Homes Network hosted by the Centre for Ageing Better to find opportunities to share the good work happening in Leeds.

Future direction for the Health and Housing Programme

16. Health and Housing Programme project delivery: The Health and Housing Programme has flexibility to identify and scope potential new projects, bringing in additional partners to the Health and Housing Steering Group.
- In response to one of the operational Marmot recommendations, we are working with Leeds GATE to scope a health and housing project in relation to Gypsy and Traveller Communities. This will be based on relevant insight and evidence, national policy direction and learning from other areas.
 - Following on from the success of the Hospital Discharge Workers project, early conversations are taking place with Leeds and York Partnership Foundation NHS Trust around expanding this project into Mental Health settings and/or building on the existing initiatives in this space.

17. Alignment with the Fairer, Healthier Leeds (Marmot City) programme: As noted above, Housing is a priority workstream of the Fairer, Healthier Leeds (Marmot City) programme. The Institute of Health Equity (IHE) has worked closely with local stakeholders to understand the Leeds system and produce a set of recommendations for action (Appendix C). Central to these is a suggestion that the city adopts a more strategic approach to housing and health. This could include: a joint health and housing needs analysis; closer working between public health and housing; identification of shared priorities/outcomes, and joint budgets/commissioning. The Health and Housing steering group will be considering the recommendations during October - December 2024. There are also some actions around specific population groups who experience health inequity; these recommendations are included in the future project delivery section set out below.
18. Alignment with wider City Planning & Regeneration Strategy: In line with focus area 3 of the initial areas of the Health and Housing programme, a wider dialogue has commenced with City Development services to consider how Marmot City principles and ambition can be more deeply embedded in our collective thinking about long term sustainable place change and housing growth. There is a shared recognition of the common ground and outcomes to be achieved by a more integrated approach between public health, planning and regeneration in the delivery of new housing growth and choice in the city, to meet the needs of all our communities. It is an opportune moment to develop this cross-service engagement and consider how Marmot can truly influence the long-term plans for spatial change and the way the city develops, harnessing the important role of neighbourhoods, place-making and how we ensure housing is available, secure and affordable to underpin long term beneficial health outcomes:
- The Council is working on an update and review of the statutory Local Plan, which sets our long-term ambitions and requirements for spatial development and land use.
 - Last year the Council published its refreshed Inclusive Growth Strategy, which states the important relationship between People, Place and Productivity, and set out nine 'big ideas' including connecting and strengthening communities, and the need to grow the success of the city centre in ways that will regenerate adjoining neighbourhoods - the need to address the underlying causes of deprivation, including poor health outcomes, is implicit in these.
 - In keeping with those principles, in May the government working with the Council, published the Leeds Transformational Regeneration vision, setting out a 10-year prospectus for city centre growth and regeneration focusing on housing, economy and infrastructure. Partnership work is underway to scope and test the regeneration plan that will support this intent.
 - Early next year the Council will refresh its Affordable Housing Partnership Action Plan to guide the approach to securing the affordable housing need in the city for the next five years, ensuring that housing availability, affordability and choice is woven into growth plans.

What impact will this proposal have?

19. This report provides the annual update on the Health and Housing programme and the work undertaken by the Health and Housing Steering Group, with no decision required by Executive Board. Therefore an equality impact assessment is not required.
20. However, it is worth noting the key role that housing plays in addressing health inequalities. Leeds, as a Marmot city, has set out its commitment to addressing health inequalities and putting wider determinants of health at the centre of what we do. Housing is a key determinant of health and as such the housing sector makes a critical contribution towards the reduction of

health inequalities in Leeds. The Health and Housing Steering Group will play a role in implementing some of the recommendations from the recent Marmot City recommendations for Housing.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

21. The Health and Housing Programme directly contributes to the following focus area of the Health and Wellbeing pillar: “Working with housing providers, landlords, tenants and communities to provide more affordable and better quality housing, so everyone can have a home which supports good health, wellbeing and educational outcomes”. To date, the projects within the programme have focused on the quality homes angle. However, one of the intended outcomes of the Breathe Easy Homes and Asthma and Housing Pathway is that children have fewer days away from school which will support broader educational outcomes.
22. The programme also contributes to Priority 3 of the Leeds Health and Wellbeing Strategy: Improving Housing for Better Health, which is also one of the priorities of the Leeds Housing Strategy. The programme has particularly contributed towards activity to:
- Ensure all people in Leeds can remain independent in their homes as much as it is safe to do so, including through adaptations.
 - Develop housing options tailored to individual needs, especially for people with complex needs.
 - Make housing inclusive, sustainable, and safe, especially in the most deprived parts of the city. This will include... addressing issues of damp and mould in properties

What consultation and engagement has taken place?

Wards affected: All
Have ward members been consulted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

23. This update has been prepared in consultation with the Executive Member for Equality, Health & Wellbeing and the Executive Member for Housing, and with the wider Health and Housing Steering Group.

What are the resource implications?

24. There are no direct resource implications arising from this update report. Health Partnerships Team and the Health and Housing Service provide dedicated resource to the programme, which is matrix managed.
25. Most projects are delivered at no or low cost; the Health and Housing Service provides funding from the Disabled Facilities Grant for Weatherproofing and Breathe Easy Homes.

What are the key risks and how are they being managed?

26. Three of the projects (Breathe Easy Homes, Weatherproofing and the rapid response element of the RAG Children's Asthma and Housing Pathway) are funded through the Disabled Facilities Grant, which comes from central government. Should this grant be no longer awarded to local authorities, it is highly unlikely partners in Leeds would have funding available to cover the shortfall. The three projects are being evaluated; the intention is to identify savings made through interventions to inform a business case for future funding.
27. Ongoing financial challenges mean Leeds City Council may experience issues with its planned programme of improvements to housing stock and in responding to growing demand for repairs.

What are the legal implications?

28. None

Options, timescales and measuring success

What other options were considered?

29. This in an update report rather than a specific proposal so no other options have been considered.

How will success be measured?

30. Improving Health Through Housing is one of the twelve priorities of the Leeds Health and Wellbeing Strategy. The Health and Housing Programme is making a significant contribution towards delivering this priority. Success of the contributing individual projects within the Health and Housing Programme is set out in the first section of this report.
31. Success in the context of our city ambition to improve health and wellbeing and reduce health inequalities, for which good housing is a factor more broadly, is measured through two city dashboards:
 - a. The Leeds Social Progress Index which comprises three main parts: Basic Human Needs, Foundations of Wellbeing, and Opportunity. Shelter sits within the Basic Human Needs section: "Do people have adequate housing with basic utilities?" and measures include the number of empty properties, housing affordability, HMO licences and fuel poverty.
 - b. The Fairer, Healthier Leeds: Marmot City programme also has a set of 15 indicators. There is a measure in relation to the number of Households in temporary accommodation. A measure for households in fuel poverty is also in development.

What is the timetable and who will be responsible for implementation?

32. Work to progress the current ongoing priorities will continue through 2025/26.
33. The overall programme is overseen by the Health and Housing Steering Group, chaired by the Executive Member for Equality, Health and Wellbeing. The Health and Housing Steering Group reports to the Health and Wellbeing Board.
34. The Health Partnerships Team and LCC's Health and Housing Service provide dedicated resource to the programme, which is matrix managed.

35. Work will progress over the next few months to respond to the Marmot recommendations for Housing. An initial workshop took place with members of the Health and Housing Steering group on 22nd October.

Appendices

- Plan on a page (A)
- Case studies (B)
- Marmot Housing Recommendations (C)

Background papers

None

BETTER HOMES FOR HEALTH AND WELLBEING

HEALTH AND HOUSING WORK PROGRAMME OVERVIEW - MARCH 2024



Better Homes for Health and Wellbeing is one of our Priorities. We work together as Team Leeds with our key partners and stakeholders to improve health outcomes and use Leeds Marmot City principles to address inequality across the Leeds system.



Project	Overview
<p>1.1 Improve Hospital Discharge for Leeds residents: Reduce Housing Related discharge delays. Commenced June 2022.</p>	<p>Work with the Transfer of Care Hub to improve patient and workforce processes/experience, using our Home First Approach, street based support, and resource housing staff to work within our TOC Hub.</p>
<p>1.2 Joint training programme for Health and Housing workforce: Develop and deliver. Planned Pilot Delivery June 2024.</p>	<p>Improve connections between colleagues and raise awareness of health and housing issues and how to prevent, proactively respond and refer/signpost to services.</p>
<p>1.3 Private Rented Health and Housing: Partnership Working Review between Health & Private Rented Sector in relation to Selective Licencing.</p>	<p>Improve home quality and health outcomes for those living in private rented accommodation. Partnership group established to deliver recommendations around embedding health into Selective Licencing.</p>
<p>1.4 Breathe Easy Homes: improving indoor air quality</p>	<p>Set up a new service to work with families were children have persistent respiratory issues to reduce triggers and exacerbations.</p>
<p>1.5 Children & Young People's Asthma: Early intervention to identify children at high risk.</p>	<p>Develop risk stratification and fast track pathways with Health and Housing workforce, for children presenting in an acute setting.</p>

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Appendix B – Hospital Discharge Workers case study

One of the main aims of the Hospital Case Workers is to free up acute ward beds as quickly as possible, even when discharge is not to the patient's long-term residency.

Patient B was admitted to hospital on 12th April 2023. The HCW received the referral from the same day as the patient had NRTR on the ward (27th June). The HCW immediately put through various emergency repairs to the Council's property maintenance service and secured a move home for patient B, 12 days after receipt of the referral. His existing home was not suitable for long term occupation and the HCW secured a new suitable home with a local Housing Association. Patient B moved in 14 days later on 21st July 2023. This also had the knock-on effect of releasing a 4 bed Council property back into the Council's letting scheme for a family to occupy.

Even though this case is a relatively straight forward intervention, it is possible to reflect on the difference the HCW has made financially, just in this case alone.

Case outcome if the HCW had been alerted of issues at home within a month of patient A coming to hospital

- If the HCW had been contacted within 32 days of patient A being admitted to hospital, flagging up the housing repairs preventing discharge home, the HCW would have had the repairs completed by emergency order in time for the patient to return home on the day he became NRTR.

Cost to LTHT = £0

Case with HCW alerted when NRTR.

- The HCW was alerted to this case on the day patient A became NRTR. Using the HCW's fast-tracked procedure, the outstanding work was completed within 12 days. Calculating using the conservative estimate for cost of a lost bed day.

Cost to LTHT = £6,000

Case outcome before HCW in post

- If this case had been received prior to the introduction of the HCW's, a referral would have been required to go to the correct housing management office, who in turn would put a works order through to Property Management. The repairs would be on a 28-day order. From the knowledge base in TOC prior to the HCW taking up post, to have the repairs logged with the right office and then ordered would have been at least 5 days and probably longer. If the HCW had not been present, the move to a temporary home would not have been possible and patient A would have remained on the ward until a suitable Council property was identified. The tenant actually moved into his new permanent Council home on 12th September 2024, some 78 days after being NRTR. This is assuming that the family or other agency secured a suitable dwelling for patient A as quickly as the HCW did. The wait could well have been much longer.

Cost to LTHT = £38,000

Appendix B – Breathe Easy Homes Case Study JB

J is a 10-year-old female who was referred to Care & Repair by a Pediatric Respiratory Consultant at Leeds Children’s Hospital due to having asthma and problems with damp and mould in the home. J has an allergy to house dust and low to medium breathing issues and lives in a LCC property with her mum, dad, and 3 siblings aged 12, 4 and 3. The youngest child has also started wheezing.

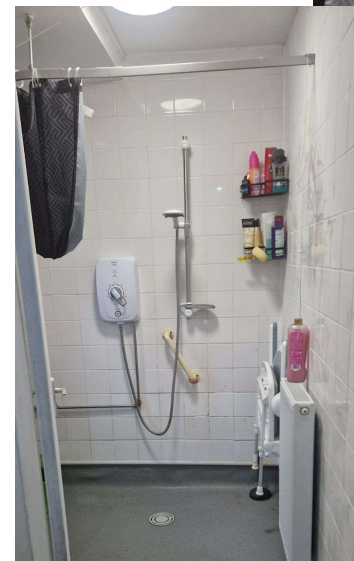
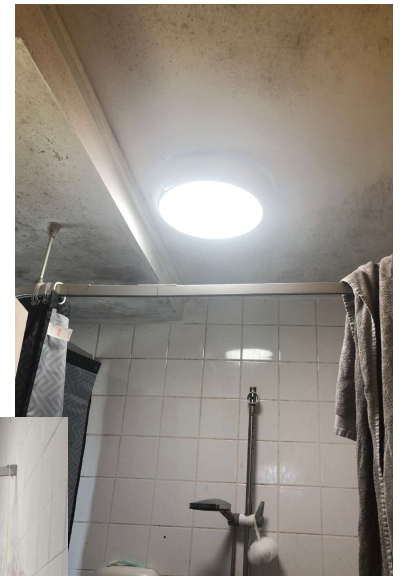
C&R found severe damp and mould in every room, including the loft. J’s bed had to be pushed next to a window coated in mould as she shared with her sister and the room was also used to store her dad’s dialysis equipment. Mum regularly cleaned the mould and kept windows open, but the quantity of the mould became unmanageable.

C&R provided an air purifier, dehumidifier and an ailer to improve the air quality of the home and contacted LCC who sent out a surveyor and recommended a new wet room, new window in J’s room and to treat the wall in the master bedroom. LCC sent out a second surveyor to look at the other problems we had identified, including the repair of the leaking chimney stack, a new UPVC window in the wet room, new tiles in the shower, to regrout and reseal the basin and the hole in the wall outside the wet room. LCC are also treating and plastering the wall in the lounge as well as providing 2 square metres of new skirting.

The family was referred to Green Doctor for an energy advice visit and a £100 fuel voucher. Green Doctor also spoke to OVO about any fuel debt the family might have.

As the 4 children shared 2 bedrooms, C&R made a referral to Zarach and the family has been provided with two new sets of bunk beds allowing J to be moved away from the window. This has cleared space for belongings rather than them being stored in the lounge which was impacting the buildup of dirt and dust and mum couldn’t clean properly. When C&R followed up on how things were going mum said, ‘you can really feel a difference in the room, it just feels nicer to breathe’.

Before BEH intervention



After BEH intervention

Appendix B – Breathe Easy Homes Case Study

AN

A is a 10 month old female referred into the Breathe Easy Homes by her GP as she regularly presented with respiratory concerns. A has a regular cough and struggles to breathe at night as well as has eczema. She has had one chest infection in the past 12 months and has been to the GP 3 times due to her breathing. Mum reports A's breathing is worse at night time and in the winter. Mum's first language is not English. A lives in a privately rented room with her mum. The property has 3 rooms and 5 people in total sharing, including A. There is mould on the window in the room as well as in the corner of the room. The house shares one drying rack and has no Hoover so carpets don't get cleaned. The house is stuffy and overcrowded, mum regularly tries to ventilate the room by leaving the window open but cannot do this all the time as it would make the room too cold for A.

The equipment we provided was a combination dehumidifier and air purifier, a drying rack and a Hoover. Mum has reported the problems to her landlord who regularly ignored her and told her that if she didn't like the mould then she should find another place to live. We attempted to call the landlord multiple times, leaving voicemails but could not get through.

We referred the property to Leeds City Council private team who were already aware of the case and had sent a letter out to the landlord. Following this, we have been updated that the landlord has rectified the problem and completed the works. We are waiting for the details of what works have been completed.

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FAIRER, HEALTHIER LEEDS: HOUSING RECOMMENDATIONS

The aim of these recommendations is to fulfil Marmot Principle 5: Create and develop healthy and sustainable places and communities. There is a specific focus on housing as this was identified as a priority for Year 1 of our work in Leeds.

We adopt a broad understanding of both health and housing; therefore a wide range of partners are responsible for delivery of the recommendations: teams from Leeds City Council including housing, community hubs and libraries, financial inclusion, welfare and benefits, regeneration and inclusive growth, parks and green space and public health; the NHS; the Third Sector; businesses and developers and universities.

System/ strategic recommendations

1. Establish Leeds housing and health equity strategy and develop shared strategic and operational approaches.
2. Leeds health and housing citywide group to strengthen its role as a strategic partnership to reduce inequalities, e.g. widening membership, identifying, and working towards longer-term goals and joint commissioning.

Improving housing and neighbourhood quality

3. Act on the findings of the Selective Licensing evaluation.
4. Work with both residents and landlords (social housing, private rented sector and owned homes) to identify best methods to communicate risks of damp and mould and manage internal air quality.
5. Work with Refugee/Asylum Seeker and Gypsy/Traveller communities to identify health and housing related needs and short-and long-term approaches to meet needs.
6. Working in partnership with businesses, Third Sector, residents and landlords - Leeds City Council (Teams from: Housing, Environment, Asset Based Community Development, Child Friendly Leeds) to focus, as a priority, on improving quality and accessibility of green space in IMD 1 and IMD 2 neighbourhoods in Leeds.

Improving affordability

7. Leeds City Council annually define 'affordable housing', make function of local incomes rather than national averages of house values and rents.
8. Partners consistently provide advice and services to Leeds City Council tenants and those living in IMD 1 and IMD 2 neighbourhoods or facing financial hardship related to:
 - a. preventing and reducing evictions
 - b. debt and financial advice

Improving housing security

9. Expand multi-disciplinary team approaches to addressing homelessness, e.g. Out of Hospital
 - a. Explore how Leeds Teaching Hospital Trusts projects can be replicated in mental health trusts.
10. Build on the prevention and person-centred approach in temporary housing and support people experiencing homelessness at the earliest opportunity.
11. Develop stronger partnership approaches between housing, mental health and wellbeing,, public health and Third Sector to improve tenancy sustainment.
12. Leeds City Council work with residents and future residents to better manage expectations and communicate waiting times for council homes.

Research

- 13** Universities in Leeds to develop housing research areas to understand:
 - a** Trends in council housing tenancy sustainment, identifying factors affecting sustainment success or failure.
 - b** The changing nature of the private rented sector in Leeds and impact on affordability.
 - c** The experiences, health and wellbeing of people living in the private rented sector.
- 14** Universities in Leeds to help Leeds City Council to develop evaluations to better understand the impact of community approaches

Planning for equitable future for housing in Leeds

- In light of current funding pressures, the following recommendations focus on the future.
- 15.** Make equity a central focus of future regeneration and economic development plans and strategies in Leeds.
 - a.** Link inclusive growth and workforce strategies with plans to build new homes and retrofit existing homes.
 - b.** Public health included as partners in regeneration strategy development and delivery.
 - c.** Include local communities when reviving local high streets.
 - d.** Leeds City Council to identify minimum proportion (e.g. 30%) of new housing development either affordable or in the social housing sector, e.g. South Bank development.
 - 16.** Insulate all low-income homes to EPC C level as fast as possible and ensure reductions in carbon emissions from homes are sufficient to meet the international and domestic 2030 carbon reduction goals.
 - a.** Prepare funding applications to improve quality of rented and owner-occupied homes.
 - b.** Prepare funding improvements for non-decent owner-occupied housing, targeting homes in IMD 1 and IMD 2 neighbourhoods.
 - 17.** Create equity focussed retrofit plans ready for when funding becomes available.
 - a.** Universities in Leeds work with housing, regeneration, public health, landlords and residents to create plans to improve single brick homes and high rise in Leeds.

Outcome of statutory notice on a proposal to change the age range of Moor Allerton Hall Primary School from 3-11 years to 4-11 years and permanently close the local authority-maintained nursery.

Date: 20 November 2024

Report of: Director of Children and Families

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report describes the outcome of a statutory notice, published under the Education and Inspections Act 2006, regarding a proposal brought forward by Leeds City Council to change the age range of Moor Allerton Hall Primary School (MAHPS) from 3-11 years to 4-11 years and permanently close the local authority-maintained nursery with effect from 1 January 2025 and seeks a final decision in respect of this proposal.

The changes proposed form prescribed alterations under the Education and Inspections Act 2006 and are aligned with the statutory process set out in the Department for Education's guidance document, 'Making significant changes (prescribed alterations) to maintained schools' (January 2023).

At its meeting in July 2024, Executive Board considered the outcome of an initial consultation on this proposal and approved the recommendation to publish a statutory notice. A statutory notice was published on 09 September 2024 marking the start of a four-week formal consultation. During this four-week period, which ended on 06 October 2024, anyone could submit comments or raise objections to the proposal. There were 0 representations received during the statutory notice period.

This report seeks approval from Executive Board on the recommendations below.

Recommendations

Executive Board is requested to: -

- a) Note the outcome of the statutory notice period;

- b) Approve the recommendation to change the age range at Moor Allerton Hall Primary School, from 3-11 years to 4-11 years and permanently close the local authority-maintained nursery with effect from 1 January 2025;
- c) Approve that the decisions from this report are exempted from the Call-In process for the reasons set out in paragraphs 30 and 31; and
- d) Note the responsible officer for implementation is the Deputy Director for Learning.

What is this report about?

- 1 This decision is being requested because the numbers of children attending MAHPS's nursery have fallen over time and by summer 2024 had dropped to 24.5 (full time equivalent FTE) children attending nursery, with only 5.5 FTE signed up for a place in September 2024. Continuing to run the nursery with fewer than 19 FTE children is financially unsustainable and would result in a deficit budget. If the nursery had remained open in September 2024 with those lower numbers, this would have equated to a deficit of approximately £78,000 which would have impacted on the wider school budget.
- 2 The governing body at MAHPS approached the local authority (LA) following a fall in applications for their nursery, highlighting the negative financial impact this was having and would continue to have on resources and the wider school budget. The school nursery had been catering for 3- and 4-year-olds, with a sessional offer for parents during core school hours, term-time only. The number of families taking up places at MAHPS's nursery declined to the point where there were only expected to be only a handful of children in nursery by September 2024. This was financially unsustainable and the staffing costs, alongside lower numbers in nursery, were negatively impacting on the school's budget. The school have considered changing their nursery offer, however, cannot provide the flexible wrap-around care and all year-round nursery provision which some families are seeking. A joint decision was made, by the governing body and local authority, to temporarily close the local authority-maintained nursery from September 2024 due to low demand, pending the outcome of formal consultation to change the age range and permanently close the local authority-maintained nursery.
- 3 A review of the types of childcare available across the local area has shown that there is a broad range of childcare settings available that offer Funded Early Education (FEE) places, including school and private nurseries and childminders. These providers offer different types of childcare models such as 5 x morning sessions, 5 x afternoon sessions, 2.5 days, 5 full days for families eligible for 30 hours term time, and some that charge additional fees over and above the funded hours. This means that there is a flexible offer available for parents, whether they want to use their funded early education entitlement or pay for additional hours or wrap-around care.
- 4 Separate to this proposal, MAHPS's Governing Body have agreed for a private provider to run flexible, all year-round childcare from the school premises for children aged from 9 months from September 2024. The school was concerned about there being a gap in provision for families, and wanted to work with a provider that would offer some funded hours alongside the more extended offer which some families want. This also supports the Government's plans to offer funded places for working families from age 9 months and the wrap-around programme which aims to ensure that families can access (paid for) before and after school childcare provision.
- 5 Families have a variety of childcare and early education opportunities available in the local area. Since the local authority-maintained nursery has been temporarily closed, families have been able to secure alternative places for their children and neither the governors nor the local authority have been made aware of any families unable to secure appropriate childcare places.

- 6 At its meeting in July 2024, Executive Board considered the outcome of an initial consultation on this proposal and approved the recommendation to publish a statutory notice, marking the start of a formal four-week consultation period. Paragraph 16 provides detail about the consultation that has taken place.

What impact will this proposal have?

- 7 The change to the age range and permanent closure of the local authority-maintained nursery is not anticipated to have any negative impact on families in terms of availability and choice of provision. Within the Roundhay/Wigton Childcare Planning Area there is a cross-sector mix of providers with childcare offers including school nurseries, childminders, full day care, playgroup/pre-schools and before and after school childcare across many school settings. Additionally, MAHPS's Governing Body have agreed for a private provider to run flexible, all year-round childcare from the school premises for children aged from 9 months from September 2024. Families have a variety of childcare and early education opportunities available in the local area.
- 8 Due to the decline in the birth rate in Leeds over recent years, it is anticipated that the numbers of 3- and 4-year-olds will decrease in future years in this area, and it is likely that there will be surplus childcare places as a result. This could give providers an opportunity to develop additional provision for babies and younger children in accordance with the Government's plans to roll out early years' entitlement for working parents of children from 9 months of age.
- 9 The closure of the school nursery would have a positive impact on the school's budget as resources would no longer need to be diverted to support the provision.
- 10 An Equality, Diversity, Cohesion and Integration Screening (EDCI) form that considered the consultation process is attached as appendix 1.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 11 There is a broad range of childcare available across the local area that offer Funded Early Education (FEE) places, including school and private nurseries and childminders. These providers offer different types of childcare models such as 5 x morning sessions, 5 x afternoon sessions, 2.5 days, 5 full days for families eligible for 30 hours term time, and some that charge additional fees over and above the funded hours. This means that there is a flexible offer available for parents, whether they want to use their funded early education entitlement or pay for additional hours or wrap-around care.
- 12 Additionally, MAHPS's Governing Body agreed for a private provider to run flexible, all year-round childcare from the school premises for children aged from 9 months from September 2024, which adds to the locally available options for parents/carers.
- 13 The range of childcare options available supports the ambition of 'ensuring that children in all areas of the city have the best start in life and enjoy a healthy, happy and friendly childhood'.

What consultation and engagement has taken place?

Wards affected: Roundhay

Have ward members been consulted?

Yes

No

- 14 The process in respect of the proposal has been managed in accordance with the relevant legislation and with local good practice.
- 15 An initial public consultation on this proposal took place between 13 May and 28 June 2024. The outcome of this consultation was detailed in a report presented to Executive Board, at its meeting on 24 July 2024, who approved the recommendation for a statutory notice in respect of the proposal to be published.
- 16 The statutory notice was published in the Yorkshire Evening Post on 09 September 2024 and the full proposal was posted on the Leeds City Council website. All parents/carers at the school received notification, along with any stakeholder who responded to the first stage of public consultation and provided their contact details. Details about the consultation were also sent to all local primary and early years settings in the area as well as ward councillors, community groups and other relevant stakeholders. Copies of the notice were posted at entrances to the school and information about the statutory notice was shared on social media platforms.
- 17 The Executive Member for Children and Families was briefed, and details of the statutory notice were shared with local Ward Members and no concerns have been raised about the proposal.
- 18 During the four-week representation period, following publication of the statutory notice, anyone could submit comments on or objections to the proposal via email or post. There were 0 representations received.

What are the resource implications?

- 19 Numbers of children attending MAHPS's nursery have fallen over time and by summer 2024 had dropped to 24.5 (full time equivalent FTE) children attending nursery, with only 5.5 FTE signed up for a place in September 2024. Continuing to run the nursery with fewer than 19 FTE children is financially unsustainable and would result in a deficit budget. If the nursery had remained open in September with 5.5 FTE children, this would have equated to a deficit of approximately £78,000.
- 20 The school has worked to retain the existing nursery staff, some of whom have worked at the school for several years, and they have been offered alternative positions within the wider school.
- 21 The school has taken the decision that the before and after school club will also be run by the private provider from September 2024. The staff working in the before and after school club at the school were made an offer to transfer to the new provider under the Transfer of Undertakings Protection of Employment rights (TUPE).
- 22 The change to the age range and closure of the local authority-maintained nursery at the school would have a positive impact on the school budget as it would no longer be necessary to divert resources to support the provision. There will be an income for the school from any lease arrangements associated with the new childcare provider operating from the school premises.
- 23 There are no perceived negative resource implications associated with this proposal.

What are the key risks and how are they being managed?

- 24 There is a risk associated with failing to provide sufficient school/learning places in good quality buildings that meet the needs of local communities. The closure of the nursery would help the

school to continue to be financially sustainable for the future for children in Reception up to Year 6.

- 25 Over the last few years, the LA has supported the school to consider its nursery offer and models, including marketing its offer more widely. Despite this, numbers have fallen. Earlier this year the Governing Body approached the LA, following a fall in applications for their nursery, highlighting the financial impact this was having and would continue to have on resources and the wider school budget. This is within the context of the school making redundancies to manage its budget.
- 26 There is a risk, should the local authority-maintained nursery not permanently close, that resources would need to be diverted to support its operation. This would take resources away from the rest of the school during a time when it is working to manage its deficit budget. In turn, this may then impact on delivery of the curriculum.
- 27 There is a broad range of childcare available across the local area that offer Funded Early Education (FEE) places, including school and private nurseries and childminders. These providers offer different types of childcare models such as 5 x morning sessions, 5 x afternoon sessions, 2.5 days, 5 full days for families eligible for 30 hours term time, and some that charge additional fees over and above the funded hours. Additionally, MAHPS's Governing Body agreed for a private provider to run flexible, all year-round childcare from the school premises for children aged from 9 months from September 2024, which adds to the locally available options for parents/carers. This means that there is a flexible offer available for parents, whether they want to use their funded early education entitlement or pay for additional hours or wrap-around care.
- 28 As the number of 3- and 4-year-olds in the area is declining due to falling birth rates, it is anticipated that there will be sufficient places across the area to meet demand.

What are the legal implications?

- 29 The changes proposed form prescribed alterations under the Education and Inspections Act 2006 and are aligned with the statutory process set out in the Department for Education's guidance document, 'Making significant changes (prescribed alterations) to maintained schools' (January 2023).
- 30 It is recommended that this report be exempt from the Call-In process, in line with Executive & Decision Making Procedure Rule 8.1.2, this report being exempt from Call-In if the decision maker considers that the decision is urgent (i.e. that any delay would seriously prejudice the Council's or the public's interest). Executive Board is the decision maker for this proposal and statutory guidance states that a final decision must be made within 2 months of the end of the statutory notice period, therefore by 6 December 2024, or be referred to the Schools Adjudicator.
- 31 The statutory notice period ended on 6 October 2024. A report could not have been presented to Executive Board on 16 October due to the clearance process. The earliest date that a report could be presented to Executive Board, following clearance, is 20 November 2024. If the decision was 'called-in' and Scrutiny Board subsequently referred the matter back to Executive Board with a recommendation to reconsider its decision, this would have to go to Executive Board on 11 December, which would be outside of the 2-month decision period. The consequence would be that a local decision could no longer be made, and the matter would automatically be referred to the Office of the Schools Adjudicator to decide.

Options, timescales and measuring success

What other options were considered?

32 The Governing Body at MAHPS approached the LA following a fall in applications for their nursery, highlighting the financial impact this was having and would continue to have on resources and the wider school budget. Governors gave consideration as to whether they could extend the nursery provision to provide a different offer to parents, however, Governors did not feel that they would be able to offer the flexible wrap-around care and all year-round nursery provision which families were seeking. It was therefore decided that the school nursery would temporarily close from September 2024 and the Governing Body would explore options for a private provider to run flexible, all year-round care from age 9 months.

33 The number of 3- and 4-year-olds in the area is continuing to go down and currently there are sufficient places to meet demand. With birth rates continuing to decline, forecasts indicate over the next four years there will be more early years settings with surplus places and further reviews of the area may need to be carried out. This could, however, give providers an opportunity to develop additional provision for babies and younger children in accordance with the Government's plans to roll out early years' entitlement for working parents of children from 9 months of age.

How will success be measured?

34 The proposal is to change the age range of the school and permanently close the school nursery with effect from 1 January 2025. If approved, the availability and demand for places for 3- and 4-year-olds would continue to be monitored to ensure sufficiency of places in future years.

What is the timetable and who will be responsible for implementation?

35 If the recommendations in this report are agreed by Executive Board, as the nursery is currently temporarily closed, the formal permanent closure would take effect from 1 January 2025.

Appendices

36 Appendix 1: Equality, Diversity, Cohesion and Integration (EDCI) screening form.

Background papers

37 None.

Equality, Diversity, Cohesion and Integration Screening



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

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

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

Directorate: Children and Families	Service area: Sufficiency and Participation
Lead person: Elizabeth Richards	Contact number: 0113 378 7235

Title: Statutory Notice on a proposal to change the age range of Moor Allerton Hall Primary School from 3-11 years to 4-11 years and permanently close the local authority-maintained nursery.

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify The proposal is to change the age range of Moor Allerton Hall Primary School. This screening process will enable us to ensure equality, diversity, cohesion and integration will be considered during the statutory consultation and in respect of the proposal and decision requested.

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

Leeds City Council is consulting on a proposal to change the age range at Moor Allerton Hall Primary School (MAHPS), from 3-11 years to 4-11 years and permanently close the local authority-maintained nursery.

An initial, informal consultation ran from 13 May to 28 May 2024 seeking views on the proposed change. The outcome of that initial consultation was considered by Leeds City Council's Executive Board at its meeting in July 2024 and a recommendation to publish a Statutory Notice was approved.

This screening form records the considerations that have been made in relation to the publication of the Statutory Notice, to ensure that the *consultation and engagement*

*process with stakeholders takes equality, diversity, cohesion and integration into account and that **relevance for the proposal and decision to be made** is considered*

It also ensures that any lessons are learned and applied from the initial informal consultation.

3. Relevance to equality, diversity, cohesion and integration

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

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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

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

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

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

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

- **How have you considered equality, diversity, cohesion and integration?**

Research undertaken before the initial consultation, using the English Index of Multiple Deprivation (IMD), showed that both the number of pupils living in the most deprived 10% of neighbourhoods in England and free school meal eligibility at MAHPS are below the citywide average. Together these two statistical measures suggest that MAHPS does not

suffer greater levels of deprivation than the citywide average. There are a higher number of pupils with English as an additional language at MAHPS compared to the city-wide average. Our assessment of the population data findings for MAHPS indicated that there may be a need to help to families with English as an additional language, or who needed support, to engage with the consultation and share their views. The school included in their messaging to the community an offer to provide additional information and support in completing paper response forms, rather than the online survey, for anyone who needed support to share their views.

The initial informal consultation took place from 13 to 28 May 2024 seeking views on the proposed change to the age range at the school and permanent closure of the local authority-maintained nursery. That consultation was managed in accordance with local good practice, seeking to ensure that a wide range of stakeholders including schools and early years providers were consulted within the community, using various communication tools. The school also promoted the consultation through their usual methods of communication with families. Posters were distributed at key venues in the local area, and a drop-in session took place at the school. To include parents of children not in schools or early years settings in the consultation we promoted the consultation via Leeds City Council's 'Voice and Influence' team and their network of parent groups, particularly parents/carers of children with Special Educational Needs and Disabilities. These measures helped to ensure maximum engagement with families and the community.

At the initial consultation stage some parents raised concerns that there may be less provision available if the school nursery were to close. However subsequently the school updated parents about its plans to bring in a private provider who would deliver a broader offer. This would include places being available from 9 months, all year-round. The private provider would offer funded or extended places for families who wanted to pay for extended hours and the places would be available from September.

At its meeting in July 2024, Leeds City Council's Executive Board noted the outcome of the consultation and approved a recommendation to publish a Statutory Notice. A Statutory Notice will be published in the Yorkshire Evening Post on 9 September 2024 marking the start of a four-week formal consultation (representation) period and will end on 6 October 2024. The full proposal will be published on Leeds City Council's website and all parents/carers at the school will receive notification, along with any stakeholder who responded to the first stage of public consultation and asked to be kept informed. Other local schools will also be informed about the proposal along with ward councillors and other relevant stakeholders.

Consideration has been given to comments submitted by stakeholders during the initial consultation and our assessment is that there are no specific targeted adjustments needed for groups with protected characteristics during the forthcoming statutory consultation period.

In respect of the proposal itself and decision to be requested, the proposal is to change the age-range of the school and permanently close the local authority-maintained nursery with effect from 1 January 2025.

The governing body at MAHPS approached the local authority (LA) following a fall in applications for their nursery, highlighting the negative financial impact this was having and would continue to have on resources and the wider school budget.

The school nursery had been catering for 3- and 4-year-olds, with a sessional offer for parents during core school hours, term-time only. The number of families taking up places at MAHPS's nursery declined to the point where there were only expected to be only a handful of children in nursery by September 2024 – just 5.5FTE children were expected to start in September. This was financially unsustainable and the staffing costs, alongside lower numbers in nursery, were negatively impacting on the school's overall budget, equating to an overall deficit of approximately £78,000.00 which is unsustainable.

The school have considered changing their nursery offer, however, cannot provide the flexible wrap-around care and all year-round nursery provision which some families are seeking. A joint decision was made, by the governing body and local authority, to temporarily close the local authority-maintained nursery from September 2024 due to low demand, pending the outcome of formal consultation to change the age range and permanently close the local authority-maintained nursery.

In terms of impact on staff, the school has worked to retain the existing nursery staff, some of whom have been at the school for several years, and they have been offered alternative positions within the wider school.

The change to the age range and proposed permanent closure of the local authority-maintained nursery is not anticipated to have any negative impact on families or children in terms of availability and choice of provision. Within the Roundhay/Wigton Childcare Planning Area there is a cross-sector mix of providers with childcare offers including school nurseries, childminders, full day care, playgroup/pre-schools and before and after school childcare across many school settings.

Additionally, MAHPS's Governing Body have agreed for a private provider to run flexible, all year-round childcare from the school premises for children aged from 9 months from September 2024. This means that the offer available at the school is broader than it previously was and will benefit families who would like funded or extended places both in and out of term time.

In addition, the school made the decision that the private provider would run the out of school club from September 2024. The staff working in the before and after school club at the school were made an offer to transfer to the new provider under the Transfer of Undertakings Protection of Employment rights (TUPE).

Whilst the school nursery would permanently close under this proposal, the replacement provision at the school run by a well-established private provider, which has several other 'outstanding' Ofsted rated nurseries does mean that there is an enhanced offer for families and children.

- **Key findings**

From the equality impact screening the Sufficiency and Participation Team found that this proposal would not have a negative impact on the protected characteristics listed below:

Age
Carers
Disability

Gender Reassignment

Race

Religion or belief

Sex

Sexual orientation

Other relevant characteristics

This is because whilst the proposal is to remove provision, there is an alternative cross-sector mix of early years provision across the Roundhay/Wigton Childcare Planning Area including school nurseries, childminders, full day care, playgroup/pre-schools and before and after school childcare across many school settings.

The school has taken the decision to bring in a private provider who will bring a more flexible model than the school itself had, and this will help ensure that there is a broader offer available for parents, whether they want to use their funded early education entitlement or pay for additional hours or wrap-around care. This provider will offer places from age 9 months, whilst the school run nursery only catered for 3- and 4-year-olds.

The range of childcare options available supports the ambition of 'ensuring that children in all areas of the city have the best start in life and enjoy a healthy, happy and friendly childhood'.

As noted above, the school has worked to retain the existing nursery staff, some of whom have been at the school for several years, and they have been offered alternative positions within the wider school. The staff working in the before and after school club at the school were made an offer to transfer to the new provider under the Transfer of Undertakings Protection of Employment rights (TUPE).

The Sufficiency and Participation team noted that during the initial consultation, whilst not all respondents supported the proposal, there were no specific concerns raised about the consultation or engagement.

- **Actions**

If the proposal to change the age range and close the school nursery is taken forward, the nursery would close permanently with effect from 1 January 2025. The nursery is temporarily closed and the provide provider is already operating from the school premises, hence ensuring that there is no gap in provision. There would be no further action needed.

We will be communicating with stakeholders via email to notify them with details of the statutory notice period including information on how to respond either via email or by post.

Information will be advertised in the Yorkshire Evening Post and details of the full statutory notice will be provided on the LCC website. The headteacher of MAHPS and headteachers of other local schools will be contacted and asked to send out key messages to their parents/carers. Anyone who responded to the initial consultation and asked to be kept informed with updates on the progress of the proposal will be contacted.

5. If you are not already considering the impact on equality, diversity, cohesion and integration you will need to carry out an impact assessment.	
Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

6. Governance, ownership and approval		
Please state here who has approved the actions and outcomes of the screening		
Name	Job title	Date
Tracy Waud	Sufficiency Manager	12/08/24
Date screening completed		

7. Publishing	
<p>Though all key decisions are required to give due regard to equality the council only publishes those related to Executive Board, Full Council, Key Delegated Decisions or a Significant Operational Decision.</p> <p>A copy of this equality screening should be attached as an appendix to the decision making report:</p> <ul style="list-style-type: none"> • Governance Services will publish those relating to Executive Board and Full Council. • The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions. • A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record. <p>Complete the appropriate section below with the date the report and attached screening was sent:</p>	
For Executive Board or Full Council – sent to Governance Services	Date sent: 20/09/24
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

Financial Health Monitoring 2024/25 – September (Month 6)

Date: 20th November 2024

Report of: Interim Assistant Chief Executive – Finance, Traded and Resources

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

1. The purpose of this report is to update the Executive Board on financial performance against the 2024/25 revenue budget, which has targeted resources towards the council's strategic priorities as set out in the Best City Ambition whilst also supporting our ongoing journey to strengthen the authority's financial resilience and sustainability. The report also updates the Board on the September (Month 6) position in respect of the Housing Revenue Account (HRA), the Schools Budget (DSG) and the Council Tax and Business Rates Collection Fund. For full details, please refer to **Appendices 1 to 4**.
2. A net revenue budget of £622.0m was approved by this Board in February 2024. At September (Month 6), we are forecasting a General Fund overspend of £22.9m or 3.7% of the approved 2024/25 net budget. Where known, pressures have been incorporated into the reported financial position, including those due to increased inflation, the resulting cost of living crisis, and demand and demography. In response to the reported position, the freeze on recruitment, agency and overtime spend introduced in 2022/23 within a framework of agreed exceptions remains in place, with further controls brought in to strengthen oversight and monitoring. All spend that is not critical for the delivery of a service is not to be incurred. Using our Team Leeds approach, working across the council and with partners, we will continue to take all action necessary to meet our legal requirement to deliver a balanced budget.
3. Within Leeds, work continues to review the highest cost / spend areas (notably Children Looked After, Transport and Leeds Building Services) and all services are continuing to explore opportunities to secure in-year savings (such as holding vacancies where this will not have a detrimental effect on critical services and on staff wellbeing) and maximising income. Asset reviews are underway to ensure the council has the right numbers and mix of assets.
4. The budget for 2024/25 requires delivery of £63.9m of savings, with £15.9m of General Fund in year savings and £3.4m of savings relating to the DSG also identified. At September (Month 6) it is anticipated that most of these budgeted savings would be delivered or have mitigating actions found. However, £4.4m delayed delivery of General Fund savings has been identified, primarily within Children's social care. This delayed delivery is included within the £22.9m overspend being reported today but has been mitigated through the use of reserves which are included within the reported Strategic position. A £3.4m delay in delivery is forecast against in year DSG savings. Further details are provided in the appended directorate positions and detailed Budget Action Plans are provided at **Appendix 4**.
5. The reported overspend needs to be understood within the wider national context: local government finances are in a critical state and there is continuing concern as an increasing number of councils are reporting significant pressures in the current financial year and considerable estimated budget gaps in future financial years which provide a challenge to their financial sustainability. The increasing cost of social care, particularly within Children's Services where the increasing numbers of external placements and significantly higher costs of those placements, combined with the impact of pay and price pressures which are in excess of the level of government resources provided, has not yet been recognised. As a result, a number of local authorities have issued or are raising the possibility of issuing Section 114 notices, effectively giving notice that a council cannot balance its budget. This current and future financial climate for local government represents a significant risk to Leeds City Council's priorities and ambitions.

6. Any forecast overspend at the year-end will require further savings to be identified for 2025/26.
7. Any Collection Fund income shortfall arising in 2024/25 will impact on the Revenue Budget in 2025/26.
8. At September (Month 6) the Housing Revenue Account is forecasting a balanced position.
9. At September (Month 6), the DSG budget is projecting an in-year pressure of £15.1m which equates to 2.73% of the total estimated DSG funding.
10. The Council is not in a position to go live with MS Dynamics on 1st December 2024. Further updates will be provided to Executive Board with a revised implementation date.

Recommendations

Executive Board are asked to:

- a) Note that at September (Month 6) the authority's General Fund revenue budget is reporting an overspend of £22.9m for 2024/25 (3.7%) of the approved net revenue budget after application of reserves within a challenging national context, and that a range of actions are being undertaken to address this position.
- b) Note that at September (Month 6) the authority's Housing Revenue Account is reporting a balanced position.
- c) Note that at September (Month 6), the DSG budget is projecting an in-year pressure of £15.1m which equates to 2.73% of the total estimated DSG funding.
- d) Note that known inflationary increases, including demand and demographic pressures in Social Care and known impacts of the rising cost of living have been incorporated into this reported financial position. The 2024/25 pay offer has now been agreed for both JNC and NJC staff, and the JNC element was included in September's payroll and is reflected in directorate dashboards. The council expects to pay the NJC element in December's payroll and these additional costs and associated mitigations will be shown in dashboards once payment is processed. Inflationary pressures will continue to be reviewed during the year and reported to future Executive Board meetings as more information becomes available. Proposals will need to be identified to absorb any additional pressures.
- e) Note that where an overspend is projected, directorates, including the Housing Revenue Account, are required to present action plans to mitigate their reported pressures and those of the council's wider financial challenge where possible, in line with the Revenue Principles agreed by Executive Board in February 2024 through the annual Revenue Budget report (details at Appendix 11 of the linked document: 2024-25 Revenue Budget and Council Tax Report.)
- f) Note the delay in the go live date of the new MS Dynamics Finance System and that the council continues to work to minimise additional costs and further delays, whilst ensuring sufficiently robust testing for effective implementation. An update to be brought to Executive Board with the revised timescales.

What is this report about?

- 1 This report updates the Board on financial performance against the council's 2024/25 General Fund revenue and Housing Revenue Account budgets for the first quarter of the financial year. Budget monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations as at September (Month 6) 2024/25.

- 2 Executive Board will recall that the net revenue budget for 2024/25 was set at £622.0m. The Medium-Term Financial Strategy assumes a balanced budget position for 2024/25 after the application of Government funding, the delivery of savings and the utilisation of earmarked reserves.
- 3 The balance brought forward on the council's general fund reserve at 1st April 2024 was £36.2m. The reported position assumes a £1.5 contribution to this reserve as part of measures taken to ensure financial robustness and sustainability in the future.
- 4 At September (Month 6) directorates are reporting an overspend of £22.9m (3.7% of the approved 2024/25 net revenue budget), and the HRA is forecasting a balanced position. In addition, the DSG budget is projecting an in-year pressure of £15.1m which equates to 2.73% of the total estimated DSG funding.
- 5 As noted in the summary above, the revenue position reflects a national picture whereby local government finances are in a critical state.
- 6 The Council's Medium Term Financial Strategy and the 2024/25 Revenue Budget report, approved by Council in February 2024, detail how the budget (both revenue and capital) aligns with the council's Best City Ambitions. With regard to this reported Month 6 revenue position and given the requirement to deliver a balanced budget position at year end, it is not considered that this current position will have any implications for the planned delivery of the Council's Best City Ambitions.
- 7 Directorate positions are summarised in Table 1:

Table 1: Summary position at September (Month 6), financial year 2024/25

Summary Position - Financial Year 2024/25

Directorate	Director	(Under) / Over spend for the current period				Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Caroline Baria	(3,819)	9,674	(1,728)	7,946	7,946
Children and Families	Julie Longworth	(2,606)	27,305	(8,459)	18,847	18,847
City Development	Angela Barnicle	(1,904)	(36)	1,234	1,198	0
Communities, Housing & Environment	James Rogers	(1,063)	(1,877)	1,877	(1)	0
Strategy & Resources	Andy Dodman/ Victoria Bradshaw	2,862	4,590	(1,995)	2,594	2,703
Strategic	Victoria Bradshaw	2	(5,347)	(2,338)	(7,685)	(7,539)
Total Current Month		(6,526)	34,309	(11,408)	22,899	21,958

Previous reported (under)/over spend	(5,269)	32,422	(10,468)	21,958
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- 8 This position reflects the demand and demographic pressures being experienced in social care. It also reflects the latest projections with regard to known inflationary pressures in respect of the costs of electricity, gas, fuel and the impact of the cost-of-living pressures on our residents and businesses which has significantly affected the cost of goods and services the council procures, demand for support and welfare services the council provides, and the activity levels that support a wide range of income streams. These will continue to be monitored throughout the year, as will any further increases in interest

rates and their impact on the council's financial position. The position shown reflects the agreed JNC pay award and budgeted assumptions regarding a 3.5% pay increase for NJC staff, pending payment of the NJC pay award in December following agreement on 22nd October. Where the agreed pay increase exceeds budgeted assumptions, directorates will be required to identify mitigations.

9 Four key messages continue to be reiterated to staff to remind everyone of the part we all have to play in supporting the financial position:

- **Stay within budget** – reduce discretionary spend and minimise recruitment, including agency and overtime.
- **Absorb in-year pressures** – directorates required to absorb all in-year pressures.
- **Highlight issues early** – use the budget monitoring process to raise issues with Financial Management as soon as possible.
- **Robust monitoring is essential** – includes detailed discussion at relevant monitoring meetings.

10 In addition, given the forecast revenue overspend position reported here, the council's Corporate Leadership Team has agreed to continue the freeze on recruitment, agency and overtime spend introduced in 2022/23 and to further strengthen these controls which include the following:

- No travel is being undertaken unless it is required for the essential delivery of a service or in very exceptional circumstances; all meetings, where possible, should be conducted remotely / in the employee's place of business (with no travel costs incurred to attend a meeting if this meeting could be held remotely and; no conferences or training courses should be attended where these require travel either through mileage or public transport.
- With a number of exceptions e.g., social work roles, a complete recruitment freeze is now in place.
- Tighter controls are in place in respect of Agency and Overtime. All Agency Staff are being reviewed and Overtime needs to be consistent with the exception requirements to the recruitment freeze.
- All spend that is not critical for the delivery of a service is not to be incurred. To deliver this requirement all orders need to be approved and no spend is to be incurred on Purchase Cards unless this is critical to the delivery of the service. Purchase Card Levels have been reduced to "zero" in the majority of cases and only those approved by the respective Directors remain in use;

and these messages feature regularly in corporate, directorate and service communications.

11 The reported position incorporates ongoing cross-directorate work to support and challenge the highest cost/spend areas, such as Children Looked After, Transport and LBS and actions by services to maximise income. Asset reviews continue to ensure the council has the right numbers and mix of assets and directorates continue to consider where future year savings options identified as part of the Financial Challenge to meet the MTFs funding gap could be brought forward to generate savings during 2024/25, including income generation, additional non-essential spend savings and savings resulting from reviews of key areas of expenditure which both reduce activity levels and rationalise service provision.

12 Financial monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are deemed to be at risk, for example the implementation of budget action plans and those budgets which are subject to fluctuating demand and key income budgets. This is reinforced through specific project management-based support and reporting around the achievement of key budget actions plans. It is due to the robustness of this monitoring that the projected overspend was identified so early in the financial year, enabling action to be taken.

What impact will this proposal have?

13 The budget proposals contained in the 2024/25 Budget have, where appropriate, been the subject of the Council's Equality Impact Assessment process and mitigating measures put in place or planned where appropriate. As such, an Equality Impact Assessment was provided at Appendix 6 to the 2024-25 Revenue Budget and Council Tax Report.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 14 The Best City Ambition is the strategic plan which sets out the ambitions, outcomes and priorities for the City of Leeds and for the local authority. The Three Pillars of health and wellbeing, inclusive growth and achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the council's policies against financial constraints.
- 15 This is the primary purpose of the Medium Term Financial Strategy which provides the framework for the determination of the council's annual revenue budget. This report needs to be seen in the context of the requirement for the authority to be financially sustainable and deliver a balanced revenue budget position in 2024/25 so that resources can continue to be targeted at the council's priorities.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 16 This is a factual report and is not subject to consultation. Public consultation on the Council's revenue budget proposals was carried out between December 2023 and January 2024 and is detailed at Appendix 1 in the 2024-25 Revenue Budget and Council Tax Report presented to this Board in February 2024.

What are the resource implications?

- 17 This is a financial report and as such resource implications are detailed in both the report and the accompanying appendices.

What are the key risks and how are they being managed?

- 18 The reported budget position is considered in the context of risk to both the in year financial position and the potential impact on the Council's Medium Term Financial Strategy. These risks are included on the Council's corporate risk register, reported to this Board annually and updated regularly. At July 2024 both the risk of the in year financial position being in deficit and the Council being unable to balance the Medium Term Financial Strategy were rated 'very high', reflecting the wider national context and the uncertainty of funding for future years.
- 19 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget judged to be at risk such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this approach, specific project management based support and reporting around the achievement of key budget actions plans continues to be in place for 2024/25.
- 20 This position reflects the agreed JNC pay award and a budgeted 2024/25 pay increase of 3.5% for NJC staff. The NJC pay award was approved nationally on 22nd October but the costs after associated mitigations is not yet known. Further this position reflects the latest projections with regard to known inflationary pressures in respect of the increased cost of electricity, gas, fuel and the impact of the cost of living pressures on our residents or businesses which has significantly affected the cost of goods and services the Council procures, demand for support and welfare services the Council provides, and the activity levels that support a wide range of income streams. These will continue to be monitored throughout the year as will increases on interest rates and their impact on the Council's financial position.

What are the legal implications?

- 21 The council has a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 22 Section 28 of the Local Government Act 2003 provides that the council has a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 23 In addition, the council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The authority's Interim Assistant Chief Executive – Finance, Traded and Resources has established financial procedures to ensure the council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Executive Board to receive information about the revenue budget as set out in this report.
- 24 The monitoring of financial information is also a significant contributor to meeting the council's Best Value legal duty and, therefore, this report also demonstrates compliance with that legal duty.
- 25 Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".

Options, timescales and measuring success

What other options were considered?

- 26 Not applicable

How will success be measured?

- 27 Not applicable.

What is the timetable and who will be responsible for implementation?

- 28 Work continues to address the financial challenges outlined in this report and to identify savings to reduce the level of projected overspend. Further updates will be provided in future Financial Health Monitoring reports to this Board.
- 29 The responsibility for identification and actioning of the necessary measures to ensure the delivery of a balanced budget are the responsibility of the Interim Assistant Chief Executive – Finance, Traded and Resources, working in conjunction with departmental directors. A balanced budget must be delivered at Financial Outturn 2024/25, with the outturn position due to be reported to the June 2025 meeting of this Board.

Appendices

- 30 The following appendices are attached to this report:
 - Appendix 1 - Financial Health Monitoring 2024/25 September (Month 6): detailed narrative regarding the financial outturn positions for directorates, the Housing Revenue Account HRA, Dedicated Schools Grant (DSG), Council Tax and Business Rates
 - Appendix 2 – Individual financial dashboards for directorates, DSG and the HRA

- Appendix 3 – Directorate Budget Action Plans
- Appendix 4 - Expenditure funded through Flexible Use of Capital Receipts

Background papers

31 None

Financial Health Monitoring 2024/25 Report– September (Month 6)

1. Directorate Positions at Month 6

- 1.1 The Directorate budget variations of £22.9m are summarised in **Table 1** and outlined below, with additional detail provided on the Directorate dashboards at **Appendix 2**.

Table 1: Summary position as at September (Month 6) Financial Year 2024/25

Summary Position - Financial Year 2024/25

Directorate	Director	(Under) / Over spend for the current period				Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Caroline Baria	(3,819)	9,674	(1,728)	7,946	7,946
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Total Current Month		(6,526)	34,309	(11,408)	22,899	21,958

Previous reported (under)/over spend	(5,269)	32,422	(10,468)	21,958
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1.2 Adults & Health

Adult Social Care 2024/25 Budget

Budget Overview

At Month 6 an in-year budget pressure of £7.95m has been identified with further details provided below. This is in line with the Month 5 budget monitoring report. Whilst the overall reported position at Month 6 is line with Month 5 a summary of the movement is provided in the table below:

Table 2: Summary of Budget Projection Movement (August to September)

	£k
Pay Budgets	(278)
Demand Budgets	(873)
Other Expenditure	(130)
Income Budgets (ALL)	1,282
Total	1

To maintain the £7.95m reported position, further delivery of £16.5m of action plans needs to be achieved over the remainder of the financial year. There is a high risk that this will not be achieved. This will become clearer from Month 8 onwards.

This is due to a mix of currently identified failing 2024-25 budget action plans and action plan savings targets that are not currently being seen in the financial data alongside additional in-year action plans to cover increased trend in the demand budgets. This is principally the increasing trend within the Working Age Adults cohort and specifically the Learning Disabilities and Mental Health groups that rolled through from Quarters 3 & 4 2023/24 financial year into 2024/25 and Quarter 1 2024/25 continuing growth. The pressure on the Older People's demand budgets and the increasing trend since pay run 5 should also be noted. Further details are provided below.

The £16.5m of action plans is a mix of £14.0m demand management, £1.2m additional (client) income and £1.3m regarding controlling agency and overtime spend. Significant risks remain, principally around the demand led budgets for which there is budgetary provision of £291m in 2024/25. Reflected in the 2024/25 budget are Budget Action Plans totalling £25.6m, of which £0.7m are now identified as cancelled, £1.5m are rated 'high risk' and £6.8m rated 'some risk'. Further analysis is provided below.

Immediate action will be taken to mitigate this in-year pressure; freeze on non-essential spend and review overtime and agency usage. A key area will be around reviewing demand spend for both Working Age Adults and Older People, and reviewing client income and partner contributions, principally Continuing Healthcare (CHC) and s117 contributions due under the Mental Health Act.

Budget Action Plans

Table 3: Summary of Budget Action Plans - Adults & Health

ADULTS & HEALTH SUMMARY			
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall / (Surplus) £'000s
Achieved	(9,784)	(10,839)	(1,055)
On track	(6,830)	(7,930)	(1,100)
Some risk	(6,822)	(6,822)	0
High risk	(1,500)	(1,500)	0
Cancelled	(700)	0	700
Total	(25,636)	(27,091)	(1,455)

The 2024-25 Adults & Health budget has 31 Budget Action Plans to deliver, amounting to £25.6m, split £13.4m relating to demand and market management, £10.1m for additional income, primarily client income, and £2.1m other budget savings.

At Month 6, 3 Budget Action Plans are identified as cancelled and undeliverable amounting to £0.7m and 2 Budget Action Plans amounting to £1.5m have been identified as high risk. The Directorate's Departmental Leadership Team is developing alternative options to mitigate the pressure.

A further 5 Budget Action Plans amounting to £6.8m have been identified as having some delivery risk attached to them over the remainder of the financial year. Full details are provided in the Adults and Health Month 6 Budget Action Plan report at **Appendix 4**.

Achieved and On track Action plans are projected to over-deliver by £2.2m and these relate to £1m higher than anticipated levels of client income and £0.6m additional savings from the Home First Newton Europe discharge from hospital programme, £0.5m from review of CHC packages for Older People and Working Age Adults and £0.1m additional savings from contracts and 3rd Sector agreements, taking the full savings from this programme to £3.6m for 2024/25. As such the summary position for the 2024/25 Budget Action Plans is an over recovery of £1.5m.

Demand Budgets

Adults Social Care demand budgets for 2024/25 are £316.4m, split £290.7m for social care, £2.3m for internally provided services and £23.4m for strategic commissioning. At Month 6, the variance on provider services was nil and for strategic commissioning £3.4m. The detail provided below is the analysis for Social Work & Social Care, the main area for demand.

The 2024/25 Social Work & Social Care demand related budgets reflect £28.9m of additional funding for price, inflation and demand & demography growth, taking the overall size of the demand led budgets up to £304.1m before reducing to £290.7m after accounting for the £13.4m approved 2024/25 demand related Budget Action Plans above and £1.1m demand budget reinvested into front line social work staffing.

The Month 6 projection is a pressure of £15.8m, a £0.1m adverse movement on the Month 5 reported position, and relates to higher trend from 2023/24 continuing into 2024/25, further increased demand in Quarter 1 in the new financial year around the Working Age Adults (18 – 65) cohort and, more specifically, the Learning Disability and Mental Health cohort and a recent increase in demand for the Older People cohort, +29 at pay run 6 and a further +19 for pay run 7.

The £0.1m adverse movement in the Month 6 position is a £0.3m pressure for Learning Disability, Mental Health, and Learning Difficulty projection, offset by a £0.2m improvement for Older People and Working Age Adults Physical Impairment. There has been no change in the action plan savings target detailed below.

It should be noted that the £15.8m pressure assumes further delivery of £14.0m action plans which are not currently showing in the finance data, which reflects no change from the Month 5 reported position.

Table 4 presents the pressures based on spend by category and shows movement from the reported Month 5 position.

Table 4: Demand Budgets Projections

	LE 24-25 £	Month 6 £	Variance £	Month 5 £	M/ment 6-v-5 £
Head of Service - (Working Age Adults)					
Learning Disability	118,313,000	131,826,764	13,513,764	131,914,703	(87,939)
Mental Health (WAA)	24,628,000	27,955,438	3,327,438	27,599,774	355,664
Learning Difficulty	735,000	769,720	34,720	710,602	59,118
Staffing & Running costs (MH / LD)	457,000	457,000	0	457,000	0
Total Working Age Adults Demand Bu	144,133,000	161,008,922	16,875,922	160,682,079	326,843
Head of Service - (Older People)					
Older People	118,334,000	130,874,127	12,540,127	130,892,947	(18,820)
WAA PI	28,210,000	28,667,670	457,670	28,971,230	(303,560)
Drugs, Alcohol & Other	2,587,000	2,387,466	(199,534)	2,338,003	49,463
DP Audit Recovery Income	(2,600,000)	(2,600,000)	0	(2,600,000)	0
Staffing & Running costs (PI / Older)	94,000	184,000	90,000	184,000	0
Total Older People Demand Budget	146,625,000	159,513,263	12,888,263	159,786,180	(272,917)
TOTAL DEMAND	290,758,000	320,522,185	29,764,185	320,468,259	53,926
Figures above prior to Action Plan Credits					
Action Plan entries	0	(13,992,000)	(13,992,000)	(13,992,000)	0
Month 6 Reported Demand Pressure	290,758,000	306,530,185	15,772,185	306,476,259	53,926

The modelling for Older People assumes numbers at Month 6 continuing at that level for the remainder of the year: one in one out. For Working Age Adults, the modelling takes current numbers and then takes account of adolescents transferring into adulthood from Children & Families and the full-year effect of people who came into care in 2023/24 financial year. This is prior to the £14.0m action plan adjustment shown.

Income

At Month 6, Adult Social Care is projecting additional client income of £0.8m, a £1.4m reduction from the Month 5 reported position. The write down is a mix of reducing client income for In-House Services and Telecare, £0.3m, non-delivery of the Deputy and Estates Appointeeship Budget Action Plan £0.1m and taking account of the high issuance of credit notes over the year to date £1.0m in Social Work & Social Care across all provider settings.

This includes part of the delivery of £1.1m of action plans over the remainder of the year, primarily around increased collection of client contributions, with the rest being from other external income.

Table 5 Service User Income Month 6 – 2024/25

Level 3 Description	Current Budget	Actual to Date	Proj. P6	Total (under) / over spend	Proj. P5	Varinace between mths
Health Partnerships	0	0	0	0	0	0
Provider Services	(3,901,000)	(1,906,835)	(3,004,330)	896,670	(3,063,330)	59,000
Resources and Strategy	(382,000)		0	382,000	(332,000)	332,000
Social Work and Social Care Services	(56,880,000)	(9,404,263)	(58,969,496)	(2,089,496)	(59,963,525)	994,029
Strategic Commissioning	(65,000)	41	(37,000)	28,000	(37,000)	0
TOTAL	(61,228,000)	(11,311,057)	(62,010,826)	(782,826)	(63,395,855)	1,385,029

As most of this income relates to a financially assessed charge there is a continuing risk that this level of income will not be achieved.

Pay

Adults and Health at Month 6 are projecting pay savings of £3.8m, principally around Social Worker and Provider Services pay costs. Recruitment of key skilled workers is still a significant operational challenge, principally around Social Workers, Occupational Therapists and Wellbeing Workers. The £3.8m is comprised of savings on basic pay of £7.4m, offset by additional spend on Agency, £2.9m and Overtime, £0.4m. This assumes delivery of £1.3m of in-year action plan savings on agency and overtime. Other pay costs are £0.3m over budget but this is covered by additional grant income. This projection includes costs of £0.6m covering the second payment of the social worker loyalty payment of £1,500 which was paid in June 2024.

Other

Included in the demand led pressures above are Civic Enterprise Leeds (CEL) pressures of £0.6m for Passenger Transport and other CEL pressures of £0.1m catering costs for in-house provision and £0.2m for cleaning and vehicle charges.

Public Health 2024/25 Budget

Public Health (PH) Grant funding for 2024/25 is £49.7m; an increase of £1.0m from 2023/24 (2.1%). This is the second year of an announced two-year grant funding settlement for Public Health. Public Health grant is a ring-fenced account and restricted by specific terms and conditions. At Month 6 we are projecting a balanced position. Other funding streams for 2024/25 are £8.4m Additional Substance Misuse funding and £1m Stop Smoking funding.

1.3 Children and Families

The current year-end forecast for the Children and Families directorate is an overspend of £18.847m. This position remains unchanged from the position reported at Month 5.

Overall, the main variations to budget included within this Month 6 position are:

	£m
CLA: External Residential Placements	9.276
CLA: Staffing savings	(1.203)
CLA: IFA Placements	3.178
Semi Independent Living	0.704
Secure Welfare	(0.974)
In house Carers	0.477
Other CLA	0.477
Other Social Staffing	0.275
Transport	3.719
Learning	0.870
Children's Centres	0.684
Child Health and Disabilities (CHAD)	0.617
Legal	0.400
Other Variances	0.347
Total	18.847

This position is based on current CLA placement numbers and costs, remaining at the 'as is' position and therefore this methodology results in cost increases over and above the established budget but does not reflect any further increases in placement numbers or cost.

The number of children looked after has remained high during a time of further austerity and pressure on public sector finances. Children and young people's needs are complex and there are not always enough of the right homes and support at the right time to accommodate needs. Children looked after need good quality care, close to their communities, but there is currently not the right mix of care available for these children. Children and Families have developed a CLA Sufficiency Strategy, agreed by Executive Board in June 2024, which will support investment in early help, family-based solutions, permanency planning, fostering and local children's homes, to ensure there is greater control of the future cost, quality and outcomes for children and families.

The Sufficiency Strategy includes a three-year implementation plan focusing on fostering, residential and semi-independent ambitions. The plan sets out the direction of travel for the next three years and details target numbers required for each type of provision. The implementation plans will outline what is needed, by when and who is responsible. These plans will be monitored monthly and financial projections will be updated based on progress against the delivery of these plans.

Work on delivering the changes required to ensure that the Sufficiency Strategy is fully delivered is underway and benefits are now beginning to be seen, both in terms of financial impact and beneficial outcomes to children and young people. This does though then need to be balanced against increasing demands for support. Examples of the outcome of the work now include:

- The overall number of CLA and Children in Need at month end has reduced for the first time in an extended period, indicating that practice changes focussed on

preventing family breakdown are impacting upon overall numbers of children supported.

- Work on reunification is now seeing Leeds children, in appropriate circumstances, returned to stable homes within the city resulting in lower use of residential support (for that cohort).
- The initial Small Group Living Homes that the Council has invested in are now at various stages of outcome:
 - Seven homes have been bought, refurbished (where necessary) and staffing structures put in place and have Ofsted registration or are awaiting it.
 - Four homes now have young people accommodated, which has resulted in external placements for those young people coming to an end.
 - One home is approaching the end of the house purchase process.
 - One additional home is 'under offer' and approvals will shortly be in place for a further additional home and site search can progress.
- Work in relation to securing additional capacity (jointly with Housing Services) for semi-supported accommodation continues with main building alterations completed and this is expected to come on stream early in January 2025. Matching of young people to this accommodation is in place.
- Work is underway considering potential methods of working in partnership to deliver much needed residential capacity and market sounding exercises are underway to support that potential workstream.
- The Directorate's approach to Family Help is agreed and revised staffing arrangements have been put in place. Staff are being assimilated and recruitment to roles is nearly complete.
- Approaches to marketing, recruiting and retaining foster carers are agreed and October saw a marked increase in the number of potential foster carers approaching the Council. This is supplemented by enhanced partnership working with a range of organisations across the City promoting foster caring to employees and customers.

A continuation of this work and the potential to upscale it will form part of a savings proposal to be presented to Executive Board in December 2024.

In addition, the Directorate continues to participate in the council's overall response to mitigating cost pressures and is engaging in corporate processes which seek to identify savings through incurring critical spend only, vacancy control and minimising recruitment (where possible) and income maximisation.

External Residential Placements:

The External Residential budget for 2024/25 is £37.704m. Due to known inflation and demand pressures over and above what was assumed in the approved Budget there is a projected overspend of £9.276m. External Residential placements are currently at 148 against budgeted placements of 102. This pressure is partially offset by CLA staff savings against the Small Group Living staff budgets. This position includes (£3.013m) of mitigations to be delivered in the remainder of the year. Of these (£1.6m) of reunification savings have been identified. The remaining (£1.413m) of mitigations will include further reunification and small group living savings based on latest plans.

CLA Staff Savings:

The pressure against External Residential Placements has been offset by savings across CLA staffing budgets (£1.203m). The majority of this saving is due to the timescales for the development and opening of the new small group living homes.

IFA Placements:

The Independent Fostering Agency placement budget is projecting an overspend of £3.178m. As at Month 6 there are 237 IFA placements.

Transport:

The overall transport budget is showing a projected overspend of £3.722m due to increases in demand and a shortfall against budgeted savings.

Learning:

Within Learning there is an overall projected overspend of £0.870m. This mainly relates to pressures against both the Education Psychologist team of £0.157m and the SENSAP team of £0.125m, reduction of traded/DSG income of £0.487m and other additional staff costs of £0.149m.

Budget Action Plans

The budget for 2024/25 included general fund action plan savings of £23.050m which includes 2024/25 budget savings, new 2024/25 mitigating savings plans and any carried forward unachieved savings from 2023/24. The Month 6 position assumes that £16.734m of general fund savings will be achieved and the remaining £6.316m will not be delivered. Of those currently assumed as achieved the following risks are highlighted:

- The VLS target of £2.25m is assumed fully achieved. The full-year effect of savings will achieve this target in 2025/26, however in 2024/25 due to the part-year effect of savings there is a £720k gap. Further work is being carried out to identify one-off mitigating savings to offset this. At this stage this is assumed to be achievable within the projections.
- The commissioned services target of £1.569m is assumed to be fully achieved; however, there is currently a shortfall of £549k in 2024/25, £180k of which is due to the part-year effect of savings achieved during 2024/25. Further work is ongoing to identify mitigating savings and at this stage this is assumed to be achievable within the projections.
- The non-essential spend target of £1m is assumed fully achieved, but this will need to be delivered against multiple budgets during the year so there is a degree of risk this may not be achieved.

For awareness the budget action plan savings reported at Quarter 1 also included unbudgeted pressures which did not have a defined action plan. For clarity of reporting only the agreed savings targets are now included against budget action plans in line with the general reporting across directorates. Any unbudgeted pressures are now discussed in the general financial position.

Dedicated Schools Grants

The approved DSG budget for 2024/25 assumed a balanced in year budget. The position at Month 6 projects an in-year pressure of £15.142m (£14.869m general DSG and £0.273m relating to de-delegated funds) which equates to 2.73% of the total estimated DSG funding.

This projected pressure is within the high needs block and assumes the non-delivery of a £3.4m action plan saving. The increasing pressure on the High Needs

Block reflects a continuing increase in demand and complexity of need in relation to Education, Health and Care Plan (EHCP) provision and increasing costs associated with the provision of educational activity associated with CLA residential placements.

Work continues to be undertaken to determine if compensatory savings are available to offset the increasing pressure, however there is limited scope within the High Needs Block given the overarching context of demand.

DSG reserves at the end of 2024/25 are projected to be a deficit of £12.813m. This comprises a deficit of £13.377m for general DSG offset by a £0.564m contingency for de-delegated contributions.

This negative reserve position is allowed for within the management arrangements for the DSG by Local Authorities by means of a 'statutory override' to the requirement for the DSG to remain balanced. The Council is now working with the Department for Education on producing a 'DSG Management Plan' which will form the basis of work to seek to bring the DSG to a more balanced position over time. Whilst the DSG Management Plan will potentially assist in the medium term, the increasing level of deficit is however an issue that needs careful consideration and needs to be considered within the overall context of the Council's financial arrangements.

1.4 **City Development**

The projected year end financial position for City Development at Month 6 is an overspend of £1.2m across the directorate.

As reported in previous months, there are a number of risks within individual service areas and this position reflects a review of risks, pressures and in-year savings at the half year point, based on the latest information and assumptions about the year end position. There are still some areas of risk within individual service areas, as described below, but it is anticipated that these potential pressures will largely be mitigated through the implementation of action plans to achieve the reported position.

The main variations currently anticipated are:

- **Active Leeds** – the service is projecting a year end underspend of £1.05m. This largely reflects assumptions around additional income at facilities in respect of memberships and swimming lessons (£0.95m), although income forecasts are subject to a degree of variability throughout the year. Additional staffing costs of £0.37m including the use of additional overtime at facilities are expected to partially offset this additional income, although further running cost savings of £0.47m across facilities are also anticipated.
- **Arts & Heritage** – an underspend of £0.13m is currently forecast. This reflects anticipated net income shortfalls totalling £0.32m in respect of café/retail income at Museums and Galleries sites, Breeze card charges, box office income and room hire charges offset by savings of £0.24m from vacant posts across the service. In addition, it is anticipated that £0.1m savings will be identified from the Culture programmes budget and further running cost/income savings of £0.1m will be identified within Museums and Galleries to achieve the forecast position.

- **Asset Management & Regeneration** – a balanced position is currently projected for the service. Although there are pre-existing pressures in respect of the Strategic Investment Fund (£0.66m) and Estate Rationalisation savings targets (£0.43m), these are expected to be partially offset additional fees relating to capital receipts (£0.74m), additional rental income (£0.1m) and an assumption that the remaining shortfall will be achieved from additional one-off sources of income (£0.25m).
- **Employment and Skills** – a projected underspend of £1.2m reflects staffing savings of £0.25m which includes vacancies and the identification of substitute funding and one-off balances in respect of programmes which have now concluded.
- **Highways and Transportation** – pressures totalling £1.57m are currently forecast across the service. These include a shortfall in fee income from capital schemes resulting from vacancies particularly in respect of Civil Engineering and the West Yorkshire Mass Rapid Transit scheme, a shortfall in budgeted income from the major scheme contractor procurement framework and in respect of network management fees and slippage in planned savings from the Voluntary Leavers Scheme. Whilst running cost savings of £0.5m have been identified to date to partially offset these pressures and the service will continue to look to mitigate these pressures where possible, it is anticipated that there will be an overspend of £1.07m at the year end.
- **Markets and City Centre Management** – a variation to budget of £0.73m for the Markets service mainly reflects an estimated shortfall of Markets income resulting from vacant units mainly within the Kirkgate and Outdoor markets. In addition, total income shortfalls of £0.38m are projected within City Centre Management in respect of city centre advertising income, income from street café licences and from promotional event spaces in the city centre.
- **Planning & Sustainable Development** – the forecast position at this stage of the year is an overspend of £1.87m. This includes staffing pressures of £0.57m, mainly due to the projected shortfall in meeting the budgeted vacancy factor and a shortfall in Biodiversity Net Gain income of £0.2m, partially offset by other minor sources of income. In addition, based on income received in the first six months of the year, it is highly likely that the budgeted level of planning fee income will not be achieved. Although income received to date represents a slight improvement over the same period last year, it has not increased to the extent anticipated and a shortfall to budget of £1.2m is currently forecast. The income is demand led and reflects economic conditions and is subject to variability month to month. There is therefore scope for the position to improve should activity levels increase in the second half of the year and the position will continue to be closely monitored as the year progresses.
- **Resources and Strategy** – an underspend of £0.45m is currently forecast. This mainly reflects the identification of further actions across the directorate to mitigate service pressures and achieved a balanced budget at the year end. These include:
 - reviewing areas of non-essential spending
 - reviewing the level of fees and charges where appropriate
 - maintaining strict vacancy controls

Budget Action Plans

The 2024/25 budget included £7.8m of new savings plans. It is anticipated that whilst there are a number of areas which involve an element of risk, most are on track to be delivered or mitigating savings have been found to offset the potential shortfalls. Where the planned savings are not expected to be achieved in full, these are reflected in the individual service projections reported above.

In addition, further in-year actions have been identified within individual service areas to mitigate service pressures as well as further cross-cutting actions shown within Resources & Strategy to help achieve an overall balanced budget at the year end. These are currently being progressed but if any of these are not achieved in full, this may impact on the reported position.

1.5 Communities, Housing & Environment

At Month 6, the directorate is projected to manage net spend within the approved budget despite a number of challenging pressures that have arisen. There are some areas of risk that will be monitored closely as the year progresses – most notably in relation to the costs of pay inflation, waste disposal, benefit subsidy loss and external funding streams.

Staffing projections assume that existing staffing levels will be maintained for the remainder of the financial year (apart from known VLS leavers and a couple of specific action plans), with only essential vacancies subject to release.

Most CHE service areas are projected to be on or below their budgetary provision for 2024/25, but for this to happen a number of specific budget actions will need to be achieved. The key issues within each service area are:

- **Environmental Services +£2.0m** – The volume of tonnes presented for disposal or recycling through kerbside collections or at Household Waste Recycling Centres (HWRC) each month is extremely volatile. Likewise, the prices received for distinct types of recyclable goods can significantly vary month by month. The Month 6 projection is based on four months of tonnage data, and at this early stage of the year a disposal cost underspend of £0.3m has been projected against the budgeted tonnes/prices. This underspend position does assume that the savings identified from starting to collect glass in green bins and through better sorting at HWRC are delivered. The Cleaner Neighbourhood and City Centre teams are on track to overdeliver against the £0.6m budget action plan target for staffing/transport reductions with a £0.3m staffing underspend projected. Refuse collection and Household Waste Recycling Centre staffing costs are higher than budgeted for the first four months of the year, and an overspend of £2.2m has now been projected for 2024/25. A £0.1m pressure has emerged for city wide weed spraying with a further £0.3m of cost pressures identified at closed landfill sites and Household Waste Recycling Centres.
- **Statutory Housing Services -£0.1m** – Projected staffing underspends of £0.4m are partially offset by a corresponding £0.3m reduction in income. Significant growth in the number of families requiring support with temporary

accommodation is expected to cause a pressure of £1.1m in 2024/25, however a one-off funding solution for this significant demographic change that is affecting many other local authorities has been identified.

- **Elections, Licensing and Registration and Environmental Health -£0.1m –** Income pressures have been identified on Land and Property Searches (+£0.1m). These costs are expected to be fully offset by -£0.1m of staffing underspends and -£0.1m of Registrars income.
- **Customer Access -£0.1m -** Cost pressures of £0.3m from non-achievement of the vacancy factor at the Contact Centre are projected. This has been offset by staffing underspends at community hubs and the central library, giving a small underspend overall.
- **Welfare and Benefits -£0.5m.** Like many other Local Authorities, over recent years the Council has experienced significant growth in the Housing Benefit subsidy loss arising from an increased need to place people in Temporary Accommodation or in Supported Accommodation with providers who are not registered. The latest Housing Benefit caseload for claims in payment suggest that the budget is sufficient for current demand, however processing of additional claims is expected to give a pressure against the homelessness budgets assumed for Housing. Funding for the Household Support Fund has now been confirmed for the second half the year, new burdens funding is expected to be £0.1m better than budgeted and funding has been identified for £0.4m of costs.
- **Safer Stronger Communities -£0.1m –** Staffing pressures at Leeds Watch (+£0.2m) and community centre site closure income pressures (+£0.1m) have been offset by other staffing underspends and utilisation of new funding streams.
- **Climate, Energy and Greenspaces -£0.3m.** Significant income pressures across several areas have been experienced, which are mitigated by projected savings on staffing. Income from Bereavement Services is projected to be +£0.3m below the budgeted level due to increased use of Direct Cremations. Attractions income is trending +£0.2m below the budgeted level due in part to the fire at the Temple Newsam Play Barn which has delayed opening. Delays to the introduction of charges at car parks may cause a pressure +£0.3m and other expenditure/income pressures of +£0.2m have arisen in Forestry and Public Rights of Way. However, underspends on staffing should fully offset these pressures and an underspend of £0.3m has been projected for 2024/25.
- **Car Parking Services -£0.7m -** Income has continued a significant recovery trajectory since COVID lockdowns and is on track against the budget for 2024/25 in overall terms. Car Parking income surpluses of -£0.2m are projected with PCN/BLE income on budget overall and a -£0.2m underspend expected on staffing. Planned price increases from 1/10/24 should raise an additional -£0.3m in 2024/25.

Budget Action Plans

£8.1m of budget action plans are monitored each month and the latest projections assumed that there will be an overachievement of £0.3m against these plans. The progress can be summarised as:

- £4.1m of savings marked as 'achieved' as the action has been taken and there is no reason to believe that it will not deliver the required saving;
- £3.4m of savings marked as 'on track' as the action has been implemented (or is in progress for implementation) but the level of savings will not be known for certain until later in the year – and for these actions there is no reason to think that the savings will not be achieved;
- £1.1m of savings marked as 'some risk'. The new car parking charges at Parks attractions have been delayed with a potential pressure already assumed in the projected savings. The scale of income generated through the charge for a second bulky waste collection is unlikely to be known until much later in the year.

1.6 Strategy and Resources

Based on an examination of key risk budgets, the Strategy and Resource Directorate is forecasting a pressure of **£2,595k** at this reporting period. This is summarised into the following areas across the directorate's services:

- **Financial Services £50k:** The service is projecting an overspend due to; increased postage costs within the Revenues service of £135k (a saving from a new online service was budgeted for, however the benefits of this are now expected in 2025/26), bank charges being £55k higher than previously reported, and an additional £5k cost for converting data to be compatible with the new general ledger system. These costs have been offset against a forecast of additional (£140k) Court Fee Income (which remains a risk as it can be volatile each year and dependent upon the number of cases). An additional (£5k) on various other budgets offsets some of the pressures.
- **Procurement and Commercial Services £142k:** Income is lower than anticipated for Social Value, Private Finance Initiative and Capital income.
- **Integrated Digital Services £0k Balanced:** The service is projecting a balanced budget, including mitigations to resolve pressures of around £96k. Staffing underspends are offset by agency and contract staff costs.
- **Legal and Democratic Services and Information Governance (£401k):** Much of this underspend is related to staffing following the implementation of vacancy controls, along with restrictions on supplies and services spending and additional recharge income.
- **Shared Services (£283k)** An underspend has resulted from additional Core Business Transformation Capital income and income from the sale of equipment. Business Administration remains an area of risk, due to the demand for support within some other directorates, but the projection reflects the current understanding of staffing intentions and holding posts.

- **Strategy and Improvement (£141k):** This underspend is a result of staff savings due to vacancies held and savings from vacating the Chief Executive post earlier than originally anticipated (after additional interim costs), recharges to public health and a review of accruals. There is also additional internal income for staff time on projects.
- **Human Resources (£33k):** The projected small underspend is due to staffing savings and additional income.
- **School Crossing Patrol (£45k):** A small underspend in relation to staffing is currently anticipated.
- **Leeds Building Services (LBS) £1424k:** The pressure reflects the current understanding of the level of work likely to be commissioned by clients relative to the £80.2m required turnover and the consequent impact on the rate of return. This projection is at risk if client departments reduce their planned expenditure. The projection is also based on an examination of non-chargeable time and an assessment of accruals taken at the last year end and transport costs. The projection includes funding of £359k from Strategic Contingency for accruals taken at the end of the last financial year as an examination has determined the income for these accruals had already been received in 2023/24. The current position will be carefully monitored throughout the financial year to ensure the ongoing mitigation of underlying risks.
- **Corporate Property Management £600k:** This continued pressure reflects work on buildings to ensure health and safety compliance, statutory inspections and backlog repairs. The projection assumes that £600k will be funded by the Strategic Contingency Reserve to reflect the pressure on the statutory elements of expenditure.
- **Catering £102k:** The service is projecting a small overspend against this large budget. This is broadly due to a revised forecast for meal numbers following the receipt of September data.
- **Cleaning £0k Balanced:** A balanced position is currently anticipated, although this requires mitigation for the remainder of the year against staffing budget pressures.
- **Fleet £830k:** The Fleet position reflects the ongoing pressure of an aging fleet and inflation, the consequence of which is increased occasional hire costs to maintain front line service operations. There is pressure on the income budget, particularly in relation to MOT income. The use of vehicles across the authority is subject to review.
- **Security £0k Balanced:** A balanced position is currently projected, although this requires mitigation for the remainder of the year against staffing budget pressures.
- **Presto £350k:** £300k reflects a projected shortfall of income in relation to the Civic Flavour element of Presto. Internal income is reduced as the service is impacted by reduced orders due to restrictions on non-essential expenditure. £50k is a result of Meals at Home income pressures in comparison to the

budget. Whilst a review of pricing will mean a break-even position going forward, the pressure from the first part of the year is reflected in projections.

- **Facilities Management £0k Balanced:** A pressure in relation to the Joint Service Centres of £800k due to increased rent charges being greater than the grant income received under the Public Private Partnership (PPP) arrangement has been recognised and is to be funded from the Strategic Contingency Reserve. The remaining £250k pressure (£150k is due to a property savings target applied in previous years on the expectation of a centralisation of property services, and £100k due to an increase in the service charge for Merrion House) is also recognised as a corporate pressure outside the control of CEL and will also be funded from the Strategic Contingency Reserve.

Budget Action Plans

A total of £10.7m of budget action plans are monitored each month. At this stage of the year most are considered to be on track, but with some risk attached to the delivery of the £2m savings within Shared Services due to increasing demand for administration resource in some directorates. There is a high risk in regard to £80k of targeted income in the CEL service along with approximately £350k of efficiencies considered at some risk within fleet services due to the aging fleet.

Update on Implementation of the new Finance System

As outlined in the 'Core Business Transformation Programme – Progress Update Report' discussed at Executive Board on 18th September, the CBT Programme Team (supported by KPMG) have been working towards replacing the current in-house Finance system with a new, modern Cloud solution MS Dynamics. The team have been working towards a go-live date of 1st December, but it was recognised that this was still a challenging timeline and would be subject to regular reviews. A number of go-live stage gates were agreed as part of cut-over preparation, with the first stage gate review being at the Finance Steering Group on 17th October - this review assessed whether the following criteria would be met by the second stage gate planned for 13th November:

- User Acceptance Testing (UAT) completed to agreed standard
- Confidence in ability to execute technical cutover
- Rollback plan in place
- Resources for cutover period confirmed
- Business Readiness

It was noted by the Steering Group that:

- A number of design issues remain outstanding (majority identified during later stages of the project)
- UAT was in progress, but would not be completed by required date (31st October)
- Rollback and cutover plans had not yet been finalised
- Business readiness - development of training materials behind schedule due to delays with UAT

In accordance with the Board's commitment to ensuring the new system is robustly tested to ensure any defects impacting on accounting integrity are identified and resolved, and that users are adequately trained, it was agreed by Steering Group

on 17th October that we would not be in a position to go-live with the new solution on 1st December. The Programme Team are currently identifying revised options which will be discussed with CBT Board on 31st October. There is a high level of confidence in the new system, but the current financial challenges along with external audit deadlines that have been imposed on the Council has created significant workloads for Finance staff and it has been acknowledged that timelines have to be realistic and take into account the capacity of staff whose experience and specialist knowledge is essential both for BAU and project work.

Further updates will be provided to Executive Board with a revised implementation date.

1.7 Strategic & Central Accounts

The projection for the Strategic and Central Accounts at September (Month 6) is an underspend of £7.7m. This largely reflects the release of £7.315m of reserves to revenue to offset anticipated delays in the delivery of savings in both Adults & Health (£0.675m) and Children & Families (£6.640m), where it is anticipated that these savings will be delivered by 2025/26.

Within Strategic budgets, the debt budget is projected to underspend by £0.8m. However, this has been offset by expected pressures in the level of IAS19 costs chargeable to the Public Health budget of £0.4m. There are also a number of other minor variations across Joint Committees, Strategic and Miscellaneous, amounting to a net pressure of £0.1m.

1.8 Budget Action Plans

The budget for 2024/25 requires the delivery of £63.9m of savings. In addition, directorates have identified a further £15.9m of General Fund savings actions since the Budget and £3.4m relating to DSG. Detailed budget action plans have been developed to identify how these savings will be achieved and progress against these action plans will be monitored and reported throughout the year. Further detail is provided at **Appendix 4**.

At September (Month 6) it is anticipated that the majority of savings will be delivered in full through the identified saving plans or through mitigating actions identified by each Directorate, however £4.4m delayed delivery of savings has been identified against General Fund action plans and is reflected in the reported directorate positions except where noted:

- **Children & Families** – A £6.3m delay in delivery is forecast in the General Fund: £3.7m against budgeted actions and £2.6m against other savings measures.

Delays in budgeted savings relate to the Adolescent Support Service invest to save proposal £1.3m, review of Children's Centres £1.0m, Transport service review £0.8m, Unaccompanied Asylum Seeker Children Housing invest to save proposal £1.0m, review of Traded Services £0.3m, WYCA transport cost and income sharing £0.1m and Transport including independent travel training £0.02m, offset by CLA: Small Group Living (£0.8m).

Delays in other savings measures relate to the Turning the Curve 2023/24 savings £3.0m, Efficiency targets 2023/24 £1.3m, Childrens Centres 2023/24 savings £0.3m, and Passenger Transport allowances for foster carers £0.05m, offset by Reunification (£2.0m).

The anticipated delays are offset by use of £6.6m of reserves as mentioned at paragraph 1.7.

It should be noted that £12.6m of unbudgeted savings plans shown in Quarter 1 Budget Action Plans are no longer included but are discussed in the directorate's general financial position at paragraph 1.3.

- **City Development** – the overall position is a surplus of (£0.6m), whereby a shortfall of £0.8m against budgeted savings which includes Highways & Transportation review £0.3m, Mass Transit - additional income £0.2m and Biodiversity net gain income £0.2m, is more than offset by other mitigating savings measures which are anticipated to deliver more than planned by (£1.4m).
- **Adult & Health** – the overall position is a surplus of (£1.5m), whereby Achieved and On track Action plans are projected to over-deliver by £2.2m, relating to £1m higher than anticipated client income and £0.6m additional savings from the Home First Newton Europe programme, £0.5m from review of CHC packages and £0.1m additional savings from contracts and 3rd Sector agreements, offset by £0.7m of projected delays on 3 Budget Action Plans which will not be delivered in year: Widening the transition process for children to adults £0.5m, review of the supported bank account contract (direct payments) £0.15m and an Invest to save proposal for the Deputy and Appointeeships team £0.05m. These delays are offset by use of £0.7m of reserves as mentioned at paragraph 1.7.

Dedicated Schools Grants – A £3.4m delay in delivery of planned savings is reported against the DSG High Needs Block savings target as discussed at paragraph 1.3.

Where other directorates have indicated shortfalls regarding fully meeting their targeted budget action plans, they have largely identified other mitigating measures to offset these shortfalls, as explained in paragraphs 1.2 to 1.7. Some undelivered action plans will continue to be pursued in 2025/26.

1.9 **Measures to address the 2024/25 overspend position**

Throughout the year, staff are continuously reminded of their role in supporting the financial position, through ensuring they stay within budget, identify ways to absorb in year pressures, highlight any issues early and support robust monitoring.

Annual cross-directorate work continues to support and challenge the highest cost/spend areas. Asset reviews continue to ensure the council has the right numbers and mix of assets and directorates continue to consider where future year savings options identified as part of the Financial Challenge to meet the MTFs funding gap could be brought forward to generate savings during 2024/25.

Corporate Leadership Team has agreed to the continuation and strengthening of a range of measures which further reinforce controls on spending, including the following:

- No travel is being undertaken unless it is required for the essential delivery of a service or in very exceptional circumstances; all meetings, where possible, should be conducted remotely / in the employee's place of business (with no travel costs incurred to attend a meeting if this meeting could be held remotely and; no conferences or training courses should be attended where these require travel either through mileage or public transport).
- With a number of exceptions e.g., social work roles, a complete recruitment freeze is now in place.
- Tighter controls are in place in respect of Agency and Overtime. All Agency Staff are being reviewed and Overtime needs to be consistent with the exception requirements to the recruitment freeze.
- All spend that is not critical for the delivery of a service is not to be incurred. To deliver this requirement all orders need to be approved and no spend is to be incurred on Purchase Cards unless this is critical to the delivery of the service. Purchase Card Levels have been reduced to "zero" in the majority of cases and only those approved by the respective Directors remain in use.

2. Inflationary Pressures

- 2.1 **Pay Inflation** – The council's Budget allows for £25.3m of pay inflation in 2024/25. This increase includes £28.2m for the following elements: the agreed pay awards for 2023/24 and provision for 3.5% annual pay awards for both NJC and JNC staff in 2024/25. This Budget provides for the Real Living Wage increase to £12.00, resulting in an hourly rate of £12.00 at pay scale point 2 in 2024/25. A further £0.8m is provided for the additional cost of Enhancements, £0.6m regarding LBS pay standardisation and £0.08m for Member's Pay, offset by mitigation plans of (£4.5m). The 2024/25 pay offer has now been agreed for both JNC and NJC staff at 2.5% and £1,290 respectively, the NJC offer having been approved nationally on 22nd October. The JNC element was included in September's payroll and is reflected in directorate dashboards. The council expects to pay the NJC element in December's payroll, with an estimated additional budget pressure of £2.14m before the identification of mitigations. Costs and associated mitigations will be shown in their respective directorates once payment is processed.
- 2.2 **Voluntary Leaver's Scheme (VLS)** – The council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the council being able to deliver balanced budget positions. In 2024/25 to date, approval has been given, and reaffirmations have been received from staff, for 186.31 FTEs to leave the Authority in the current year through the Voluntary Leaver's Scheme (VLS) and Flexible Retirement (FR) as part of restructuring exercises. This will generate savings of £28.2m (before reconfiguration costs) over the five-year period up to and including 2029/30.
- 2.3 **Energy** – The council's 2024/25 Budget assumes a (£2.8m) reduction in costs - a reduction of 18.6% is assumed on gas and 10.6% on electricity in 2024/25 compared to the base budget in 2023/24, which provided for a significant increase in energy costs of 118.5% for gas and 64.0% for electricity at an additional cost of £10.7m. As energy costs are still higher than precedent times, the council continues to address these costs through an ongoing programme of work to reduce energy

consumption including: further LED installations; enhanced building management controls; further permanent or temporary building closures and partial building shutdowns; focused action at high energy consuming sites; delivery of further energy efficiency and decarbonisation capital schemes; progressing the delivery of major local renewables generation schemes.

The council's forward purchasing of energy continues to hedge the council significantly against the impacts of further volatility in the global markets but does not relate to the on costs such as distribution and transmission network charges, government levies.

2.4 **Fuel** – The average UK pump prices for diesel and unleaded petrol saw decreases of 13.55% and 13.67% respectively between September 2023 and September 2024. The 2024/25 budget had assumed a saving of (£1.0m), as fuel prices had fallen significantly during 2023/24. This will continue to be monitored and reported to this board.

2.5 **Cost of Living Pressures** – Further to the inflationary pressures detailed here, there has been a wider inflationary impact to the council due to the severity of increased cost of living on our residents and businesses. As expected, we have seen the impact of this in increased costs to the council for the goods and services that we procure, increased demand for support and welfare services, and reduced income across a range of services as Leeds residents and visitors choose to spend differently.

3. Reserves and Funding from Other Resources

General Reserve

3.1 Following the closure of the 2023/24 accounts, the council's general fund reserve stood at £36.2m. A contribution of £1.5m is forecast to be made to the General Reserve in 2024/25. This is a reduction to the budgeted figure of £3m due to the significant financial pressures the Council is facing. The available balance in this reserve is currently forecast to be £37.7m at 31st March 2025. This position will be reviewed during the year and a contribution to the General Reserve may not be possible this year.

Earmarked Reserves

3.2 A balance of £23.0m was brought forward on the Strategic Contingency Reserve at 1st April 2024. This reserve was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becoming more financially resilient. Subsequently £2.8m has been required from this reserve following a review of provisions required in the 2022/23 accounts, reducing the opening balance for 2024/25 to £20.2m. There is currently a planned net in year contribution of £0.3m to this reserve: a budgeted contribution of £5.9m and planned use of £5.6m. Planned use has increased by £0.4m since Month 5 in respect of lost revenue income arising from the sale of St George House £0.3m and Investment Portfolio debt recovery £0.1m. As such, the available balance in this reserve is forecast to be £20.5m at 31st March 2025.

3.3 The 2024/25 Budget established a £6.2m Social Care Contingency reserve in response to the significant risks regarding demand and cost pressures in both Adult

and Children’s Social Care. This reserve has been applied in full in this reported position to offset anticipated delays in the delivery of savings in both Adults & Health and Children & Families, as detailed in paragraph 1.8, where it is anticipated that these savings will be delivered by 2025/26.

- 3.4 The budget for 2024/25 also included a contribution of £3.0m to establish a new Strategic Resilience Reserve. This planned contribution has been applied to the in year position to reduce the overspend due to the significant financial pressures the Council is facing, however provision is to be made in the MTFs to contribute £3m to this reserve from 2026/27.

Funding from other Resources

3.5 Flexible Use of Capital Receipts

Under the Government’s guidance Local Authorities are allowed to use capital receipts for funding “expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”

Table 5: 2024/25 Flexible Use of Capital Receipts Quarter 2 Position

Directorate	Planned Spend 2024/25 £m	Year End Projection 2024/25 £m	Variation to Planned Spend £m	Planned Savings 2024/25 £m	Year End Projection 2024/25 £m	Variation to Planned Savings £m
Adults & Health	2.14	2.14	0.00	(4.25)	(4.25)	0.00
Children & Families	1.40	1.25	(0.15)	0.00	0.00	0.00
City Development	0.91	0.51	(0.40)	0.00	0.00	0.00
Communities, Housing & Environment	0.14	0.00	(0.14)	(0.14)	0.00	0.14
Strategic & Resources	7.12	5.42	(1.70)	(1.53)	(1.53)	0.00
Strategic/ Corporate	10.77	9.80	(0.97)	(2.94)	(2.94)	0.00
Grand Total	22.48	19.12	(3.36)	(8.86)	(8.72)	0.14

Full Council approved allocation of £18.9m of capital receipts in the 2024/25 budget to support further transformational work, with (£7.2m) of savings to be achieved in year through use of receipts. At Quarter 2 the Board is recommended to approve additional planned use of capital receipts of £3.6m bringing the total planned use for 2024/25 to £22.5m and planned in year savings to (£8.9m). The additional £3.6m comprises of bringing forward allocations of £1.0m which reflect slippage against budgeted use in 2023/24 and £2.6m which relates to new transformational spend identified post 2024/25 budget. The total “Planned Spend” is as shown at **Table 5** and the movements against the budgeted position are detailed below, with further detail at **Appendix 3**:

2023/24 Slippage £1.0m:

- £0.58m Core Business Transformation
- £0.36m IDS - Highways Enterprise Architecture system
- £0.08m Council Tax Automation

2024/25 New Projects £2.6m:

- £1.44m Additional Voluntary Leave Statutory Severance Costs
- £0.66m CBT Licencing and support staff
- £0.45m CBT Post Go Live – Fujitsu

At Quarter 2 the total projected use of capital receipts against this Planned Spend is £19.1m and this spend is anticipated to achieve (£8.7m) of savings in 2024/25 with further savings in future years. The £3.4m reduction against planned usage reflects both reductions in the funding required for some schemes and partial slippage in delivery of the CBT programme of £0.97m.

3.6 **Invest to Save/Innovation Funds** – The Invest to Save and Innovation Funds are designed to strengthen the Council’s longer term financial resilience. The Invest to Save fund is used for service improvements or transformational projects where a proof of concept has already been delivered and an initial revenue investment would directly generate cost reductions or income for the Council. The Innovation Fund is designed to provide pump-priming investment for those more conceptual schemes which need to be developed further. It is acknowledged that not all of these schemes will be successful. Any savings generated will be reflected in the directorate positions.

Table 6: Invest to Save/Innovation Funds Quarter 2

	£k	Year End Projected Spend £k	Year End Projected Savings £k	Initial Approved Spend £k	Actual and Anticipated Savings, up to 2029/30 £k
Total Funds at start of 2024/25	(4,648)				
Less Funds Committed before 2022/23	139				
Less Funds Committed 2022/23 - 2023/24:					
Children & Families	193	193	0	1,199	0
City Development	177	177	(150)	277	(1,100)
Communities, Housing & Environment	347	165	(50)	445	(150)
Strategy & Resources	35	35	(419)	513	(1,255)
Strategic	0	0	0	5	0
	753	570	(619)	2,438	(2,505)
Less Funds Committed in 2024/25:					
Communities, Housing & Environment	2,200	1,100	0	2,200	(4,700)
	2,200	1,100	0	2,200	(4,700)
Therefore Funds uncommitted and available	(1,557)				

As summarised in **Table 6**, the total funds available for Invest to Save and Innovation Fund schemes at the start of 2024/25 were £4.6m, of which £0.1m relates to funds committed before 2022/23 and a further £0.8m relates to funds committed between 2022/23 and 2023/24. At 2024/25 Quarter 2, the funds committed to date in year total are £2.2m leaving an uncommitted balance of

£1.6m. The only use of the fund approved to date in 2024/25 relates to the delivery of the customer contact transformation programme (£2.2m).

The total spend approved on schemes between 2022/23 and 2023/24 was £2.4m. The actual and anticipated savings on these schemes, up to 2029/30, is £2.5m, based on actual savings made in 2022/23 and 2023/24, projected savings for 2024/25, and anticipated savings for future financial years up to 2029/30. Schemes approved in 2024/25, have anticipated savings of £4.7m up to the financial year 2029/30.

4. Other Financial Performance

4.1 Council Tax

The Council Tax in-year collection rate at the end of September 2024 was 52.02%. This is 0.56% behind the September 2023 in-year collection rate of 52.58% and 2.41% behind the September 2019 in-year collection rate of 54.43%. Collection rates continue to be impacted as collectable rates increase each year but residents continue to struggle with the cost of living crisis. Collection rates continue to be lower than pre-pandemic levels and the collection rate target for 2024/25 has now been lowered to 98% in the fullness of time from the pre-pandemic levels of 99%, at a cost to the council of £4.2m. Collection rates continue to be monitored throughout the year.

The opening deficit on the Collection Fund is £5.592m, which includes the deficit from 2023/24. At the time of 2023/24 declaration these elements were estimated to be £2.298m and this amount will be repaid by the council, the Fire Authority and the Police in 2024/25.

Based on historical trends of growth, movements in discounts and local council tax support, it is projected that an in-year deficit of £2.664m will be generated in 2024/25 leaving a projected closing deficit on the collection fund of £8.256m. Leeds share of this projected closing deficit would be £6.935m, with the remainder being paid by the Fire Authority and the Police.

4.2 Business Rates

The Business Rates collection rate at the end of September 2024 is 55.53%, which is 0.31% lower than the September 2023 in-year collection rate of 55.85% and 0.69% below the September 2019 in-year collection rate of 56.22%, before the pandemic. This one month fall in collection rate compared to previous years requires further analysis and this will be completed over the coming month.

The budgeted collection rate for business rates is to achieve an in-year target of 97.7%, collecting £365.6m of business rates income. The collection rates will continue to be closely monitored in the current year and into future years.

The total rateable value of business properties in Leeds has increased from £947.8m at the time of the 2024/25 budget to £955.2m as at 30th September 2024, an increase of £7.4m. The 2024/25 budget includes an expected increase in

Rateable Value of £6.9m for the full year. The size of the Business Rates tax base in Leeds continues to be monitored closely.

Leeds' share of the declared Business Rates deficit from 2023/24 (at 31st December 2023) has been incorporated into the 2024/25 budget. The total declared deficit on the Business Rates Collection Fund was £3.18m.

After reassessing the level of the bad debt and appeals provisions and an unexpected prior-year adjustment to Mandatory Charity Relief to year end, the actual closing deficit for 2023/24 was £0.13m; an improvement of £3.04m from the position declared. This will be carried forward as an adjustment to any 2024/25 deficit in the 2025/26 budget.

In 2024/25, an in-year deficit of £2.05m is projected, driven mainly by a higher than expected demand for Small Business Rates relief (compensated for by Government at 69.1%) and an increase in Empty Rate relief (not compensated by Government), offset by a higher than expected increase in growth. When combined with the £3.04m improvement in the closing position for 2023/24 it is currently forecast that there will be a total closing surplus of £0.99m, which will have to be transferred to the general fund of the council in 2025/26.

4.3 Business Rates Appeals

The opening appeals provisions for 2024/25 are £18.6m, made up of £17.7m relating to appeals received against the 2017 ratings list and £0.8m estimated costs in relation to the 2023 ratings list. The 2010 ratings list is now closed and there are no appeals left outstanding. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision made in this year.

Before the COVID-19 public health crisis, the introduction of the new Check Challenge Appeal system on 1st April 2017 saw a significant reduction in the number of appeals submitted by ratepayers against their Rateable Value on the 2017 ratings list compared to the 2010 ratings list. Only fifteen appeals have so far been submitted to the Valuation Tribunal, the final stage of the new process. The 2017 ratings list came to an end on 31st March 2023. In most cases this sees the end of the ratepayers' right to appeal against their Rateable Value on that list.

As at 30th September 2024, the council is providing for a net of 314 Challenges against the 2017 ratings list and 388 Checks and Challenges against the 2023 ratings list. It is anticipated that because of the move to 3 yearly revaluations from 2023 the valuation lists will necessarily be kept more accurate and up to date. It is therefore expected that there will be fewer challenges to lists going forward. The level of appeals, and the losses incurred, will continue to be closely monitored in the coming months.

In addition, the Authority has made provisions for specific issues such as expected reductions to hospitals, ambulance and fire stations and to several GP surgeries which will be reassessed quarterly.

4.4 **Impact of Covid 19 and cost of living on the Collection Fund in 2024/25 and beyond**

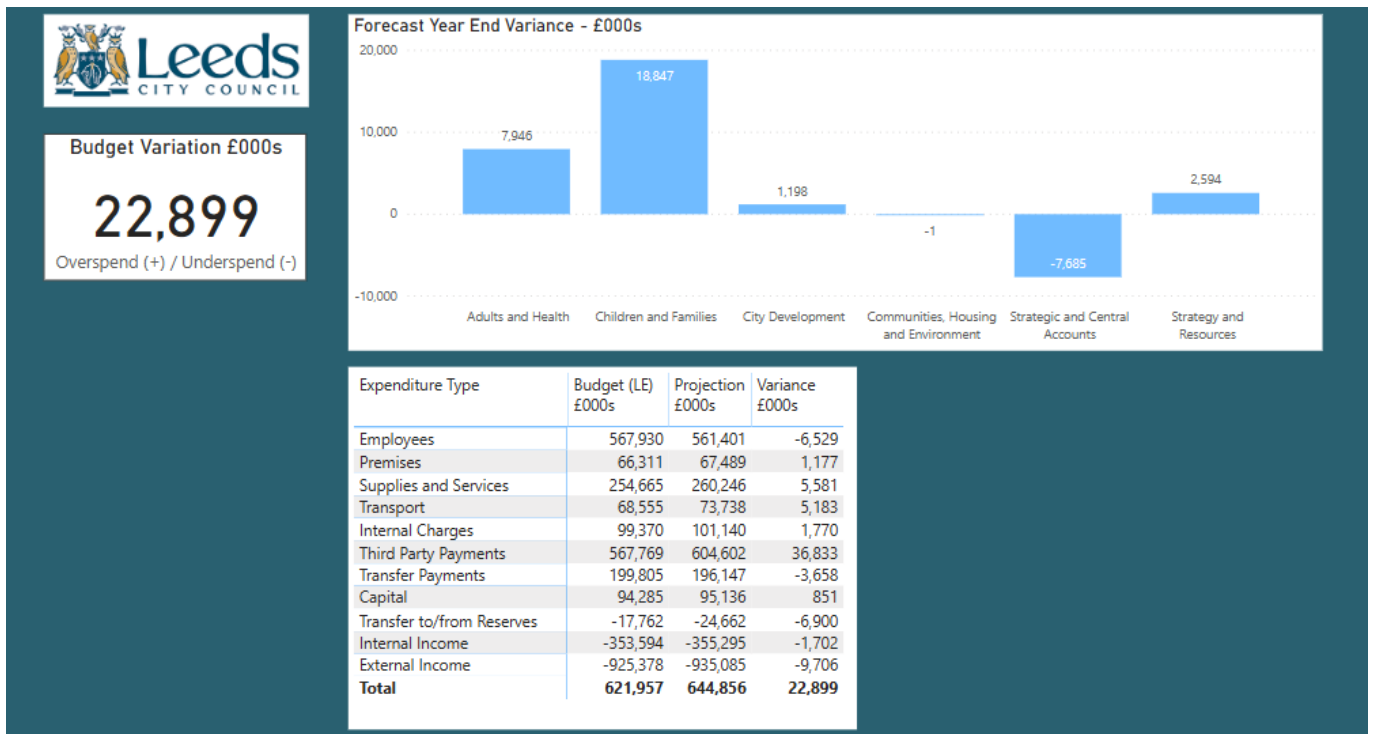
The long-term impact of the measures implemented during the pandemic and current pressures of the cost of living crisis on collection rates and tax base will require continued close monitoring.

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

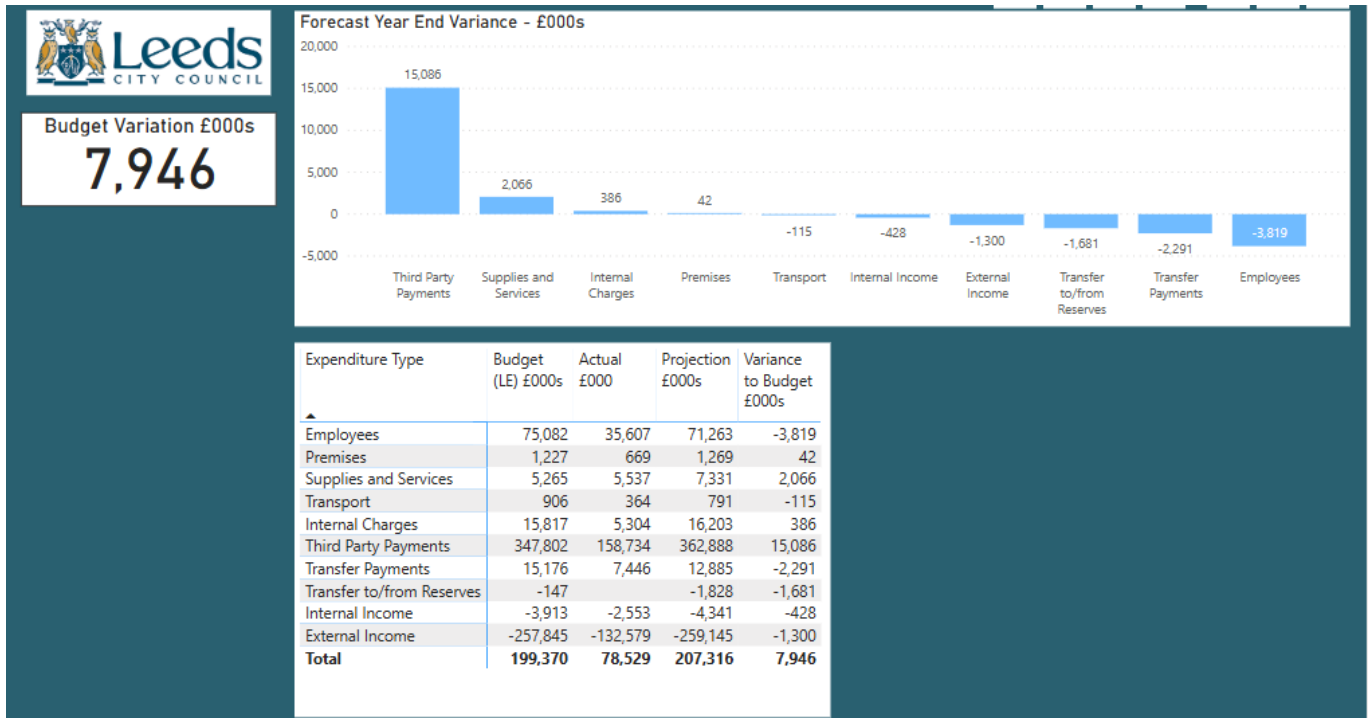
At September (Month 6) the HRA is projecting a balanced position. The key projected variations are:

- Dwelling Rent (£1,185k) – a forecast increase in rental income due the projected Right to Buy (RtB) sales dropping to 360 against a budget of 550. The number of void properties is below the budgeted level of 1%.
- Non-Dwelling Rent £38k – the pressure on garage rents.
- External Income (£120k) – telecoms income higher than budgeted.
- Internal Income £247k – the pressure on RtB administration fee income due to the reduction in projected RtB sales.
- Employees Net (£710k) - there is a forecast underspend against the employee budget of (£1,810k) due to vacant posts in the service. The underspend on employee costs is offset with a reduction in capitalised salaries of £1,095k and a £5k pressure on internal services for recharged staff in the CHG programme.
- Premises £96k - (£190k) reduction in the concierge service, £286k pressure on gas, electricity and heat source pumps.
- Supplies and Services £272k – pressure due to the increase in the Ombudsman fees for 2024/25 and NFH licence.
- Capital Charges (£229k) – reflects debt savings from slippage in the CHG programme.
- PFI £0k – a forecast pressure on the Unitary Charge of £457k and projected underspend on internal income (£10k) is offset through the use of PFI Sinking funds (£447k).
- Internal Services £109k – pilot of CCTV monitoring across 26 high rise blocks.
- Appropriation to Reserves £1,494k – projected underspends will be transferred to the HRA reserves in line with the medium term strategy to increase the level of general reserves to the recommended target level of circa £20m.

Financial Dashboard 2024/25 Financial Year



Financial Dashboard 2024/25 Financial Year



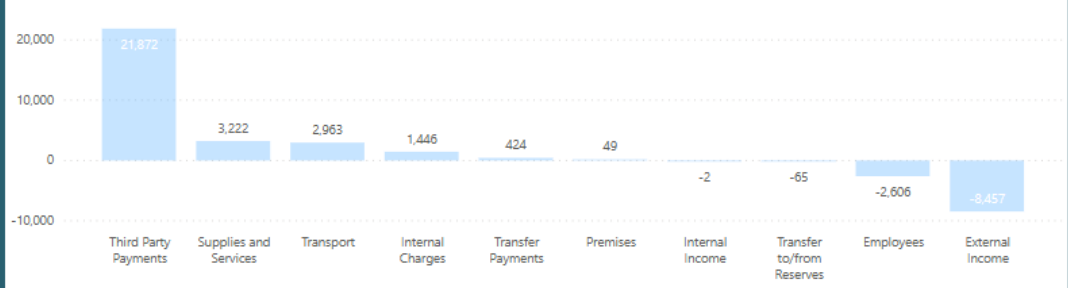
Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

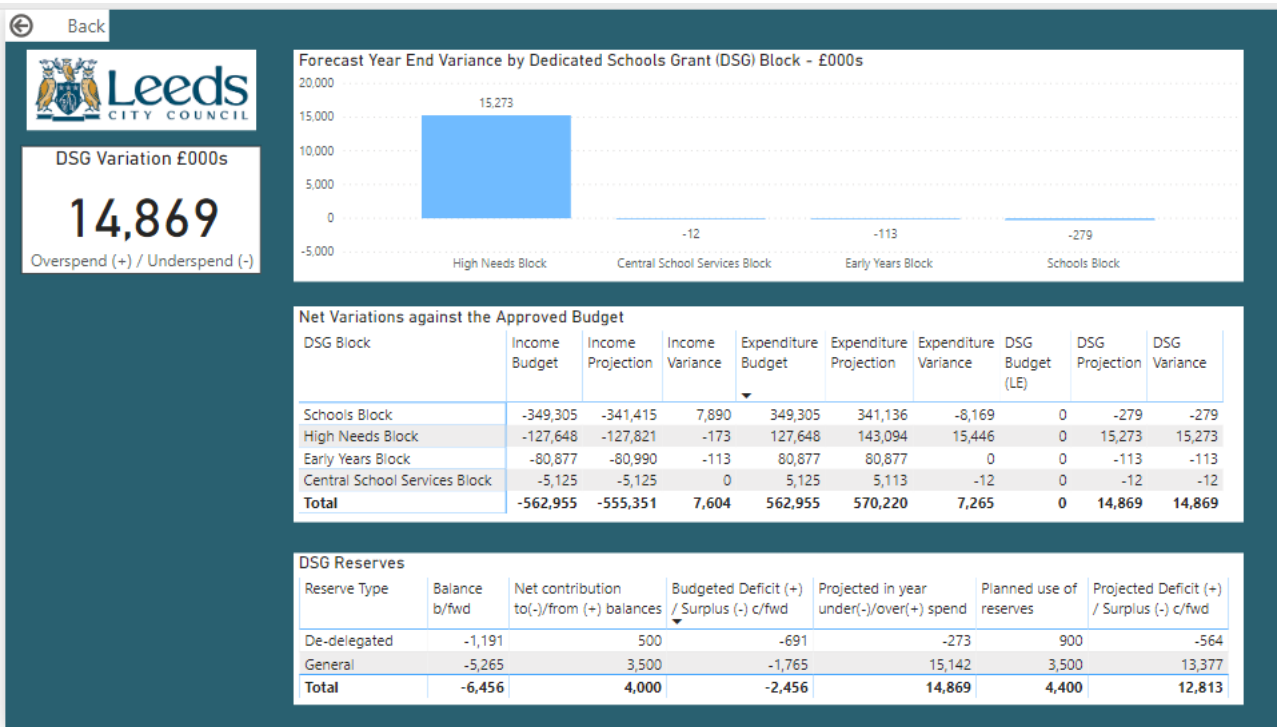
18,847

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Actual £000	Projection £000s	Variance to Budget £000s
Employees	121,704	59,494	119,098	-2,606
Premises	4,339	1,190	4,388	49
Supplies and Services	62,015	45,666	65,237	3,222
Transport	14,632	828	17,595	2,963
Internal Charges	39,951	11,606	41,397	1,446
Third Party Payments	160,185	84,315	182,057	21,872
Transfer Payments	3,558	2,101	3,982	424
Transfer to/from Reserves	-1,689		-1,754	-65
Internal Income	-38,049	-14,366	-38,051	-2
External Income	-209,129	-38,908	-217,586	-8,457
Total	157,517	151,926	176,364	18,847

Financial Dashboard 2024/25 Financial Year



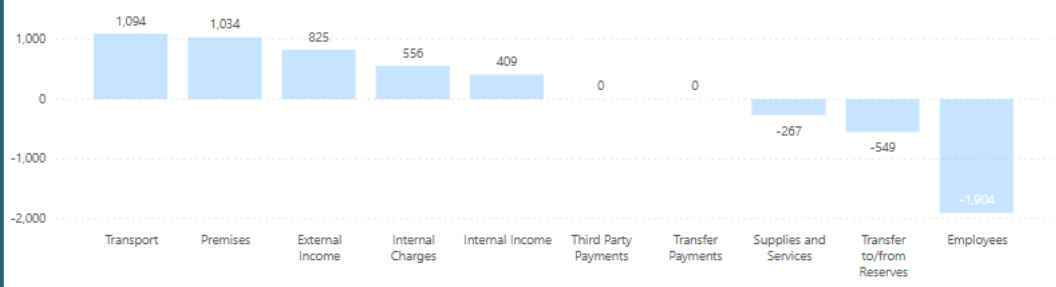
Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

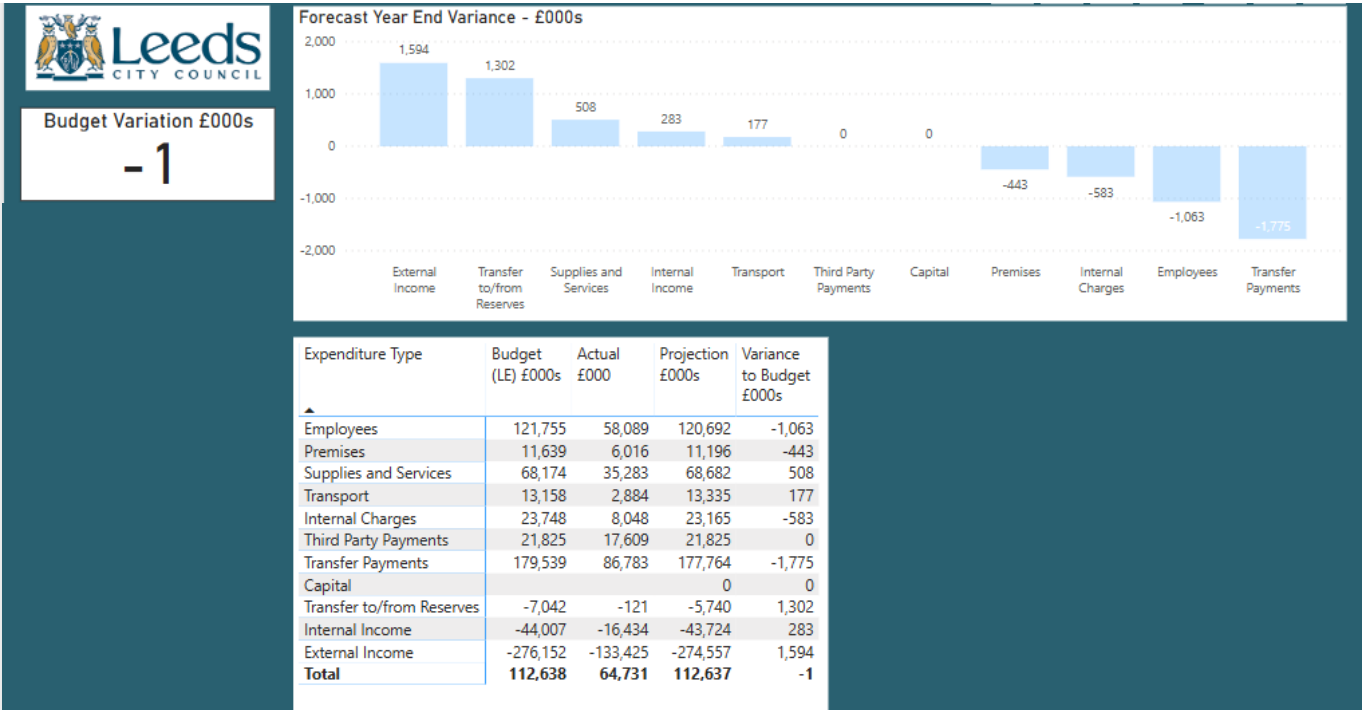
1,198

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Actual £000	Projection £000s	Variance to Budget £000s
Employees	78,903	35,888	76,998	-1,904
Premises	32,895	13,634	33,928	1,034
Supplies and Services	47,986	21,296	47,719	-267
Transport	6,728	2,477	7,822	1,094
Internal Charges	10,403	1,588	10,959	556
Third Party Payments	221	-7	221	0
Transfer Payments		1	0	0
Transfer to/from Reserves	-845	-32	-1,394	-549
Internal Income	-47,622	-15,266	-47,213	409
External Income	-90,642	-39,508	-89,817	825
Total	38,027	20,071	39,225	1,198

Financial Dashboard 2024/25 Financial Year



Financial Dashboard 2024/25 Financial Year



Surplus (-) / Deficit (+) £000s

0

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Internal Income	-9,305	-7,973	1,332	286
Non Dwelling Rents	-3,392	-3,354	38	-1
Grants	-21,385	-21,385	0	0
Service Charges	-10,347	-10,359	-12	4
External Income	-1,667	-1,787	-120	0
Dwelling Rents	-244,924	-246,109	-1,185	-127
Total	-291,020	-290,967	53	162

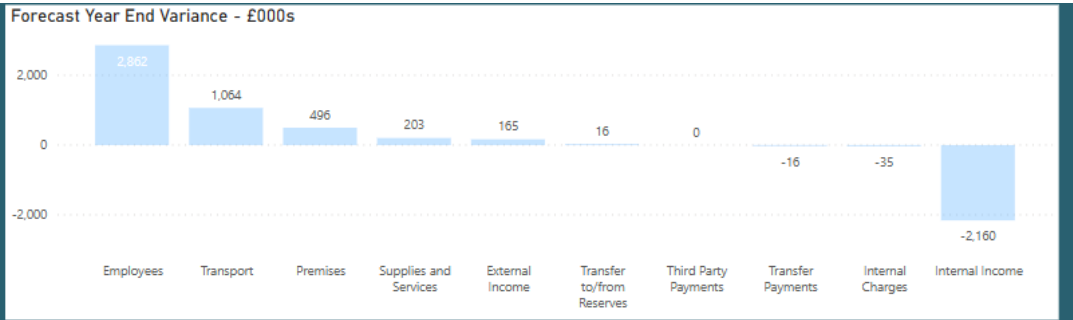
HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Disrepair Provision	4,000	4,000	0	0
Repairs to Dwellings	62,952	62,952	0	0
Employees	35,712	33,902	-1,810	-291
Premises	12,350	12,446	96	96
Supplies and Services	5,742	6,014	272	60
PFI Unitary Charge	14,348	14,805	457	0
Transport	300	300	0	0
Internal Services	35,435	35,549	114	109
BITMO Management Fee	3,721	3,721	0	0
Provision for Doubtful Debts	1,136	1,136	0	0
Capital Charges	47,361	47,132	-229	0
Contribution to Capital Programme	68,017	68,017	0	0
Total	291,074	289,974	-1,100	-26

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Net Position	54	-993	-1,047	136
Appropriation: Sinking Funds	-1,054	-1,501	-447	0
Appropriation: Reserves	1,000	2,494	1,494	-137
Total	0	0	0	-1

Financial Dashboard 2024/25 Financial Year



Budget Variation £000s
2,594



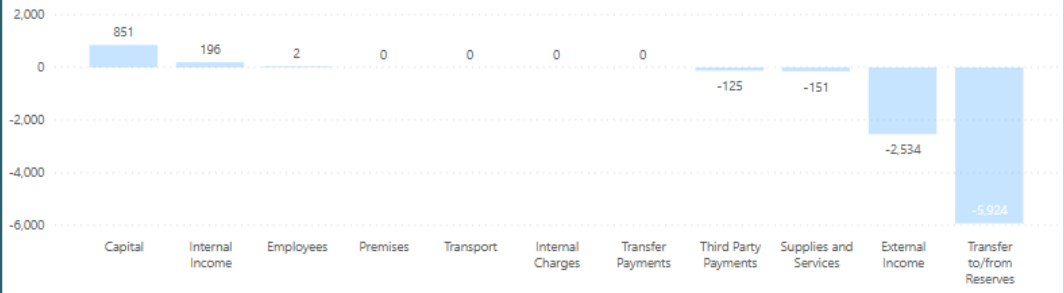
Expenditure Type	Budget (LE) £000s	Actual £000	Projection £000s	Variance to Budget £000s
Employees	165,796	81,524	168,658	2,862
Premises	16,211	6,345	16,707	496
Supplies and Services	68,186	34,765	68,388	203
Transport	33,131	15,585	34,195	1,064
Internal Charges	4,123	234	4,088	-35
Third Party Payments	28	1	28	0
Transfer Payments	66	6	50	-16
Transfer to/from Reserves	-74	-7	-58	16
Internal Income	-185,136	-23,743	-187,296	-2,160
External Income	-15,661	-4,174	-15,496	165
Total	86,670	110,536	89,264	2,594

Financial Dashboard 2024/25 Financial Year



Budget Variation £000s
-7,685

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Actual £000	Projection £000s	Variance to Budget £000s
Employees	4,689	3,325	4,692	2
Premises		0	0	0
Supplies and Services	3,039	5,501	2,888	-151
Transport			0	0
Internal Charges	5,328	4,831	5,328	0
Third Party Payments	37,708	35,989	37,583	-125
Transfer Payments	1,466	80,794	1,466	0
Capital	94,285		95,136	851
Transfer to/from Reserves	-7,965		-13,889	-5,924
Internal Income	-34,867	-10,424	-34,671	196
External Income	-75,950	44,815	-78,484	-2,534
Total	27,735	164,831	20,050	-7,685

LEEDS CITY COUNCIL - SUMMARY

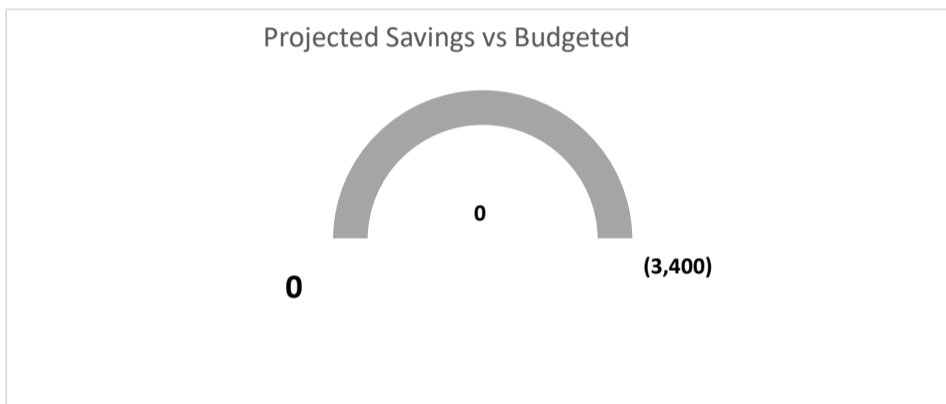
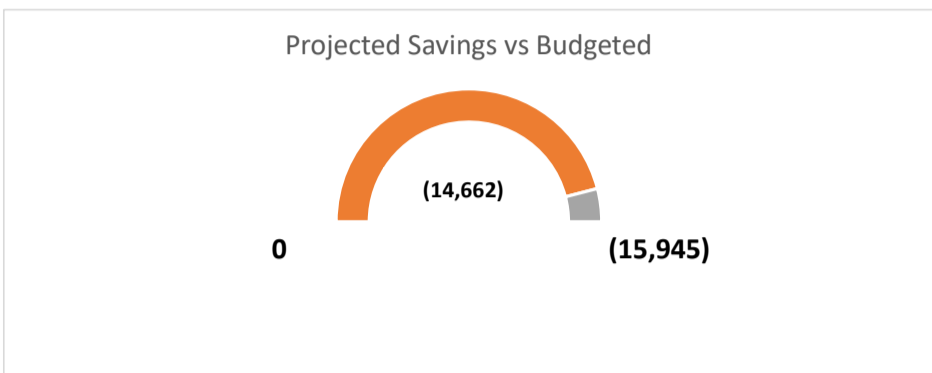
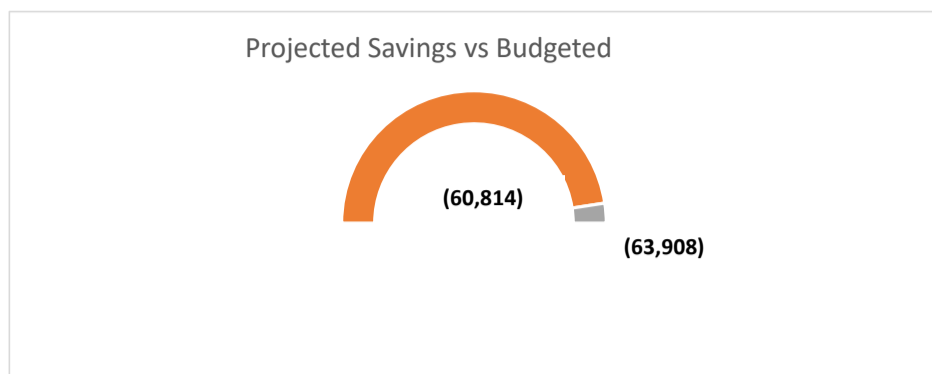
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(15,490)	(16,545)	(1,055)
On track	(21,021)	(23,509)	(2,488)
Some risk	(21,367)	(18,777)	2,590
High risk	(5,330)	(1,983)	3,347
Cancelled	(700)	0	700
Total	(63,908)	(60,814)	3,094

LEEDS CITY COUNCIL - Other Savings Measures

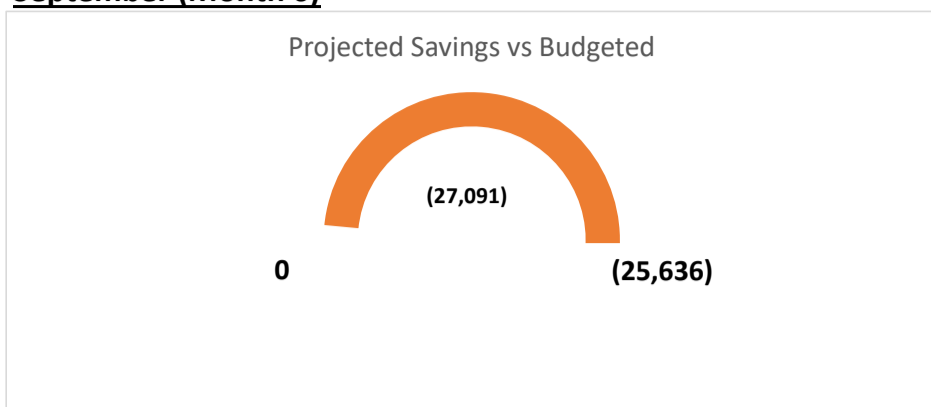
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(9,456)	(11,679)	(2,223)
Some risk	(313)	(2,213)	(1,900)
High risk	(3,176)	(770)	2,406
Cancelled	(3,000)	0	3,000
Total	(15,945)	(14,662)	1,283

Ring Fenced DSG Fund - Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
High risk	(3,400)	0	3,400
Total	(3,400)	0	3,400



September (Month 6)



ADULTS & HEALTH - SUMMARY

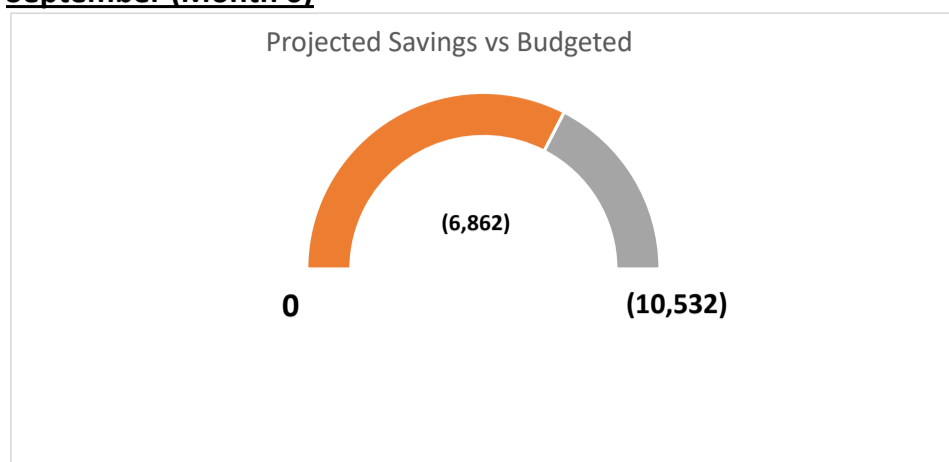
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved			
On track	(9,784)	(10,839)	(1,055)
Some risk	(6,830)	(7,930)	(1,100)
High risk	(6,822)	(6,822)	0
Cancelled	(1,500)	(1,500)	0
Cancelled	(700)	0	700
Total	(25,636)	(27,091)	(1,455)

Amber & Red Risk Areas

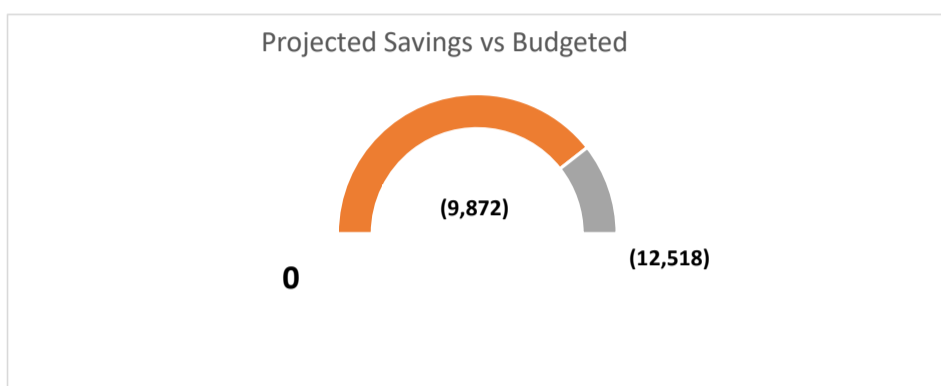
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Review supported bank account contract (direct payments)	Tony Meadows	Cancelled	(150)	0	150	Contract will not be operational till 25-26. Need to identify alternative savings.
Budgeted savings	BAU	Invest to save proposal for Deputy and appointeeship's team	John Crowther	Cancelled	(50)	0	50	Ombudsmen decision means unable to charge. Need to identify alternative savings.
Budgeted savings	BAU	Additional recovery of unspent direct payments	Shona McFarlane	Some risk	(400)	(400)	0	Current recovery levels below action plan target. To assess end of Q2.
Budgeted savings	SR	Review of existing charges and introduction of new charges for adult social care activities	John Crowther	High risk	(150)	(150)	0	Slippage in implementing new fees & charges to Q4.
Budgeted savings	BAU	Impact of telecare growth plan	Shona McFarlane	Some risk	(200)	(200)	0	Service Transformation Team supporting service area to deliver.
Budgeted savings	SR	Review of commissioned and Leeds City Council-provided day services and opportunities	Shona McFarlane / Tony Meadows	High risk	(1,350)	(1,350)	0	Delay in implementing review. Programme delivery in 2nd half of financial year but delivery of the full savings target high risk.. Assume still deliverable.
Budgeted savings	BAU	Demand / market management: reviewing fee setting, care package review, in-house and commissioned services	Shona McFarlane / Tony Meadows	Some risk	(3,622)	(3,622)	0	Links with overall management of trend affecting both Working Age Adults and Older People cohort. Expansion of Value for Money reviews. Expand principles for Older People and Out of Area.
Budgeted savings	BAU	Widen transition process for children to adults (able to address and reduce high cost packages)	Tony Meadows	Cancelled	(500)	0	500	Alternative proposals identified from reviewing packages.
Budgeted savings	BAU	General management of market to include value for money and package prices outside framework price range	Tony Meadows	Some risk	(2,000)	(2,000)	0	Links with overall management of trend affecting both Working Age Adults and Older People cohort. Homecare and implement Electronic Recording Management (ECM) system to reduce homecare package size.
Budgeted savings	BAU	Remove quality premium from independent sector care home placements	Tony Meadows	Some risk	(600)	(600)	0	Prolicy not implemented in 24-5. Some savings from identifying providers no longer eligible for the premium payment.

September (Month 6)

CHILDREN & FAMILIES - SUMMARY

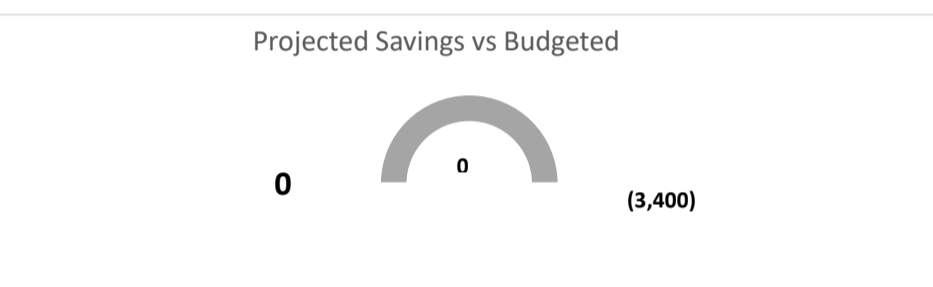


RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(350)	(1,045)	(695)
Some risk	(6,932)	(5,634)	1,298
High risk	(3,250)	(183)	3,067
Cancelled	0	0	0
Total	(10,532)	(6,862)	3,670



CHILDREN & FAMILIES - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(7,126)	(8,839)	(1,713)
Some risk	(313)	(263)	50
High risk	(2,079)	(770)	1,309
Cancelled	(3,000)	0	3,000
Total	(12,518)	(9,872)	2,646



DSG Savings Measures

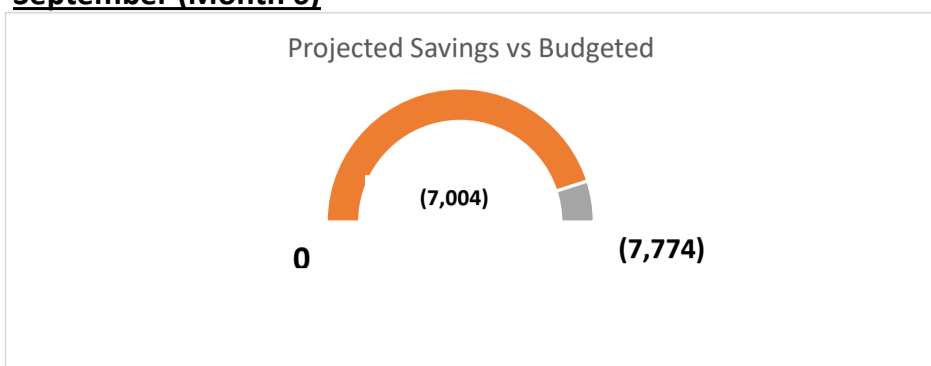
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
High risk	(3,400)	0	3,400
Total	(3,400)	0	3,400

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted Savings	BAU	Non-essential spend savings	Julie Longworth	Some risk	(1,000)	(1,000)	0	To be closely monitored across all services aligned to corporate messaging re non essential spend reductions, as at month 6 expected to be fully delivered.
Budgeted Savings	SR	Staffing reductions	Julie Longworth	Some risk	(2,250)	(2,250)	0	Further VLS options continue to be considered
Budgeted Savings	SR	Review of commissioned activity	Julie Longworth	Some risk	(1,200)	(1,200)	0	Reviewing further options to mitigate any shortfalls against this saving
Budgeted Savings	BAU	Review of Children & Families' traded services to break even position (nil General Fund Support)	Julie Longworth	Some risk	(347)	(84)	263	Review of traded activity currently ongoing
Budgeted Savings	SR	Adolescent Support Service invest to save proposal	Farrah Khan	High risk	(1,250)	0	1,250	Service currently developing a plan for Family Help
Budgeted Savings	SR	Review of Children's Centres	Farrah Khan	High risk	(1,000)	0	1,000	Discovery phase underway to understand the scale and offer of service across the childrens centres estate.
Budgeted Savings	SR	Unaccompanied Asylum Seeker Children Housing invest to save proposal	Farrah Khan	Some risk	(1,820)	(800)	1,020	Month 6 assumes that the lease will commence and young people move in from November.
Budgeted Savings	BAU	Passenger Transport	Dan Barton	Some risk	(200)	(200)	0	Ongoing review of personal transport allowances
Budgeted Savings	BAU	Transport: Including independent travel training, personal transport allowances, use of private hire, commissioning an external review	Dan Barton	Some risk	(115)	(100)	15	Ongoing review of 1:1 transport

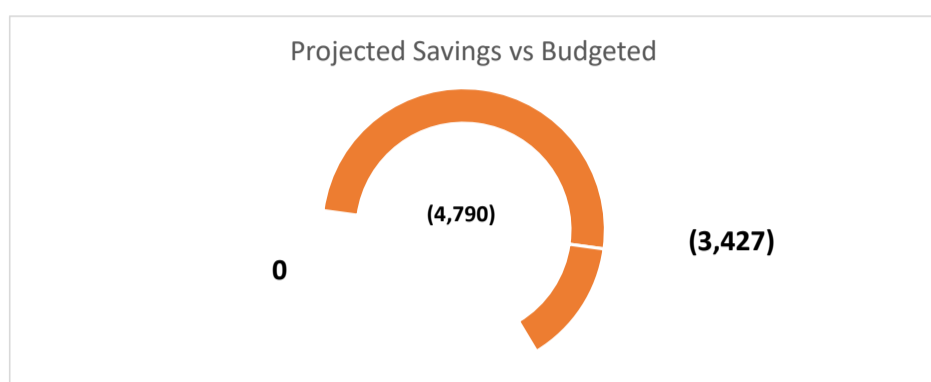
Budgeted Savings	BAU	Additional savings arising from review of transport costs (efficiencies, process changes and delivery opportunities)	Dan Barton	High risk	(1,000)	(183)	817	Work ongoing to identify additional savings options. Policy change options developed but if agreed would take effect 25/26.
Prior year savings	SR	Former target for turning the curve 2023/24, alternative savings identified	Farrah Khan	Cancelled	(3,000)	0	3,000	Mitigated by other unbudgeted savings plans, e.g. reunification and small group living
Other savings measure	SR	Commissioned services savings: 2023/24 savings still to be realised	Julie Longworth	High risk	(369)	(369)	0	Reviewing further options to mitigate any shortfalls against this saving
Prior year savings	BAU	Efficiency targets 2023/24 still to be realised.	Julie Longworth	High risk	(1,710)	(401)	1,309	Further work to be carried out to identify options, mitigation from other staff savings.
Other savings measure	SR	Independent Travel Training (ITT)	Dan Barton	Some risk	(235)	(235)	0	ITT progress to be monitored
Other savings measure	SR	Independent Travel Training (ITT)	Dan Barton	Some risk	(28)	(28)	0	ITT progress to be monitored
Other savings measure	SR	Passenger Transport Allowances (PTAs) for foster carers	Dan Barton	Some risk	(50)	0	50	Work ongoing to identify savings
DSG savings measure	SR	DSG: High Needs block saving target	Dan Barton	High risk	(3,400)	0	3,400	DSG Management Plan currently been developed to consider savings in 24/25 and beyond.

September (Month 6)



CITY DEVELOPMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(1,107)	(1,107)	0
On track	(2,919)	(2,919)	0
Some risk	(3,248)	(2,678)	570
High risk	(500)	(300)	200
Cancelled	0	0	0
Total	(7,774)	(7,004)	770



CITY DEVELOPMENT - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(2,330)	(2,840)	(510)
Some risk	0	(1,950)	(1,950)
High risk	(1,097)	0	1,097
Cancelled	0	0	0
Total	(3,427)	(4,790)	(1,363)

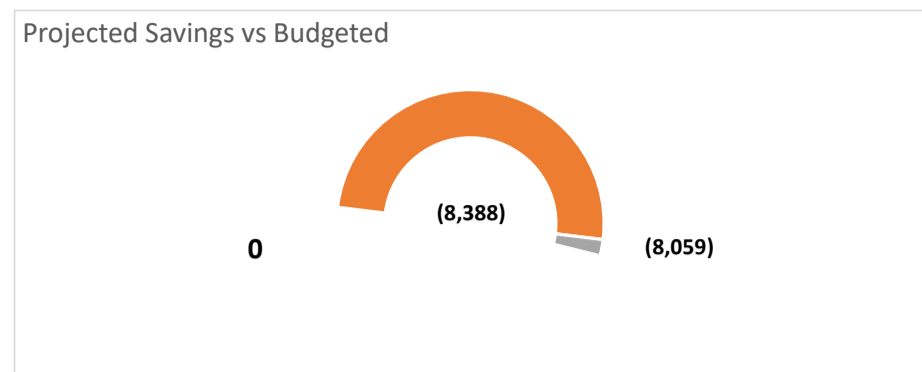
Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted Savings	BAU	Additional recovery of income, business rates reductions, fees and charges review	Jane Walne	Some risk	(380)	(380)	0	Work in ongoing throughout services to maximise income
Budgeted Savings	BAU	Additional income from council's property portfolio	Angela Barnicle	Some risk	(150)	(130)	20	Negotiations ongoing . Current estimates are likely to be £130k.
Budgeted Savings	BAU	Regeneration Funding - One-off	Angela Barnicle	Some risk	(1,000)	(1,000)	0	Work ongoing - letter confirming funding received from DLUHC
Budgeted Savings	BAU	Mass Transit - additional income associated with MT team	Gary Bartlett / Angela Barnicle	High risk	(500)	(300)	200	Delay in agreements with WYCA have affected the potential income generation in Highways
Budgeted Savings	BAU	Income Generation (New).	Gary Bartlett	Some risk	(70)	(70)	0	Discussions ongoing to provide services to other LAs
Budgeted Savings	SR	Highways & Transportation review: includes stopping work, staff redeployment and service redesign	Gary Bartlett	Some risk	(750)	(450)	300	Delay in the process has meant staff leaving in July
Budgeted Savings	BAU	Breeze – reduction in programme and net spend or increased income	Jane Walne	Some risk	(56)	(56)	0	Limited risk as primarily based around success of Lotherton Christmas Experience
Other Savings Measures	SR	Pudsey Civic Hall	Jane Walne	Some risk	0	0	0	December 25 closure now planned due to closure of Morley Town Hall for refurbishment. no revenue savings anticipated so no issue around the delayed closure
Budgeted Savings	BAU	Economic Policy & Programmes: recharging of staff time to external funding	Fiona Bolam	Some risk	(92)	(42)	50	Govt Investment Zone Programme delayed. Currently showing £40k mitigation through Vacant post. Further update received in P6 and now being reviewed with Service pending confirmation of Leeds funding from WYCA

Budgeted Savings	BAU	Staffing reductions through voluntary measures where possible: Active Leeds	Jane Walne	Some risk	(250)	(250)	0	Part achieved - 3 VLS agreed. Further savings against target to be achieved with Exec Board approval to Vision for Leisure proposals which could generate further VLS at a future point
Budgeted Savings	BAU	Staffing reductions through voluntary measures where possible: Markets	Jane Walne	Some risk	(100)	(100)	0	Part achieved through FR although VLS may only come into effect in 25/26. other work areas ceased and externalised to make savings and may need to be factored in to savings target
Budgeted Savings	BAU	Development Management - pre-app service	David Feeney	Some risk	(50)	(50)	0	Due to likely budget pressures in Planning Fees income any positive from this is likely be negated by that.
Budgeted Savings	BAU	Biodiversity net gain income	David Feeney	Some risk	(350)	(150)	200	HBV not yet established - working through legals to establish HBV but savings being identified through S106 and wider opportunities. Projected amount for 2024/25 has been reduced to £150k.
Other Savings Measures	BAU	Estate rationalisation savings - prior years' savings target	Angela Barnicle	Some risk	(433)	0	433	Unlikely to achieve in year. Assume mitigating savings will offset the pressure
Other Savings Measures	BAU	Strategic Investment Fund	Angela Barnicle	Some risk	(664)	0	664	Unlikely to achieve, only pipeline project Seacroft Industrial estate. Assume mitigating savings will offset the pressure
Other Savings Measures	0	Identify mitigating savings to offset service pressures	Jane Walne	Some risk	0	(200)	(200)	£150k identified within Active Leeds
Other Savings Measures	0	Identify mitigating savings to offset AM&R pressures	Angela Barnicle	Some risk	0	(1,100)	(1,100)	c£850k identified at P6, but subject to variation depending on cap receipts generated
Other Savings Measures	0	Identify mitigating savings to offset H&T pressures	Gary Bartlett	Some risk	0	(500)	(500)	Proposals still to be agreed
Other Savings Measures	0	Identify mitigating savings to offset A&H pressures	Jane Walne	Some risk	0	(150)	(150)	Arts and Venues achieved as of P5. Museums and Galleries proposals still to be agreed

September (Month 6)

COMMUNITIES, HOUSING & ENVIRONMENT - SUMMARY

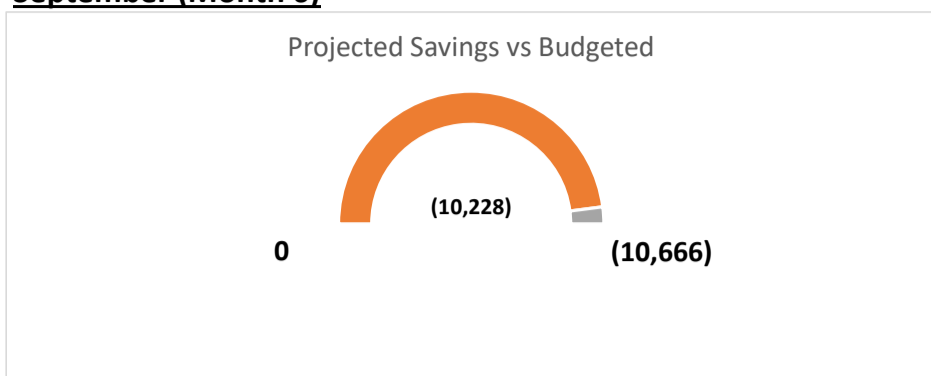


RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(4,129)	(4,129)	0
On track	(2,484)	(3,177)	(693)
Some risk	(1,446)	(1,082)	364
High risk	0	0	0
Cancelled	0	0	0
Total	(8,059)	(8,388)	(329)

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted saving	SR	Community Centres: fees and pricing review	Paul Money	Some risk	(83)	(83)	0	Potential pressure - based on the non-achievement of the 2023/24 income budget and closure of some centres
Budgeted saving	SR	Retain free collection of Bulky Waste for first collection each year (five items) and introduce charges for repeat collections (excluding those in receipt of Council Tax Support)	John Woolmer	Some risk	(169)	(85)	84	Risk here is any shortfall (or additional income) unlikely to be known until later in year - ie after residents have had free collections Expected income reduced in P6
Budgeted saving	BAU	Waste Disposal cost efficiencies - £200k glass in green bins, £215k HWSS sorting arrangements, £240k POPs disposal, £250k contract price renegotiations	John Woolmer	Some risk	(905)	(905)	0	£215k - better sorting at HWSS unknown impact; £200k glass in Green bins, began in August 24 - impact to be known soon; £240k POPs change of disposal this looks like it could exceed expected saving due to reduced POPs waste; £250k contract negotiations, delayed but expected from April 2025
Budgeted saving	SR	Introduction of car parking charges at Middleton, Roundhay and Temple Newsam sites	Polly Cook	Some risk	(163)	(5)	158	Implementation now expected from 1/1/25
Budgeted saving	BAU	Introduction of car parking charges at Golden Acre and Otley Chevin parks	Polly Cook	Some risk	(126)	(4)	122	Golden Acre and Chevin original plan to implement from 1/6/24. Delayed to 1/1/25.

September (Month 6)



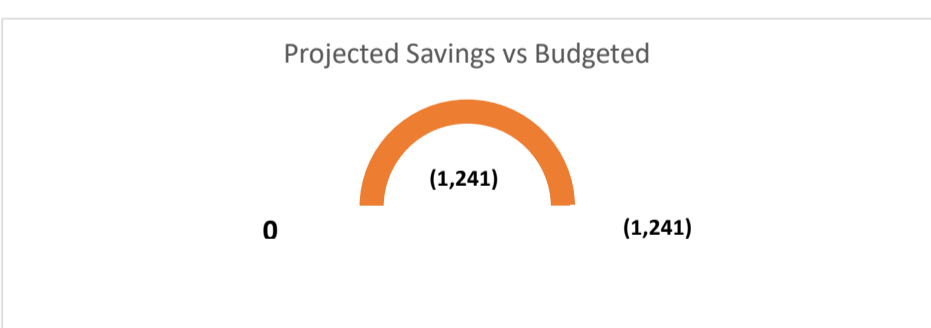
STRATEGY & RESOURCES - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(7,667)	(7,667)	0
Some risk	(2,919)	(2,561)	358
High risk	(80)	0	80
Cancelled	0	0	0
Total	(10,666)	(10,228)	438

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted Savings	BAU	Cease corporate memberships (e.g. WIG, NFLA - Nuclear Free Local Authorities)	Jane Maxwell	Some risk	(29)	(24)	5	DDN signed off by Marianna - the following subscriptions have been cancelled LGIU, WIG and NFLA Total £24,504. Saving target 24/25 only.
Budgeted Savings	BAU	Efficiencies within Business Administration Service: delete non essential vacant posts, focus staff on to statutory work and implement new technology	Gemma Taskas	Some risk	(500)	(500)	0	Plans in place within BAS. Discussion needed with CORS about impact within each Directorate, which will be challenging in the context of increasing demand for admin resource.
Budgeted Savings	SR	Shared Services' savings	Gemma Taskas	Some risk	(1,515)	(1,515)	0	Plans in place within BAS. Discussion needed with CORS about impact within each Directorate, which will be challenging in the context of increasing demand for admin resource.
Budgeted Savings	BAU	Commercialisation opportunities	Sarah Martin	Some risk	(50)	(50)	0	Income is expected to be difficult to increase in the current economic environment.
Budgeted Savings	BAU	Corporate Property Management efficiencies	Sarah Martin	Some risk	(50)	(50)	0	Changed to some risk in line with the current reported position
Budgeted Savings	BAU	Community Centres: running costs efficiencies	Sarah Martin	Some risk	(117)	(117)	0	This is dependant on building closures
Budgeted Savings	BAU	Cleaning and front-of-house efficiencies in line with estate rationalisation	Sarah Martin	Some risk	(50)	(50)	0	This is dependant on building closures
Budgeted Savings	BAU	Weddings - increase number of days venue(s) used	Sarah Martin	High risk	(50)	0	50	In line with the reported position this savings target will not be achieved
Budgeted Savings	BAU	Fleet Services' efficiencies	Sarah Martin	Some risk	(278)	(130)	148	0
Budgeted Savings	BAU	Review fleet sub-contract expenditure	Sarah Martin	Some risk	(330)	(125)	205	Ageing fleet has resulted in sub-contracting to repair vehicles resulting in full savings not being achieved.
Budgeted Savings	BAU	Increase Fleet external income	Sarah Martin	High risk	(30)	0	30	The fleet income budget is currently under pressure, particularly MOT income.

September (Month 6)



STRATEGIC - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(470)	(470)	0
On track	(771)	(771)	0
Some risk	0	0	0
High risk	0	0	0
Cancelled	0	0	0
Total	(1,241)	(1,241)	0

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Achieved Savings to date £'000s	Savings Achieved %	Including mitigating actions for Reds & Ambers

2024/25 - Expenditure funded through Flexible Use of Capital Receipts							Appendix 4		
Quarter 2									
Project Description	Directorate	Head Of Finance	Planned Spend	Year End Projection	Variation to Planned Spend	Planned Savings	Year End Projection	Variation to Planned Savings	
			2024/25	2024/25	£m	2024/25	2024/25	£m	£m
Adults and Health Service Transformation team (including management) supporting the delivery of key projects	Adults & Health	Alun Ellis	1.80	1.80	0.00	(4.00)	(4.00)	0.00	
Adults and Health - specific IDS staff supporting transformation.	Adults & Health	Alun Ellis	0.10	0.10	0.00	(0.25)	(0.25)	0.00	
Transformational Change - Adults & Health Leadership Team	Adults & Health	Alun Ellis	0.24	0.24	0.00	0.00	0.00	0.00	
Children & Families transformation team	Children & Families	Lucie McAulay	1.40	1.25	(0.15)	0.00	0.00	0.00	
IDS - Highways Enterprise Architecture system	City Development	Michael Everitt	0.80	0.40	(0.40)	0.00	0.00	0.00	
Capital Scheme support City Development Head of Service	City Development	Michael Everitt	0.11	0.11	0.00	0.00	0.00	0.00	
Providing resources to deliver transformation activity within the Communities Directorate	Communities, Housing & Environment	David McNutt	0.14	0.00	(0.14)	(0.14)	0.00	0.14	
IDS - Staff supporting the delivery of key projects across the Authority	Strategy & Resources	Patrick McGuckin	3.14	2.33	(0.81)	0.00	0.00	0.00	
Council Tax Automization	Strategy & Resources	Patrick McGuckin	0.10	0.10	0.00	0.00	0.00	0.00	
PACS staff delivering innovative solutions to realise Procurement savings	Strategy & Resources	Patrick McGuckin	0.77	0.77	0.00	0.00	0.00	0.00	
CEL staff time spent on Transformational projects	Strategy & Resources	Patrick McGuckin	0.10	0.10	0.00	(1.53)	(1.53)	0.00	
BSC - Staff supporting the delivery of system changes within the Shared Services.	Strategy & Resources	Patrick McGuckin	0.47	0.47	0.00	0.00	0.00	0.00	
Corporate Transformation Capacity Team	Strategy & Resources	Patrick McGuckin	1.04	0.20	(0.84)	0.00	0.00	0.00	
LBS Work Streams	Strategy & Resources	Patrick McGuckin	0.37	0.37	0.00	0.00	0.00	0.00	
Additional PACS staff to support transformation projects across the Council	Strategy & Resources	Patrick McGuckin	0.63	0.63	0.00	0.00	0.00	0.00	
Ernest Young Contract Review Exercise	Strategy & Resources	Patrick McGuckin	0.05	0.00	(0.05)	0.00	0.00	0.00	
CBT Post Go Live - Fujitsu	Strategy & Resources	Patrick McGuckin	0.45	0.45	0.00	0.00	0.00	0.00	
IDS - Driving a digital approach across the Council	Strategic/ Corporate	Naomi Eastwood	0.50	0.50	0.00	(0.50)	(0.50)	0.00	
Voluntary Leave Statutory Severance Costs	Strategic/ Corporate	Naomi Eastwood	2.44	2.44	0.00	(2.44)	(2.44)	0.00	
Staff supporting the delivery of the key Core Business Transformation Programme	Strategic/ Corporate	Mark Barrett	7.16	6.19	(0.97)	0.00	0.00	0.00	
CBT Licencing and support staff	Strategic/ Corporate	Mark Barrett	0.66	0.66	0.00	0.00	0.00	0.00	
Grand Total			22.48	19.12	(3.36)	(8.86)	(8.72)	0.14	

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Capital Programme 2024/25 to 2028/29 – Quarter 2 Update

Date: 20th November 2024

Report of: Interim Assistant Chief Executive – Finance, Traded and Resources

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

1. This report sets out the updated capital programme for 2024-2029, split between General Fund and HRA, with a forecast of resources available over that period. A specific update of the 2024/25 programme is also provided. The Council continues to deliver significant capital investment across the city which will provide improved facilities and infrastructure, whilst ensuring the impact on debt costs within the revenue budget is managed.
2. Borrowing required for 2024/25 can currently be contained within the agreed 2024/25 debt budget whilst the cost of the capital programme is projected to remain affordable within available resources identified in the Medium Term Financial Strategy.
3. The updated capital programme for 2024-2029 requires injections of £27,496.9k.

Recommendations

Executive Board are asked to:

- a) approve the following injections into the capital programme, as detailed at **Appendix B1 (iii)**:
 - £22,913.0k of Major Repairs Reserve funding for Capitalised Voids and Repairs;
 - £1,760.0k of Brownfield Land Housing Grant for Newbuild at Amberton Terrace and Seacroft Crescent
 - £2,126.0k of Local Authority Housing Fund Round 3
 - £697.9k Various other HRA borrowing and other contributions

The above decision to inject funding of £27,496.9k will be implemented by the Interim Assistant Chief Executive – Finance, Traded and Resources.

- b) note the latest position on the General Fund and HRA capital programme as at Quarter 2 2024/25.
- c) Note the additional Capital Receipts Incentive Scheme (CRIS) allocations to wards and community committees for the period April 2024 to September 2024 of £199.9k.

- d) Agree the spending priority for investment of the Community Infrastructure Levy (CIL) Strategic Fund as matched funding contributions for Strategic Highways and Supporting Older People Schemes.

What is this report about?

- 1 The purpose of this report is to provide the Board with an update on the capital programme as at quarter 2, including updates on capital resources and progress on spend.

What impact will this proposal have?

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

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 3 There are no specific implications for the council's three Key Pillars resulting from this capital quarter 2 update. However, each of the three Key Pillars will be addressed across the capital programme and these specific implications will be covered in individual capital scheme approval reports when they come forward.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 4 There has been no external consultation in respect to the recommendations of this report as it is not considered appropriate. Public consultation on the Council's budget proposals, including the capital programme, took place prior to the finalisation and approval of the budget in February 2024 and is detailed in the 2024-25 Revenue Budget and Council Tax Report [2024-25 Revenue Budget and Council Tax Report](#) presented to this Board in February 2024. Specific consultation will be undertaken with Ward Members when individual capital scheme approval reports come forward.

What are the resource implications?

- 5 The resource implications of this report are detailed in **Appendix A - Capital Programme 2024/25 to 2028/29 - Quarter 2** and in the tables at **Appendix B1**.
- 6 For the capital programme to be sustainable, the Interim Assistant Chief Executive – Finance, Traded and Resources must be satisfied that the cost of borrowing currently included in the capital programme can be contained within the approved revenue debt budget. The updated capital resources position statement set out in **Appendix A** details the borrowing required for 2024/25 which can currently be contained within the agreed 2024/25 debt budget. The cost of the capital programme is also projected to remain affordable within available resources identified in the Medium Term Financial Strategy. The report notes that a review of the existing programme has been carried out and identified where schemes could be delayed to reduce

debt costs, which supports the in year revenue position and provides headroom for the injection of prioritised schemes for 2025/26. This review is reflected in the programme set out at Appendix A.

- 7 For the HRA, the position outlined at **Appendix B1** details the borrowing required for 2024/25 and the capital programme in total, which will be managed within available resources.
- 8 In accordance with the Council's Budget and Policy Framework, decisions as to the setting of the Council's capital programme are reserved to Council. During the year any changes to those budgets are subject to the Council's decision-making framework. As such this report recommends that Executive Board approves further injections into the capital programme, with individual capital scheme approval reports to come forward at a later point seeking Approval to Spend in relation to these injected amounts detailed at **Appendix A and Appendix B1 (iii)**.

What are the key risks and how are they being managed?

- 9 One of the main risks in managing the capital programme is that insufficient resources are available to fund the programme. As the capital programme is fully funded this risk lays within the treasury management of the debt budget. Monthly monitoring procedures are in place for expenditure, resources and capital receipts and debt monitoring to ensure that this risk can be managed effectively.
- 10 In addition, the following measures are in place:
 - ensuring written confirmation of external funding is received prior to contractual commitments being entered into;
 - quarterly monitoring of the council's VAT partial exemption position to ensure that full eligibility to VAT reclaimed can be maintained;
 - provision of a central contingency within the capital programme to deal with unforeseen circumstances. Individual programmes and schemes will also contain a risk provision for unexpected circumstances;
 - compliance with both financial regulations and contract procedure rules to ensure the Council's position is protected; and
 - ensuring all major programmes are supported by programme boards.
- 11 The Interim Assistant Chief Executive – Finance, Traded and Resources will continue to ensure that:
 - the introduction / start of new schemes will only take place after completion and approval of a full business case and identification of the required resources;
 - promotion of best practice in capital planning and estimating to ensure that scheme estimates and programmes are realistic; and
 - the use of departmental unsupported borrowing for spend to save schemes is based on individual business cases and in the context of identifying the revenue resources to meet the borrowing costs.

What are the legal implications?

- 12 The council has a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 13 Section 28 of the Local Government Act 2003 provides that the council has a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such remedial action as it considers

necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.

- 14 In addition, the council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The authority's Chief Finance Officer has established financial procedures to ensure the council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Executive Board to receive information about the capital budget as set out in this report.
- 15 The monitoring of financial information is also a significant contributor to meeting the council's Best Value legal duty and, therefore, this report also demonstrates compliance with that legal duty.
- 16 Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".
- 17 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) made pursuant to the Local Government Act 2003 require the Council to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities ("The Prudential Code"). Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, a local authority must have regard to the code of practice in "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("The Treasury Code") issued by CIPFA.
- 18 Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended.
- 19 Under the provisions of Section 3(1) and (8) of the Local Government Act 2003, the Council must determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review is a full Council, rather than an executive function.
- 20 The Council must also have regard to the Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 entitled "Statutory guidance on minimum revenue provision."

Options, timescales and measuring success

What other options were considered?

21 Not applicable.

How will success be measured?

22 Not applicable.

What is the timetable and who will be responsible for implementation?

23 The Council continues to face significant financial challenges over the next few years. Work is ongoing to address these challenges and to identify savings, which may be addressed in part through review of the Capital Programme and the impact on debt costs within the revenue budget. The timetable of future Capital Programme reports is as follows:

- **February 2025 Executive Board:** Overall Budget Setting report including a 'Capital Programme Update'.
- **June 2025 Executive Board:** Overall Final Outturn report including details of the Capital Outturn position.

Appendices

- **Appendix A** - Capital Programme 2024/25 to 2028/29 - Quarter 2 - sets out the updated capital programme for 2024-2029, with a forecast of resources available over that period, a specific update of the 2024/25 programme including progress on spend and details of the 2024 Capital Programme Review process.
- **Appendix B1** - Capital Programme Funding Statement 2024-29
- **Appendix B1(i)** - Annual Programmes
- **Appendix B1(ii)** - Major Programmes & Other Directorate Schemes
- **Appendix B1(iii)** - Net Increase in Funding since Quarter 1 2024
- **Appendix B2** – Capital Receipts Incentive Scheme (CRIS) Funding Statement April-September 2024
- **Appendix B3** – 10 year Capital Programme

Background papers

- None.

Capital Programme 2024/25 to 2028/29 – Quarter 2

What is this report about?

- 1 The purpose of the report is to provide Executive Board with an update on the capital programme as at quarter 2, including updates on capital resources and progress on spend.

Overall Capital Programme 2024/25 – 2028/29

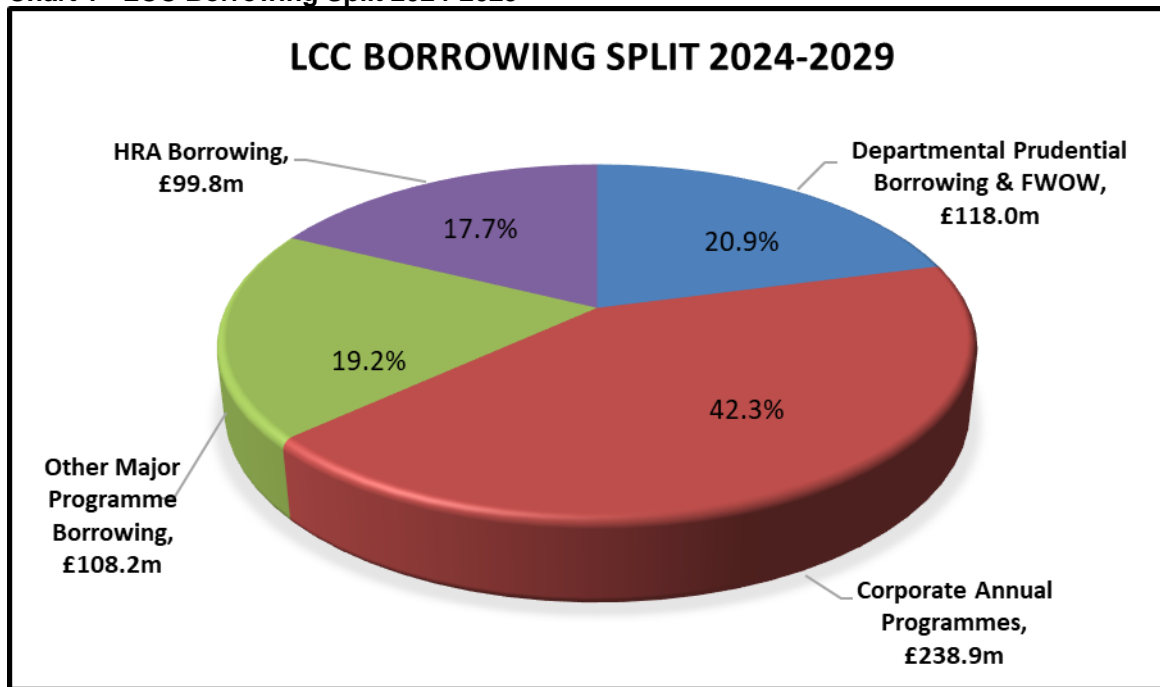
- 2 Table 1 shows the revised capital programme for 2024/25 to 2028/29 as at quarter 2. It totals £1,574.9m, an increase of £31.2m since the Q1 Capital Programme Update report was reported to July 2024 Executive Board. The increase relates to:
 - an increase in the HRA of +£20.5m; primarily relating to Housing Leeds Programme £15.9m and Council House Growth £4.9m.
 - an increase in the General Fund of +£10.7m; primarily relating to additional secured external funding for Public Sector Decarbonisation Programme £7.3m, Parks and Countryside £3m and other £0.4m.

Table 1 - Restated Capital Programme as at Quarter 2 2023/24 to 2027/28

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Forecast Expenditure	440.1	514.8	338.3	221.2	60.5	1,574.9
Funded By;						
Borrowing	155.7	174.1	124.8	75.9	34.5	565.0
Government Grants	157.5	190.6	98.2	50.5	18.3	515.1
Gen Fund Capital Receipts	19.0	12.6	8.1	8.1	1.5	49.3
Other Grants & Contributions	17.3	8.6	1.8	0.8	6.2	34.7
HRA Self Financing	58.0	83.1	72.9	74.4	0.0	288.4
HRA Right to Buy Receipts	32.6	45.8	32.5	11.5	0.0	122.4
Total Forecast Resources	440.1	514.8	338.3	221.2	60.5	1,574.9

- 3 The programme is further analysed between General Fund and HRA. The General Fund capital programme currently stands at £1,054.4m across the five years 2024/25 to 2028/29. It provides for investment in improved facilities and infrastructure and also has an impact on the Leeds economy through supporting jobs, income, and business throughout the city. The HRA capital programme provides for capital investment of £520.5m.
- 4 The overall level of borrowing required to fund the 2024-29 capital programme is £565.0m, an increase of £1.8m since the quarter 1 report. This level of borrowing remains affordable within available resources identified in the Medium Term Financial Strategy. Borrowing of £456.7m (81%) relates to capital expenditure that is funded by additional income, generates revenue savings or ensures that our assets are maintained to an acceptable standard. The remaining £108.2m (19%) supports the Best City Ambition objectives. The split of LCC borrowing for the full programme is shown in **Chart 1**.

Chart 1 - LCC Borrowing Split 2024-2029



- 5 Capital priorities were set out as part of the February 2024 budget process and the capital programme approved in February 2024 is structured to show schemes under these priorities. This is summarised in **Appendix B1**, with an analysis across Annual and Major Programmes provided at **Appendix B1 (i)** and **Appendix B1 (ii)**.
- 6 **Appendix B1 (iii)** details a net increase in funding of £31,139.2k since the approval of the quarter 1 Capital Programme report in July 2024 and the specific injections this report seeks which total £27,496.9k:
- £22,913.0k of Major Repairs Reserve funding for Capitalised Voids and Repairs;
 - £1,760.0k of Brownfield Land Housing Grant for Newbuild at Amberton Terrace and Seacroft Crescent
 - £2,126.0k of Local Authority Housing Fund Round 3
 - £697.9k Various other HRA borrowing and other contributions

Capital Programme 2024/25 Update

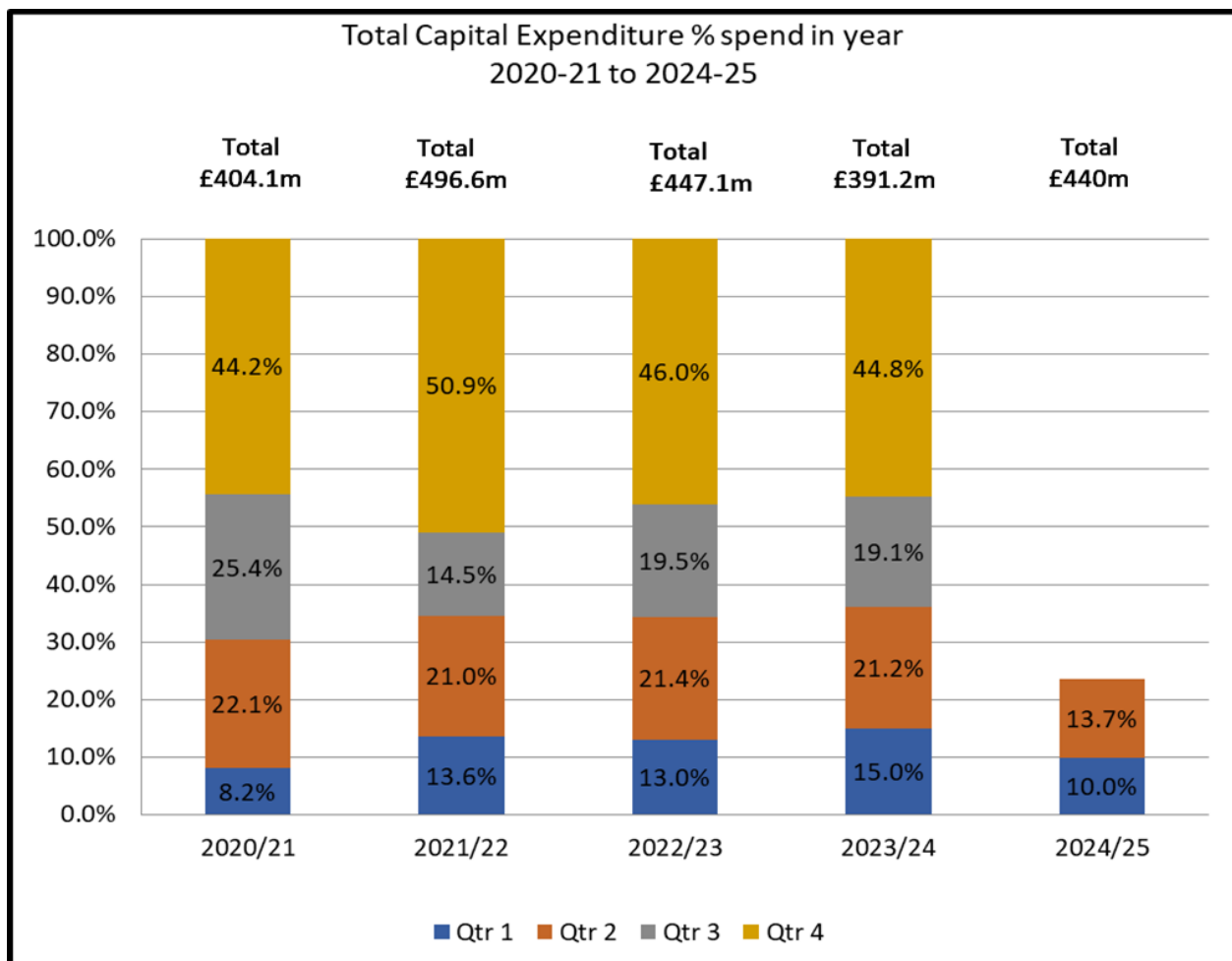
- 7 The latest capital programme resources position for General Fund and HRA in 2024/25 is shown in Table 2.

Table 2 - Capital Resources Position 2024/25

	2024/25				
	February 2024 Capital Programme £m	Restated Capital Programme as at 2023/24 Outturn £m	Capital Programme Q1 £m	Capital Programme Q2 - This Report £m	Variance - This Report to Q1 £m
Forecast Expenditure	485.9	518.7	503.7	440.1	(63.6)
Funded By;					
Borrowing	193.7	193.1	183.2	155.7	(27.5)
Government Grants	164.3	182.3	169.9	157.5	(12.4)
Gen Fund Capital Receipts	18.9	19.5	19.5	19.0	(0.5)
Other Grants & Contributions	12.7	17.8	17.8	17.3	(0.5)
HRA Self Financing	60.7	63.4	70.7	58.0	(12.7)
HRA Right to Buy Receipts	35.6	42.6	42.6	32.6	(10.0)
Total Forecast Resources	485.9	518.7	503.7	440.1	(63.6)

- 8 Table 2 shows that since the quarter 1 report there has been a net decrease of £63.6m from £503.7m to £440.1m in the overall programme to be delivered in 2024/25. This has reduced the use of borrowing in 2024/25 by £27.5m, Government Grants & other contributions by £12.9m, General Fund capital receipts by £0.5m and HRA funding by £22.7m.
- 9 There has been significant reprofiling to the following Directorates and Major Programmes since quarter 1; HRA - Council House Growth programme (£14.9m), Housing Leeds & Bitmo (£14.1m), City Development – Highways programme (£17.2m), Morley Town Fund (£2.4m), Leeds Station Sustainable Travel Gateway (£2m), Leeds Town Hall Refurbishment (£1.0m), Kirkgate Market Strategy (£0.9m) & other smaller schemes (£0.6m), Annual Programmes – Vehicle Replacement Programme (£3.9m), ICT (£5.9m), Corporate Property Management (£2.3m), Highways Section 278 & Bridges £3.1m, other Annual Programmes £1.3m, Adults & Health Programme – Autism Project (£2m), Assisted Living (£1m) and other smaller schemes (£0.7m), Strategy, Resources and Strategic (£3.7m), Communities Housing and Environment – Private Sector Renewal (£2.3m), Community Hubs (£1m) offset by Decarbonisation Programme £6.7m, Children & Families £0.9m and other CH&E schemes £0.6m.
- 10 The Council’s Medium Term Financial Strategy and the 2024/25 Revenue Budget report, approved by Council in February 2024, detail how the budget (both revenue and capital) aligns with the Council’s Best City Ambitions. With regard to the updated position reported in this first quarter capital position it is not considered that this current position will have any implications for the planned delivery of the Council’s Best City Ambitions.
- 11 The level of borrowing has decreased by £27.5m since quarter 1. The 2024/25 revenue debt budget is currently projected to underspend by £800k - although increases in interest rates have been higher than predicted this is offset by the lower overall external borrowing requirement and larger than anticipated revenue balances available to defray external borrowing. This level of planned borrowing is containable within the 2024/25 revenue debt budget.

Chart 2 – Percentage Spend Rates per Quarter



- 12 **Chart 2** shows the rate of spend compared to previous years. Spend at quarter 2, having been adjusted for unmatched accruals, of £104.0m (23.6%) is low compared with most financial years; it is only comparable with 2020/21 spend which was affected by the initial Covid pandemic lockdown. The current 2024/25 programme value of £440.1m remains high. Both the current rate of spend and the high overall programme value suggest the need for programme slippage in the region of £40m to £50m. Directorates will continue to be challenged regarding their capital scheme profiling and the rate of spend is being closely monitored, with identified slippage actioned in the coming months in preparation for the February 2025 capital programme setting.
- 13 In line with the Capital Receipts Incentive Scheme (CRIS), **Appendix B2** details the additional CRIS allocations to wards and community committees for the period April 2024 to September 2024 of £199.9k and identifies a total balance available of £2,571.3k. A further CRIS injection will be made at final outturn for October 2024 to March 2025 disposals.

The 10 Year Plan

- 14 The Council's 10-year capital programme considers the need for capital investment against affordability within the framework of the Medium Term Financial Strategy (MTFS). The programme identifies annual programmes across the Council that aim to provide investment in assets to ensure that the Council can continue to operate effectively. The Council also has a number of major programmes that provide investment in line with the Council's Best City Ambition.
- 15 The updated 10 year plan is attached at **Appendix B3**. It currently identifies the need to inject £60,490.6m to roll forward annual programmes into 2028/29.

Capital Programme Review

- 16 Capital investment needs are assessed on an annual basis through a Capital Programme Review under the direction of the Council's BCT: Strategic Investment Board, with final approval sought from the Executive Board and Full Council in February each year (at the same time that the revenue budget is set to ensure overall affordability). The process does however allow for fully funded schemes (funded either by external resources or departmental prudential borrowing) to be injected throughout the year.
- 17 In April 2024, Strategic Investment Board agreed to continue with its overarching Capital Strategy to support a review of the capital programme, whereby new borrowing would not exceed budgeted Minimum Revenue Provision (MRP), except where this would prevent the delivery of savings or robust prudential borrowing proposals. Capital priorities initially agreed in 2022/23 were updated to tie in with the Best City Ambition and the Organisational Plan, to ensure that the capital programme reflects the priorities of the Council and the City, and these criteria used to assess the priority of any new projects / pressures identified by Directorates.
- 18 Directorate proposals were considered and challenged by Strategic Investment Board in June 2024 and 12 schemes shortlisted for further review. Following shortlisting, Strategic Investment Board reconsidered the shortlisted schemes in July 2024 alongside a review of borrowing in the existing programme which identified in year debt savings and sufficient borrowing headroom to enable the funding of all shortlisted proposals. These shortlisted proposals are summarised in **Table 3** and will be included in the February 2025 capital budget report to this Board and to Full Council seeking approval to inject.
- 19 Revenue savings proposals to address the current Financial Challenge will also be reviewed to ensure that any interdependencies between capital and revenue are given due consideration and reflected in final budget proposals.

Table 3 – Shortlisted Capital Programme Review Proposals

Capital Programme Pressures 2025/26	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	Total £000's
<i>Connecting West Leeds</i>	3,500	400			3,900
<i>General Capitalisation (Highways)</i>	1,600	1,000			2,600
<i>Calverley River Bridge</i>	10,000	2,000			12,000
<i>Inner Ring Road Structures</i>	400				400
<i>Kirkgate Redevelopment - CPO acquisitions</i>	500	1,000	500		2,000
<i>Leeds Industrial Museum</i>	477				477
<i>PlayZones</i>	400	350			750
<i>Heritage Assets</i>	750				750
<i>Community Hubs - Furniture Refresh</i>	135				135
<i>Greenspace investments</i>	1000				1,000
<i>Tropical World</i>		8100			8,100
<i>Leeds Transformational Regeneration</i>	500				500
	19,262	12,850	500	-	32,612

<i>Interest Costs</i>	0.43	1.16	1.43	1.41	4.43
<i>MRP</i>	-	0.50	0.84	0.88	2.22
Cost of Borrowing	0.43	1.65	2.28	2.29	6.65

Community Infrastructure Levy (CIL) Strategic Fund

- 20 The demand for infrastructure across Leeds is inevitably wide ranging. The Community Infrastructure Levy (CIL) provides one component that contributes to the delivery of infrastructure within Leeds. Executive Board (February 2015), made key decisions around spending of future CIL income, directing it into two main funding streams, a Strategic Fund, and Neighbourhood Fund, plus up to 5% for administrative costs. National planning policy sets out a requirement for Local Authorities to publish an annual Infrastructure Funding Statement (IFS). The IFS sets out current spending details relating to CIL and developer contributions received via Section 106 Agreements, as well as forthcoming infrastructure priorities. The strategy proposed by Strategic Investment Board is to utilise Strategic CIL funding as matched funding contributions for Strategic Highways and Supporting Older People Schemes.
- 21 There are Strategic Highways and Supporting Older People Schemes within the capital programme with existing matched funding contributions. CIL funding could be utilised for these, allowing resources to be redirected to release Leeds Borrowing to deal with any unforeseen circumstances, ensure sufficient resources are available to fund the capital programme or contribute savings to the overall Financial Challenge by reducing the level of borrowing that the council has to undertake.

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
EXPENDITURE						
GENERAL FUND (GF)						
IMPROVING OUR ASSETS	132,922	199,535	117,781	59,678	20,903	530,819
INVESTING IN MAJOR INFRASTRUCTURE	69,462	33,994	2,936	8,212	53	114,657
SUPPORTING SERVICE PROVISION	38,180	22,962	35,749	18,527	12,789	128,208
INVESTING IN NEW TECHNOLOGY	10,707	10,540	3,714	2,500	0	27,461
SUPPORTING THE LEEDS ECONOMY	15,041	28,298	5,907	2,059	661	51,966
CENTRAL & OPERATIONAL EXPENDITURE	44,886	49,281	38,454	43,797	24,893	201,312
TOTAL ESTIMATED SPEND ON GF	311,198	344,611	204,542	134,773	59,299	1,054,423
HOUSING REVENUE ACCOUNT (HRA)						
IMPROVING OUR ASSETS - COUNCIL HOUSING	128,872	170,150	133,815	86,387	1,221	520,445
TOTAL ESTIMATED SPEND ON HRA	128,872	170,150	133,815	86,387	1,221	520,445
TOTAL ESTIMATED SPEND	440,070	514,762	338,357	221,159	60,520	1,574,868
RESOURCES						
GENERAL FUND (GF)						
Specific Resources						
GOVERNMENT GRANTS	150,310	188,806	98,176	50,466	18,291	506,049
OTHER GRANTS & CONTRIBUTIONS	16,347	8,645	1,839	842	6,245	33,918
RCCO / RESERVES	55	0	0	0	0	55
CAPITAL RECEIPTS - Transformational Change	18,982	12,565	8,085	8,085	1,504	49,221
Corporate Resources						
BORROWING - Corporate	108,281	116,454	76,692	65,378	31,632	398,437
BORROWING - Departmental	17,224	18,141	19,749	10,002	1,628	66,743
CAP. RESOURCES REQD FOR GF	311,198	344,611	204,542	134,773	59,299	1,054,423
HOUSING REVENUE ACCOUNT (HRA)						
Specific Resources						
HRA SELF FINANCING	57,967	83,114	72,901	74,365	0	288,347
R.T.B. CAPITAL RECEIPTS	32,632	45,793	32,535	11,494	0	122,453
GOVERNMENT GRANTS	7,161	1,764	0	0	0	8,925
RCCO / RESERVES	750	0	0	0	0	750
OTHER GRANTS & CONTRIBUTIONS	200	0	0	0	0	200
BORROWING - Departmental	30,162	39,480	28,379	527	1,221	99,770
CAP. RESOURCES REQD FOR HRA	128,872	170,150	133,815	86,387	1,221	520,445
TOTAL CAP. RESOURCES REQD	440,070	514,762	338,357	221,159	60,520	1,574,868

BORROWING REQUIRED TO FUND THIS PROGRAMME	155,667	174,075	124,821	75,907	34,480	564,950
Average Interest rate (subject to change)	4.75%	4.00%	3.75%	3.50%	3.50%	

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Improving Our Assets						
Highways Maintenance	27,679	22,278	21,005	22,143	0	93,105
Corporate Property Management	8,550	7,500	7,285	6,500	5,500	35,335
Highways Bridges & Structures Maintenance Section 278	7,216	4,798	4,028	6,490	0	22,532
Highways Maintenance Capitalisations	6,895	5,722	4,673	800	0	18,090
Climate Emergency	3,700	301	0	0	0	4,001
Demolition Programme	1,047	800	850	850	498	4,045
Sports Maintenance	442	500	0	500	0	1,442
Library Books	1,461	100	100	100	0	1,761
	300	200	100	0	0	600
	57,290	42,199	38,042	37,383	5,998	180,911
Supporting Service Provision						
Telecare ASC	529	500	500	500	500	2,529
Adaptation to Private Homes	470	470	470	470	139	2,019
Childrens Centres	60	50	50	50	208	418
	1,059	1,020	1,020	1,020	847	4,966
Investing In New Technology						
Digital Development	5,372	5,000	2,500	2,500	0	15,372
Essential Services Programme	4,912	4,600	1,200	0	0	10,712
	10,284	9,600	3,700	2,500	0	26,084
Supporting The Leeds Economy						
Project Support Fund - Groundwork	70	70	70	70	70	350
Central & Operational Expenditure						
Vehicle Programme	8,744	19,980	20,000	20,000	12,688	81,412
PFI Lifecycle Capitalisations	12,895	13,395	8,238	14,773	0	49,301
Transformational Change	12,789	11,595	8,085	8,085	1,504	42,058
General Capitalisations	2,150	1,900	790	0	0	4,840
Capital Programme Management	541	541	541	661	0	2,285
Capitalisation of Interest	500	400	300	279	0	1,479
	37,619	47,811	37,954	43,797	14,192	181,374
Total Annual Programmes 2023-2028	106,322	100,700	80,786	84,770	21,107	393,684

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£0	£0	£0	£0	£0	£0
Improving our assets - Council Housing						
HRA Housing Leeds & BITMO & Other	75,782	98,200	92,176	86,348	1,221	353,728
HRA Council Housing Growth Programme	53,090	71,951	41,639	38	0	166,717
Improving our assets - General Fund						
Dawsons Corner & Stanningley Bypass	3,190	20,000	16,631	0	0	39,822
Capital Maintenance / School Condition Allocation	4,932	7,772	6,866	6,866	12,472	38,907
Parks & Countryside Schemes	10,955	7,168	3,380	1,128	26	22,657
Highways Transport Package	6,369	8,123	4,098	3,805	0	22,395
George Street Redevelopment	361	4,000	12,000	5,000	0	21,361
A660 Woodhouse Lane Gateway (Uni)	501	16,675	3,025	0	0	20,201
Parklife Programme	1,513	13,894	5,744	0	0	21,151
Fearville Wellbeing Centre	323	6,000	10,000	1,579	0	17,902
Corridor Improvement Programme (CIP)	1,518	14,479	100	0	0	16,097
Leeds Town Hall Restoration / Other Heritage Assets	3,097	10,677	1,850	0	0	15,624
Beckett Street Bus Priority Transformation	748	6,911	7,250	0	0	14,909
LUF1 - Connecting West Leeds	6,872	7,098	647	0	0	14,617
City Centre Package & Armlley Gytratory	9,236	515	0	0	0	9,751
Devolved Formula Capital Grant	2,362	1,728	1,609	1,378	1,966	9,044
A6110 Elland Road South Churchwell Hill	582	7,150	219	0	0	7,951
Creating Healthier Streets, Spaces & Communities	295	3,130	2,660	0	0	6,085
Assisted Living Leeds	3,381	2,500	0	0	0	5,881
Streetlighting Replacement LEDs	73	200	2,450	2,450	0	5,173
Community Hubs Programme	2,056	1,863	0	0	0	3,918
Future Ways of Working and Estate Realisation	1,468	1,263	0	0	0	2,731
Other smaller schemes within the objective	15,801	16,191	1,211	90	441	33,733
	204,504	327,487	213,555	108,682	16,126	870,354
Investing in Major Infrastructure						
Leeds Integrated Station Masterplan	18,421	16,666	2,000	0	0	37,087
Decarbonisation Programme & Energy Efficiency	32,266	2,481	53	53	53	34,908
Sustainable Active Travel	6,786	12,855	0	0	0	19,641
Clean Air Zone	534	0	0	8,158	0	8,693
Flood Alleviation Schemes	6,264	575	583	0	0	7,422
Other smaller schemes within the objective	5,190	1,417	300	0	0	6,907
	69,462	33,994	2,936	8,212	53	114,657
Supporting Service Provision						
Learning Places Programme / Basic Need Grant	16,366	5,683	23,456	6,587	9,962	62,054
Private Sector Renewal - Adaptations / Equity Loans	10,152	9,877	9,364	10,197	218	39,808
Kirklands Bungalow - Autism Unit	5,407	3,386	0	0	0	8,793
Childrens Homes	2,470	117	0	0	0	2,587
Other smaller schemes within the objective	2,727	2,880	1,909	722	1,763	10,001
	37,121	21,942	34,729	17,507	11,943	123,242
Investing in New Technology						
Other smaller schemes within the objective	423	940	14	0	0	1,377
	423	940	14	0	0	1,377
Supporting the Leeds Economy						
Morley Town Fund	5,015	16,305	0	0	0	21,319
Kirkgate Market Strategy	2,680	3,400	930	0	0	7,010
British Library at Temple Works	85	4,716	0	0	0	4,801
East of Otley Relief Road	93	200	4,218	0	0	4,511
Local Centres Programme & THI	1,725	1,075	0	0	0	2,800
Other smaller schemes within the objective	5,373	2,532	689	1,989	591	11,174
	14,971	28,228	5,837	1,989	591	51,616
Central & Operational Expenditure						
General Contingencies	300	500	500	0	10,701	12,001
Core Systems Review	6,193	970	0	0	0	7,163
Other smaller schemes within the objective	774	0	0	0	0	774
	7,267	1,470	500	0	10,701	19,938
Total Major Programmes & Other Directorate schemes	333,748	414,062	257,571	136,389	39,414	1,181,183
Annual Programmes - See Appendix B1 (i)	106,322	100,700	80,786	84,770	21,107	393,684
Total Annual & Major Programmes	440,070	514,762	338,357	221,159	60,520	1,574,868

	Corporate Borrowing £000	Borrowing Supported by Revenue £000	Specific Resources £000	Total Resources £000
MRR injection re Capitalised Voids & Repairs			22,913.0	22,913.0
Brownfield Housing Grant for Newbuild at Amberton Terrace and Seacroft Crescent			1,760.0	1,760.0
HRA - injection of LAHF 3 (Local Authority Housing Fund) project			2,126.0	2,126.0
Other HRA Various		406.0	291.9	697.9
Net Injections sought as part of Q2 Report	0.0	406.0	27,090.9	27,496.9
PSDP3C Public Sector Decarbonisation Grant			6,990.9	6,990.9
Departmental Borrowing to support Sport Schemes		1,187.8	50.0	1,237.8
Departmental Borrowing to support Parks Equipment & Machinery		1,055.0		1,055.0
Parks & Countryside Priv Sector & S106 34 schemes			1,162.2	1,162.2
Environment Agency & Sustrans grant - Pontefract Lane/Skelton Lakes/Cock Beck			721.5	721.5
UTMC Urban Traffic Mgt Control Grant			500.0	500.0
Other smaller Q2 Injections			116.8	116.8
Total Net Injections in place from June Q1 to end of September 2024	0.0	2,242.8	9,541.4	11,784.2
Net Slippage/Deletion Movements from Q1 report to Q2 report end of September 2024				-8,141.9
Net Increase in funding from June Q1 to end of September Q2 2024				31,139.2

Ward Based Initiative (WBI) Allocations							
	Initial WBI Allocation from	Total CRIS Mar '24	CRIS Injection Apr '24 - Sept '24	Total WBI Allocation	Spent / (as at Sept '24)	Total Balance Available	Scheme ref
	£0	£0	£0	£0	£0	£0	
ADEL AND WHARFEDALE	40	107.7	0	147.7	57.1	90.6	14236\ADL\000
ALWOODLEY	40	95.9	0	135.9	135.9	0	14236\ALW\000
ARDSLEY AND ROBIN HOOD	40	57	0	97	88	9	14236\ARD\000
ARMLEY	40	168.9	0	208.9	145.9	63.1	14236\ARM\000
BEESTON AND HOLBECK	40	119.9	0	159.9	128.7	31.2	14236\BEE\000
BRAMLEY AND STANNINGLEY	40	98.9	0	138.9	130.5	8.4	14236\BRA\000
BURMANTOFTS AND RICHMOND H	40	162.2	0	202.2	118.9	83.3	14236\BUR\000
CALVERLEY AND FARSLEY	40	45.3	0	85.3	85	0.3	14236\CAL\000
CHAPEL ALLERTON	40	189.7	0	229.7	154	75.7	14236\CHA\000
HUNSLET & RIVERSIDE	40	585.2	10.4	635.6	471	164.6	14236\CIT\000
CROSSGATES AND WHINMOOR	40	97.9	0	137.9	77.6	60.3	14236\CRO\000
FARNLEY AND WORTLEY	40	174.7	0	214.7	204.5	10.2	14236\FAR\000
GARFORTH AND SWILLINGTON	40	34.6	0	74.6	56.7	17.8	14236\GAR\000
GIPTON AND HAREHILLS	40	196.4	0	236.4	224.7	11.6	14236\GIP\000
GUISELEY AND RAWDON	40	0	28.3	68.3	40.1	28.2	14236\GUI\000
HAREWOOD	40	114.9	0	154.9	70.9	84	14236\HAR\000
HEADINGLEY AND HYDE PARK	40	327.8	0	367.8	346.5	21.3	14236\HDN\000
HORSFORTH	40	180.3	37.9	258.2	204.8	53.3	14236\HOR\000
LITTLE LONDON AND WOODHOUS	40	589.3	14.4	643.7	275.6	368.1	14236\HYD\000
KILLINGBECK AND SEACROFT	40	85.1	0	125.1	59.1	66	14236\KIL\000
KIPPAX AND METHLEY	40	50.7	0	90.7	42.7	48	14236\KIP\000
KIRKSTALL	40	157.9	0	197.9	103.8	94.2	14236\KIR\000
MIDDLETON PARK	40	94.5	0	134.5	117.2	17.3	14236\MID\000
MOORTOWN	40	45.9	0	85.9	82.2	3.7	14236\MOO\000
MORLEY NORTH	40	57.8	0	97.8	97.8	0	14236\MON\000
MORLEY SOUTH	40	30.6	0	70.6	65.6	5	14236\MOS\000
OTLEY AND YEADON	40	201.7	21.8	263.5	105.6	157.8	14236\OTL\000
PUDSEY	40	177.2	0	217.2	186	31.2	14236\PUD\000
ROTHWELL	40	168.2	0	208.2	65.6	142.6	14236\RTH\000
ROUNDHAY	40	62.7	37.3	140	76.6	63.3	14236\ROU\000
TEMPLE NEWSAM	40	343.2	0	383.2	115.1	268.1	14236\TEM\000
WEETWOOD	40	165.8	0	205.8	173.2	32.6	14236\WEE\000
WETHERBY	40	150	0	190	183.6	6.4	14236\WET\000
TOTALs	1,320.00	5,137.90	149.9	6,607.80	4,490.70	2,117.20	

Community Committee Allocations							
	Percentage	Total CRIS Mar '24'	CRIS Injection Apr '24 - Sept '24	Total WBI Allocation	Spent / (as at Sept '24)	Total Balance Available	Scheme ref
	%	£0	£0	£0	£0	£0	
INNER SOUTH	14.83%	236.5	7.4	243.9	191.3	52.6	16933\000\000
OUTER SOUTH	9.60%	169.7	4.8	174.5	130.7	43.8	16934\000\000
OUTER EAST	8.83%	162.4	4.4	166.8	67.7	99.1	16935\000\000
INNER WEST	13.02%	193.5	6.5	200	177	22.9	16936\000\000
INNER NORTH WEST	8.33%	157.9	4.2	162.1	127.4	34.6	16937\000\000
OUTER WEST	8.66%	148.3	4.3	152.6	116.4	36.2	16938\000\000
OUTER NORTH WEST	7.24%	136.9	3.6	140.5	83.3	57.3	16939\000\000
INNER NORTH EAST	7.64%	140.9	3.8	144.7	124.3	20.5	16940\000\000
INNER EAST	16.70%	270.3	8.3	278.6	221.1	57.6	16941\000\000
OUTER NORTH EAST	5.15%	96.3	2.6	98.9	69.3	29.5	16942\000\000
TOTALs	100.00%	1,712.70	50	1,762.70	1,308.50	454.1	

Total CRIS Injection Apr '24 - Sept '24 **199.9** Total CRIS Balance Available **2,571.30**

10 Year Capital Programme

Appendix B3

Annual Programme

	2024/25 £000,	2025/26 £000,	2026/27 £000,	2027/28 £000,	2028/29 £000,	2029/30 £000,	2030/31 £000,	2031/32 £000,	2032/33 £000,	2033/34 £000,	Total £000,
Highways Maintenance	13,000.0	13,000.0	13,000.0	10,889.1	13,000.0	13,000.0	13,000.0	13,000.0	13,000.0	13,000.0	127,889.1
Highways Maintenance - supported by external funding	14,679.1	9,278.1	8,005.1	11,253.5	11,369.3	11,369.3	11,369.3	11,369.3	11,369.3	11,369.3	111,431.6
Highways Maintenance Capitalisations	3,700.0	301.0	0.0								4,001.0
Highways Bridges & Structures Maintenance	1,226.7	1,342.8	823.0	2,332.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	17,724.5
Highways Bridges & Structures Maintenance - supported by external funding	5,988.9	3,455.1	3,205.1	4,158.2	4,205.1	4,205.1	4,205.1	4,205.1	4,205.1	4,205.1	42,037.9
Highways Section 278	2,350.0	1,400.0	700.0								4,450.0
Highways Section 278 - external contributions / supported by external funding	4,544.9	4,321.8	3,973.0	800.0	3,500.0	3,500.0	3,500.0	3,500.0	3,500.0	3,500.0	34,639.7
General Capitalisation	2,150.0	1,900.0	789.5								4,839.5
Childrens Centres	60.4	50.0	50.0	50.0	208.0	50.0	50.0	50.0	50.0	50.0	668.4
Vehicle Programme	8,222.7	19,980.0	20,000.0	20,000.0	12,688.0						80,890.7
Vehicle Programme - supported by external funding	521.4										521.4
Adaptation to Private Homes	470.0	470.0	470.0	470.0	331.1	470.0	470.0	470.0	470.0	470.0	4,561.1
Telecare ASC	528.5	500.0	500.0	500.0	500.0	600.0	600.0	600.0	600.0	600.0	5,528.5
Library Books	300.0	200.0	100.1								600.1
Sports Maintenance	223.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	1,123.5
Project Support Fund (Groundwork)	0.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	630.0
Project Support Fund (Groundwork) - supported by external S106 funding	70.0				70.0						140.0
Essential Services Programme	4,911.8	4,600.0	1,200.0								10,711.8
Digital Development	5,372.4	5,000.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	30,372.4
Corporate Property Management	8,550.0	7,500.0	7,285.3	6,500.0	5,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	42,835.3
Capital Programme Management	541.4	541.4	541.4	660.9	541.4	541.4	541.4	541.4	541.4	541.4	5,533.5
Demolition Programme	441.7	500.0	0.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	4,441.7
Capitalisation of Interest	500.0	400.0	300.0	278.9	200.0	200.0	200.0	200.0	200.0	200.0	2,678.9
Climate Emergency	560.0	500.0	500.0	500.0	102.0	600.0	600.0	600.0	600.0	600.0	5,162.0
Climate Emergency - supported by external funding	486.9	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	3,586.9
Transformational Change to LCC (excl Core Systems Review)	12,788.7	11,595.0	8,085.0	8,085.0	8,967.4	10,471.2	10,471.2	10,471.2	10,471.2	10,471.2	101,877.1
PFI Lifecycle Capitalisations	12,895.0	13,395.0	8,238.0	14,772.6	14,895.0	15,395.0	15,895.0	16,395.0	16,895.0	16,895.0	145,670.6
Total Annual Programmes	105,084.0	100,700.2	80,785.5	84,770.2	81,597.3	67,422.0	67,922.0	68,422.0	68,922.0	68,922.0	794,547.2

28/29 Annual Programme 81,597.3
 Less Injections to Date 21,106.7
Total Estimated Injection 60,490.6

TREASURY MANAGEMENT STRATEGY UPDATE 2024/25

Date: 20th November 2024

Report of: Interim Assistant Chief Executive – Finance, Traded and Resources

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

1. This report provides a review and update of the Treasury Management Strategy for 2024/25.
2. The Council's level of net external debt at 31st March 2025 is now forecast to be £2,652m, £54m lower than was forecast when the strategy was approved in February 2024. This lower forecast is due to a lower capital programme borrowing requirement (£45m) together with balance sheet movements (£9m).
3. Cash resources and short-term borrowing were used in lieu of external long-term borrowing during 2023/24 and this has continued into 2024/25.
4. The investment of surplus monies will continue to be carried out with due regard for security of capital in accordance with the Council's approved investment strategy.
5. The updated strategy for 2024/25 is currently forecast to deliver a saving of £800k against the budget. This is largely due to a lower than forecast borrowing need, partially offset by higher interest rates than were assumed when the budget was set. Bank of England base rates have been cut by 0.25% in August to 5.00% and further cuts are forecast, however the exact timing and scope for these is still subject to uncertainty. There is also scope for the council's borrowing requirement to further reduce during the remainder of the year, and thus some improvement in the current level of savings is likely.

Recommendations

That Executive Board:

- a) Note the update on the Treasury Management borrowing and investment strategy 2024/25.

What is this report about?

1.1 The 2024/25 Treasury Management Strategy was approved by Executive Board on 7th February 2024. This report provides a review and update of the strategy for 2024/25.

1.2 Review of Strategy 2024/25

1.2.1 The current borrowing forecasts are shown in Table 1

Table 1

	2024/25 Feb 24 Report £m	2024/25 This Report £m
ANALYSIS OF BORROWING 2024/25		
Net Borrowing at 1 April	2,511	2,494
New Borrowing for the Capital Programme – Non HRA	154	126
New Borrowing for the Capital Programme – HRA	39	30
Debt redemption costs charged to Revenue (Incl HRA)	(64)	(64)
Reduced/(Increased) level of Revenue Balances	66	66
Net Borrowing at 31 March*	2,706	2,652
Capital Financing Requirement		
2,952		
* Comprised as follows		
Long term borrowing		
Fixed	2,220	2,290
Variable (less than 1 Year)	25	0
New Borrowing	195	158
Short term Borrowing (Previous years)	306	244
Total External Borrowing	2,746	2,692
Less Investments	40	40
Net External Borrowing	2,706	2,652
% borrowing funded by short term and variable rate loans	19%	15%

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

Table 1 shows that net external borrowing is now forecast at the end of 2024/25 to be £2,652m, £54m lower than in the report to Executive Board on 7th February 2024. The outturn position at 31st March 2024 was £17m lower than forecast, which was due to slippage in new borrowing for the HRA capital programme into the 2024/25 financial year of £10m and higher revenue balances of £9m, offset by £2m higher borrowing than anticipated for the General Fund capital programme. Cumulatively the lower forecast for net borrowing at 31st March 2025 of £54m is due to a lower capital programme borrowing requirement (£45m) together with balance sheet movements of (£9m). The global economic position and its effect on UK interest rates and therefore on the cost of new borrowing for the Council continues to be uncertain and volatile. Domestically, the new Government's first autumn budget on 30th October may impact the economic forecasts detailed below.

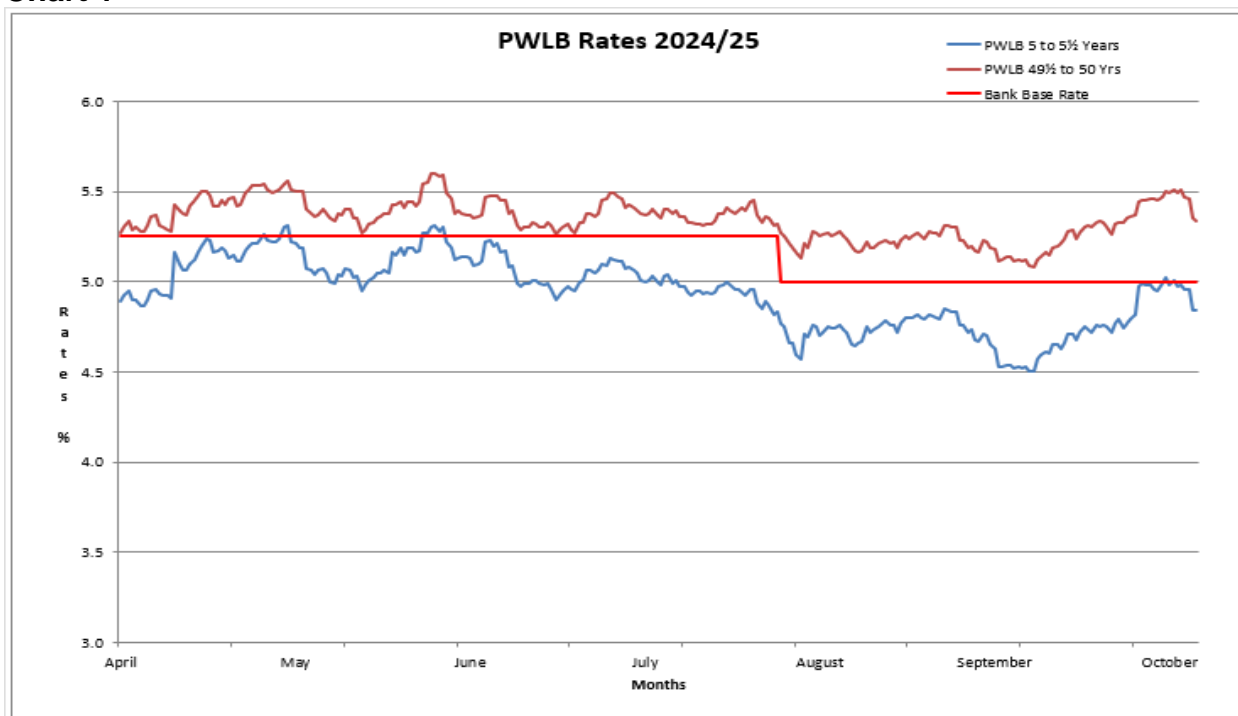
1.2.4 The further easing in wage growth is a sign that labour market conditions are becoming more benign and reducing the domestic pressure on the broader CPI measure of inflation. The UK's unemployment rate fell for the fourth time in past five months, down to 4% in August from 4.1% in July. The three-month average growth rate of earnings, (excluding bonuses) fell from 5.1% to 4.9% in August.

1.2.5 Recent UK economic growth has been relatively weak and inconsistent. The UK's Gross Domestic Product (GDP) grew by 0.5% in the 2nd quarter of 2024, down from 0.7% in quarter 1. The council's advisors are forecasting GDP growth to hit 1.2% in 2024 and 1.5% in both 2025 and 2026. The 1.0% month on month jump in retail sales in August was stronger than the consensus forecast for a 0.4% month on month increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which

the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.

- 1.2.6 CPI inflation dropped from 2.2% in August to 1.7% in September. Although inflation has fallen significantly from its peak, experts predict it could rise again over the winter months due to increases in energy prices, after average household energy bills surged 10% from October. However, CPI inflation is expected to fall back towards the 2% target by mid-2025. Core inflation also decreased to 3.2% in September from 3.6% in August. Oil prices have been volatile during the year with international concerns regarding Ukraine and the Middle East driving markets. Prices had risen to over \$91 per barrel on the Brent Crude index although it is currently below \$75 per barrel and has been generally trending downwards.
- 1.2.7 The Monetary Policy Committee (MPC) initiated its loosening cycle in August with a 25bps rate cut, with the base rate currently at 5.00%. In September it voted 8-1 to hold rates at 5.00% signalling a preference for a more gradual approach to rate cuts. It seems possible there will be another cut before the end of 2024 with November being more likely than December if inflation does begin to spike up towards 3.0%. The pound started the year at around \$1.26 but did peak above \$1.34 towards the end of September before falling back to around \$1.30 currently.
- 1.2.8 Outside the UK, the United States decreased its policy interest rates from 5.5% to 5% whilst its inflation rate now stands at 2.4% in September, down from 2.5% in August. Non-farm payrolls continue to perform well, posting 254k new jobs in September, indicating the economy is performing well with GDP growth posting a 3.0% increase year on year in the second quarter up from 1.6%. The European Central Bank has also begun to cut rates, reducing to 3.4% in October from 3.65% most recently, and a previous high of 4.50%. GDP has fallen marginally to 0.2% in the second quarter down from 0.3% in quarter 1. Lastly the wars in Ukraine and the Middle East remain major disruption events to the global economy.
- 1.2.9 During 2024/25, no new PWLB borrowing has been taken by the Council. A lender's option to propose an increased interest rate on a Lenders option Borrowers option (LOBO) loan was exercised, which resulted in a £15m loan being repaid without penalty, as detailed below in Table 4 below (paragraph 6.3.13). This has been refinanced by temporary borrowing in the short term. The markets continue to be monitored for opportunities to secure long term borrowing.
- 1.2.10 Despite a cut in base rate on 1st August from 5.25% to 5.00% the general trend in interest paid on debt is that interest rates have remained relatively elevated and volatile. Chart 1 shows how the cost of longer term borrowing from the Government through Public Works Loan Board (PWLB) loans has performed since the start of the financial year. Long term rates shown by 50-year PWLB during the financial year have stayed just above the bank base rate, sharply spiking in September to around the 5.25% mark which is approximately the same rate as in April 2024. Medium term rates as shown by 5-year PWLB have followed a very similar pattern, starting at around 4.9%, decreasing at the rate cut in August before increasing back to around 4.9% again in October. The Council is entitled to a reduction of 20bp on all PWLB rates, including those listed above, reflecting its eligibility for PWLB certainty rates. For HRA borrowing from the PWLB a further discount of 40bp has also been accessible since June 2023 and this has been extended to June 2025. The Council anticipates a headroom for HRA external borrowing of £97m by the end of 2024/25.

Chart 1



1.2.11 Market expectations are that Bank of England Base Rate movements in the UK will continue to drop, given that domestic and international inflation concerns are continuing to ease. The Council’s advisors are now forecasting that the bank base rate will continue to drop during the next financial year. As a result of these expectations the assumed borrowing rates within the treasury budget follow this downward trend into future years. Tables 2 and 3 below shows the Council’s advisors forecast for interest rates and the assumptions contained within the budget projections based on these market expectations, which will be kept under review as the economic situation evolves.

Table 2

1st August 2024	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.00	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month Average	5.00	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month Average	4.90	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month Average	4.80	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	4.80	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.20	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	5.00	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

Table 3

Budget Rate Assumptions	2024/25	2025/26	2026/27	2027/28	2028/29
Exec Board Feb 24	4.50	3.75	3.50	n/a	n/a
Now	4.75	4.00	3.75	3.50	3.50

1.2.12 Due to the significant and substantial increase in interest rates experienced since late 2021/22 and the forecast for rates and assumptions in the budget, the borrowing strategy was revised in 2022/23. It is now clear that taking further long-term borrowing at current rates may lock in higher than necessary interest costs in the future, and therefore a strategy of managing the Council’s borrowing need through its balance sheet strength and from short-term borrowing activity will continue to be employed. This strategy is supported by the Council’s Treasury advisors, considering its forecast for rates shown in Table 2 above. This will of course be subject to constant review, in order to lock in some long-term borrowing as favourable opportunities arise. It should also be noted that due to the

previously employed policy of locking in long-term borrowing need at historically low rates, the Council had no short-term borrowing outstanding at 31/03/2022, which increased to £173m at 31/03/2024. The fact that the Council's pre 2022/23 borrowing requirement is held in long term low fixed interest rate borrowing places the Council in a good position to manage the current volatile interest rate environment.

1.2.13 Table 4 below details the long-term funding activity during 2024/25.

Table 4

Repayments and Funding 2024/25							
Date	Repayments				New / Replacement Borrowing		
	Amount (£m)	Original Rate (%)	Note	Discount Rate	Date	Amount (£m)	Term (Years) / Interest Rate (%)
PWLB				PWLB			
24/09/2024	25.000	2.06%		n/a			
14/06/2024	1.000	4.31%		n/a			
29/06/2024	1.000	3.81%		n/a			
14/12/2024	1.000	4.31%	*	n/a			
29/12/2024	1.000	3.81%	*	n/a			
1/03/2025	30.000	5.05%	*	n/a			
Sub Total	59.000					0.000	
Market Loans				Market Loans			
02/04/2024	0.315	0.00%		Salix			
02/04/2024	0.618	0.00%		Salix			
02/04/2024	0.320	0.00%		Salix			
02/09/2024	0.024	0.00%		Salix			
02/09/2024	0.172	0.00%		Salix			
30/09/2024	15.000	3.90%		Option call			
01/10/2024	0.315	0.00%		Salix			
01/10/2024	0.619	0.00%		Salix			
01/10/2024	0.321	0.00%		Salix			
03/03/2025	0.024	0.00%	*	Salix			
03/03/2025	0.172	0.00%	*	Salix			
Sub Total	17.900					0.000	
Total	76.900				Total	0.000	

* known maturities that are yet to occur

** Facility Committed not Drawdown at this time

1.2.14 The Council's current long-term debt of £2.322bn has an average maturity of just under 33 years if all debts run to maturity. Approximately 9% of the Council's long-term debt has lender options for repayment, and if all these options were exercised at the next option date, then the average maturity of long-term debt would be lowered to approximately 29 years. This compares favourably for example with the average maturity of the UK Government debt portfolio of 14.2 years. The existing profile of the Council's debt provides considerable certainty of funding costs. Prudential Indicator for the maturity of debt in Appendix A shows the maturity profile of the Council's debt and highlights that approximately 65% or £1,752m matures in periods greater than 10 years.

1.2.15 The management of the debt budget is currently forecast to deliver a saving against the budget of £800k in 2024/25. This is largely due to lower than forecast borrowing need, partially offset by higher interest rates than were forecast when the budget was set. Interest rates have been cut by 0.25% in August to 5.00% and further cuts are forecast however the exact timing and scope for these is still subject to uncertainty. There is also scope for the council's borrowing requirement to further reduce during the remainder of the year, and thus there is the potential for some further improvement in the current level of savings.

1.3 Investment Strategy & Limits

- 1.3.1 The Council's external debt is reduced by the availability of revenue balances. The Treasury policy also allows for the external investment of these balances at advantageous rates but with due regard for security of capital invested. At present the Council's surplus monies continue to be held in short periods until required. As market sentiment to counterparty risk improves, together with enhanced returns, surplus monies will be invested in accordance with the approved lending list. This lending list is based upon the assessment of the financial standing of counterparties as determined by international credit rating agencies and further refined and updated by the Council's advisors on a continual basis. The lending list is often further restricted based upon the Council's view of the credit worthiness of counterparties.
- 1.3.2 The investment strategy, as re-affirmed by Executive Board and Full Council in February, allows for the Council to invest in only the most highly rated financial institutions around the world. The Council will only lend up to a maximum of £15m to financial institutions that are rated as excellent. There is also a limit of £5m for financial institutions that are rated as very good. These limits do not apply to deposits with the Council's own bankers, or to deposits with the Government's Debt Management Office (the DMO).

What impact will this proposal have?

2. The report provides an update on progress towards delivering the approved Treasury Management Strategy and does not introduce any new proposals.

Borrowing Limits for 2024/25, 2025/26 and 2026/27

- 2.1 The strategy report submitted to Executive Board and Full Council in February 2024 required the Council to approve the strategy for 2024/25. The report also required Full Council to set or reaffirm the borrowing limits both for the Operational Boundary and the Authorised limit as well as the Prudential Indicators as outlined in Appendix A and to set the Investments limits for periods greater than 364 days. This process is a requirement of the Local Government Act 2003 having regard for CIPFA's Prudential Code (as amended 2021). This report is to update Executive Board on performance against these limits and indicators for the financial year 2024/25 as recommended by the Code of Practice.
- 2.2 It is anticipated that the Council will continue to remain within the Authorised Limit for 2024/25. Both the Authorised Limit and Operational Boundary are made up of a limit for external borrowing and a limit for other long-term liabilities.
- 2.3 The Interim Assistant Chief Executive – Finance, Traded and Resources has delegated authority to adjust between the two separate limits for borrowing and other long-term liabilities, provided that the overall limit remains unchanged. No adjustments between the limits have been made, and any such adjustments would be reported to the next available Council meeting following the change.
- 2.4 Borrowing limits for 2024/25 were approved by Council on 7th February 2024 and remain unchanged.

How Does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 3.1 The Treasury Management strategy is one element of the overall arrangements which underpin the Council's financial robustness, and therefore enable the Council to pursue its objectives as set out in the Best City Ambition. The Treasury Management strategy secures funding to support the Council's capital programme, thus enabling the individual capital schemes within the programme to contribute towards the three pillars.

What consultation and engagement has taken place?

Wards Affected:

Have ward members been consulted?

Yes

No

- 4.1 This is a factual report providing an update on the strategy as presented to Executive Board in February 2024, and is not subject to consultation. The Treasury Management budget represents one element of the Council's revenue budget. Public consultation on the Council's revenue budget proposals was carried out between December 2023 and January 2024 and was reported at Appendix 1 in the 2024-25 Revenue Budget and Council tax report presented to Executive board in February 2024.
- 4.2 Further, the borrowing requirement is an outcome of the capital programme. Consultation is undertaken by individual services in relation to capital investment schemes. A capital programme update report is included elsewhere on this agenda.

What are the resource implications?

- 5.1 This update on the Treasury Management Strategy recognises the borrowing necessary to fund the capital programme requirements of both General Fund and HRA. The borrowing revenue costs are met either by the General Fund or HRA.
- 5.2 The execution of the Treasury Management Strategy enables funds to be raised and managed in the most efficient manner in line with the approved strategy as presented to Executive Board on 7th February 2024.
- 5.3 The updated strategy 2024/25 is currently forecast to deliver a saving of £800k against the budget. This is largely due to lower than forecast borrowing need, partially offset by higher interest rates.

What are the key risks and how are they being managed?

- 6.1 This report sets out the framework for the treasury strategy for the current year. The execution of the strategy and associated risks are kept under regular review through:
- Monthly reports to the Finance Performance Group

- Quarterly strategy meetings between the Interim Assistant Chief Executive – Finance, Traded and Resources and the Council’s treasury advisors
- Regular market, economic and financial instrument updates, and access to real time market information

6.2 The above monitoring mitigates the directorate level risk of “Failure to recover money invested in other financial institutions”. In addition, the Treasury Management Strategy is linked to the corporate risk on ‘Financial Forecasting’.

What are the legal implications?

- 7.1 There are no legal, or access to information issues arising from this report. The report is subject to call in.
- 7.2 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) made pursuant to the Local Government Act 2003 require the Council to have regard to CIPFA’s Prudential Code for Capital Finance in Local Authorities (“The Prudential Code”). Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, a local authority must have regard to the code of practice in “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” (“The Treasury Code”) issued by CIPFA.
- 7.3 In relation to the Annual Investment Strategy, the Council is required to have regard to the Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 entitled “Statutory guidance on Local Government Investments 3rd Edition” which is applicable from and effective for financial years commencing on or after 1 April 2018. In addition, the Prudential Code and the Treasury Management Code contain investment guidance which complements the Statutory Guidance mentioned above.
- 7.4 Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended.
- 7.5 Under the provisions of Section 3(1) and (8) of the Local Government Act 2003, the Council must determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review is a full Council, rather than an executive function.
- 7.6 The Council must also have regard to the Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 entitled “Statutory guidance on minimum revenue provision.”
- 7.7 The Prudential Code requires authorities to prepare a capital strategy.

Options, timescales and measuring success

What other options were considered?

- 8.1 This report provides an update to Executive Board regarding the Treasury Management operation and activity. As such other options are not considered in this report.

How will success be measured?

- 9.1 Treasury Management continues to adhere to its governance framework including the CIPFA Code of Practice, the Prudential Codes 2021 and the revised CIPFA guidance notes issued in 2022. All borrowing and investments undertaken have been compliant with the governance framework. Success will therefore be the continued optimal performance of the Treasury Management function within this framework.
- 9.2 Benchmarking of Treasury Management activity is only undertaken on an ad-hoc basis as the structure of debt portfolios and balance sheets of similar authorities often reflect the timing of past spending and financing decisions and therefore can lead to anomalies. The CIPFA Prudential Code makes it clear that prudential indicators should not be used for benchmarking purposes for this reason.

What is the timetable for implementation?

- 10.1 This report is to confirm the successful operation of the Treasury Management strategy within the established legal and operational framework and is a continuous and on-going process.

Appendices

- | | | |
|----|------------|---|
| 1. | Appendix A | Prudential indicators 2024/25 to 2026/27 |
| 2. | Appendix B | Liability Benchmark - Debt |
| 3. | Appendix C | Prudential Code Monitoring 2024/25 - Debt |

Background papers

None

Appendix A - TMSS PI's

Notes

Current year
2024.25

Year+1
2025.26

Year+2
2026.27

DM 6e

PRUDENTIAL CODE INDICATORS CAPITAL EXPENDITURE

<u>Estimate of Capital Expenditure</u>		a			
General Fund		£k	311,198	344,611	205,541
Housing Revenue Account		£k	128,872	170,150	133,815
	Total	£k	440,070	514,761	339,356
<u>Capital Financing Requirement</u>		b			
Borrowing - General Fund		£k	2,149,204	2,241,606	2,296,232
Borrowing - Housing Revenue Account		£k	803,216	842,696	871,076
	Sub Total Borrowing	£k	2,952,420	3,084,302	3,167,308
Other Long Term Liabilities - GF		£k	359,397	330,375	297,142
Other Long Term Liabilities - HRA		£k	90,579	82,336	74,680
	Sub Total Other Long Term Liabilities	£k	449,976	412,711	371,822
	Total Capital Financing Requirement	£k	3,402,396	3,497,013	3,539,130

EXTERNAL DEBT

<u>Operational Boundary</u>		c			
External Borrowing		£k	2,900,000	2,950,000	3,000,000
Other Long Term Liabilities		£k	550,000	510,000	470,000
	Total		3,450,000	3,460,000	3,470,000
<u>Authorised Limit</u>		c			
External Borrowing		£k	3,200,000	3,200,000	3,200,000
Other Long Term Liabilities		£k	570,000	530,000	490,000
	Total	£k	3,770,000	3,730,000	3,690,000
<u>Actual External Debt (year end Forecast)</u>		d			
PWLB		£k	1,842,737	1,778,737	1,755,925
Market (Inc LOBO)		£k	446,936	444,037	435,509
Short term (Actual)		£k	0	0	0
Short term (Forecast)		£k	402,799	596,698	704,037
	Total Gross External Debt	£k	2,692,472	2,819,472	2,895,471
Other Long Term Liabilities		£k	449,976	412,711	371,822
	Total Including OLTL	£k	3,142,448	3,232,183	3,267,293
<u>Gross Debt and the CFR</u>		e			
External Borrowing			ok	ok	ok
Other Long term Liabilities			ok	ok	ok
	Total Gross Debt and the CFR		ok	ok	ok

AFFORDABILITY

<u>Estimate of Financing Cost to Net revenue Stream</u>		f			
<u>External Borrowing Only - General Fund</u>					
Financing Cost		£k	129,092	140,366	147,131
Net Revenue Stream		£k	621,960	647,290	680,590
	Ratio	%	20.76%	21.69%	21.62%
<u>Including Other Long Term Liabilities - GF</u>		f			
Financing Cost		£k	177,047	188,769	197,770
Net Revenue Stream		£k	621,960	647,290	680,590
	Ratio	%	28.47%	29.16%	29.06%
<u>External Borrowing Only - Housing Revenue Account</u>		f			
Financing Cost		£k	31,011	31,838	32,801
Net Revenue Stream		£k	281,715	287,604	291,719
	Ratio	%	11.01%	11.07%	11.24%
<u>Including Other Long Term Liabilities - HRA</u>		f			
Financing Cost		£k	47,232	46,830	46,580
Net Revenue Stream		£k	621,960	647,290	680,590
	Ratio	%	16.77%	16.28%	15.97%

INVESTMENTS

Non Treasury Financial investments			80,000	80,000	80,000
Non Treasury Property investments			200,000	200,000	200,000
<u>Limit on non-Treasury Investments and loans</u>	g		280,000	280,000	280,000
Estimate of Net Income from Investments for Commercial and Service Purposes	g				
Income		£k	7,030	6,992	6,993
Ratio of Income from Commercial and Service Purposes to Net revenue Stream		%	1.13%	1.08%	1.03%

TREASURY MANAGEMENT CODE INDICATORS

Liability Benchmark for Borrowing

Liability Benchmark for Investments

Maturity Structure of Borrowing 2023/24	h	Lower	Upper	Projected 31/03/2025	%
under 12 mths		0%	25%	529,700	20%
12 mths and within 24 mths		0%	20%	76,339	3%
24 mths and within 5 years		0%	35%	205,241	8%
5 years and within 10 years		0%	40%	128,768	5%
10 years and within 20 years				59,000	
20 years and within 30 years				304,252	
30 years and within 40 years		25%	90%	669,173	65%
40 years and within 50 years				595,000	
50 years and above				125,000	
				2,692,473	100%

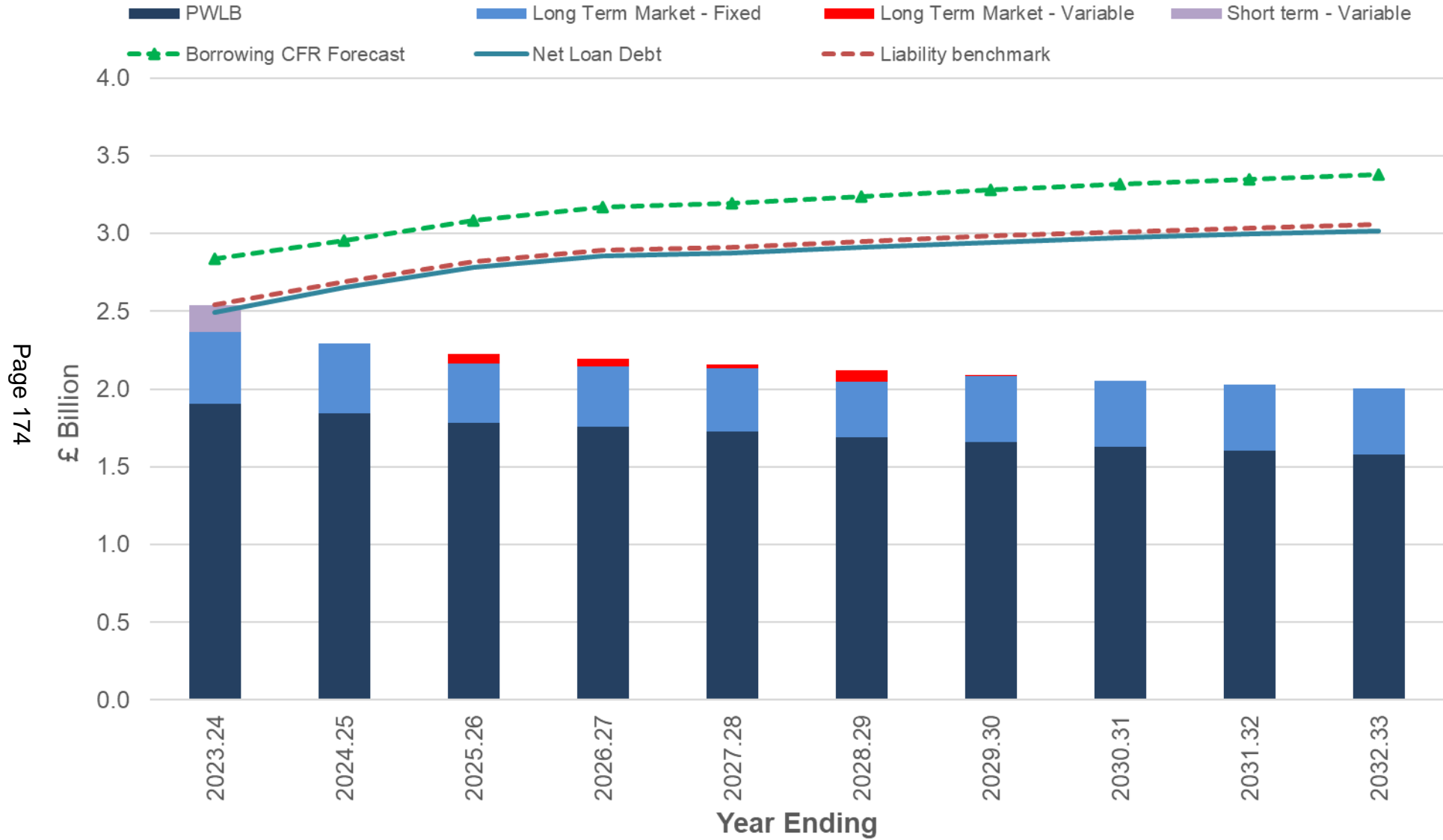
Upper limit for long term Treasury Investments to mature in following years

Year +1	i	150,000
Year +2		150,000
Year +3		150,000

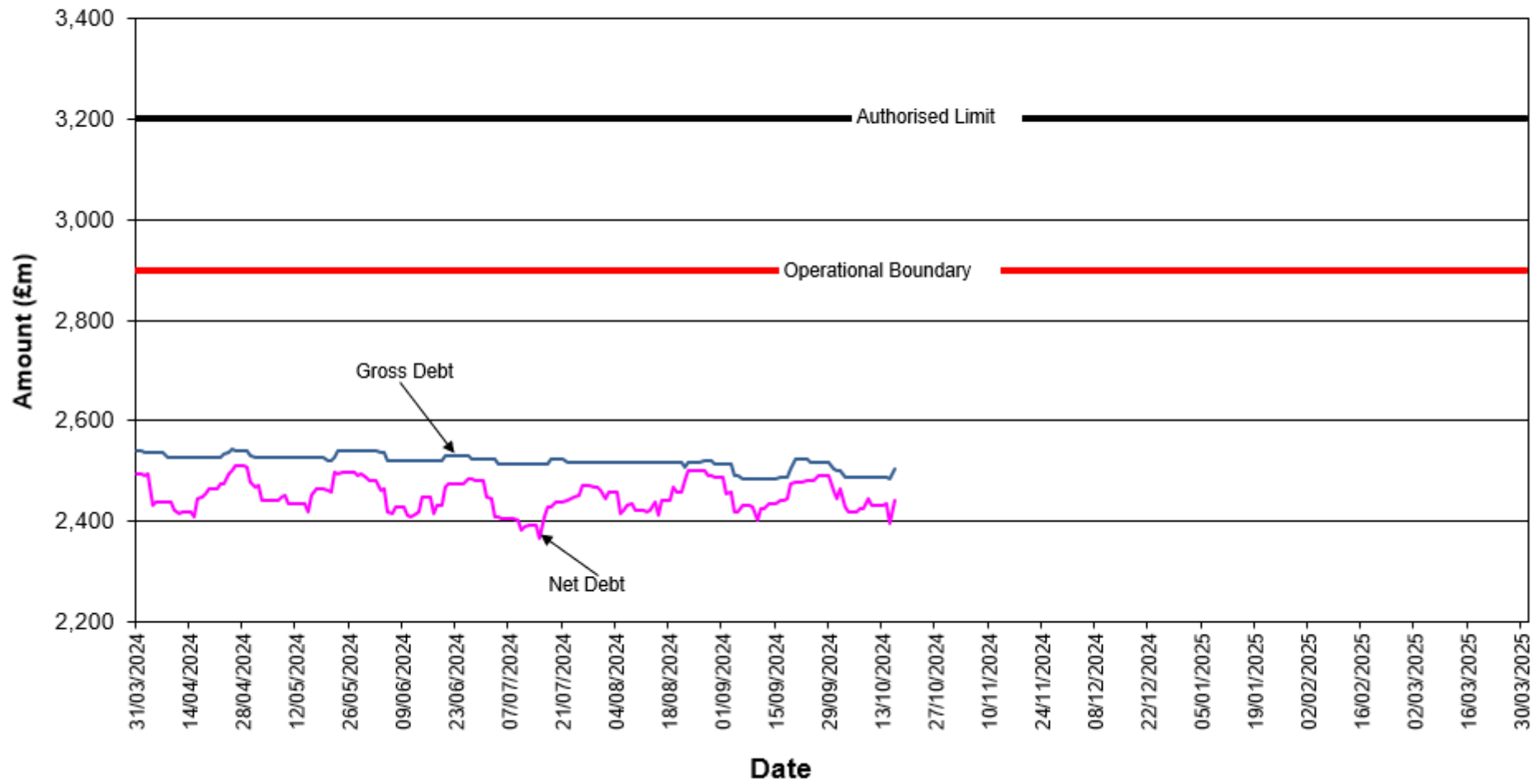
Notes

- a Forecast of capital expenditure for year at period end, actual at year end outturn
- b Forecast of CFR for year end at period end, actual at year end outturn
- c Authorised limit and Operational Boundary as set at the Current setting time should only change in exceptional circumstances
- d This is the year end forecast for DEBT and OLTL with Short term being the balancing figure
- e In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that total gross debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative
- f Code only requires full comparison of debt costs including OLTL to Net revenue Streams however the Council have always reported the external borrowing metrics which are more informative.
- g This is all investments under the code for Service or Commercial purposes and excludes Investments for Treasury Management purposes
- h This now includes all external debt including variable and short term external debt
- i This is non specified Treasury Management investments typically with a duration of greater than 364 days

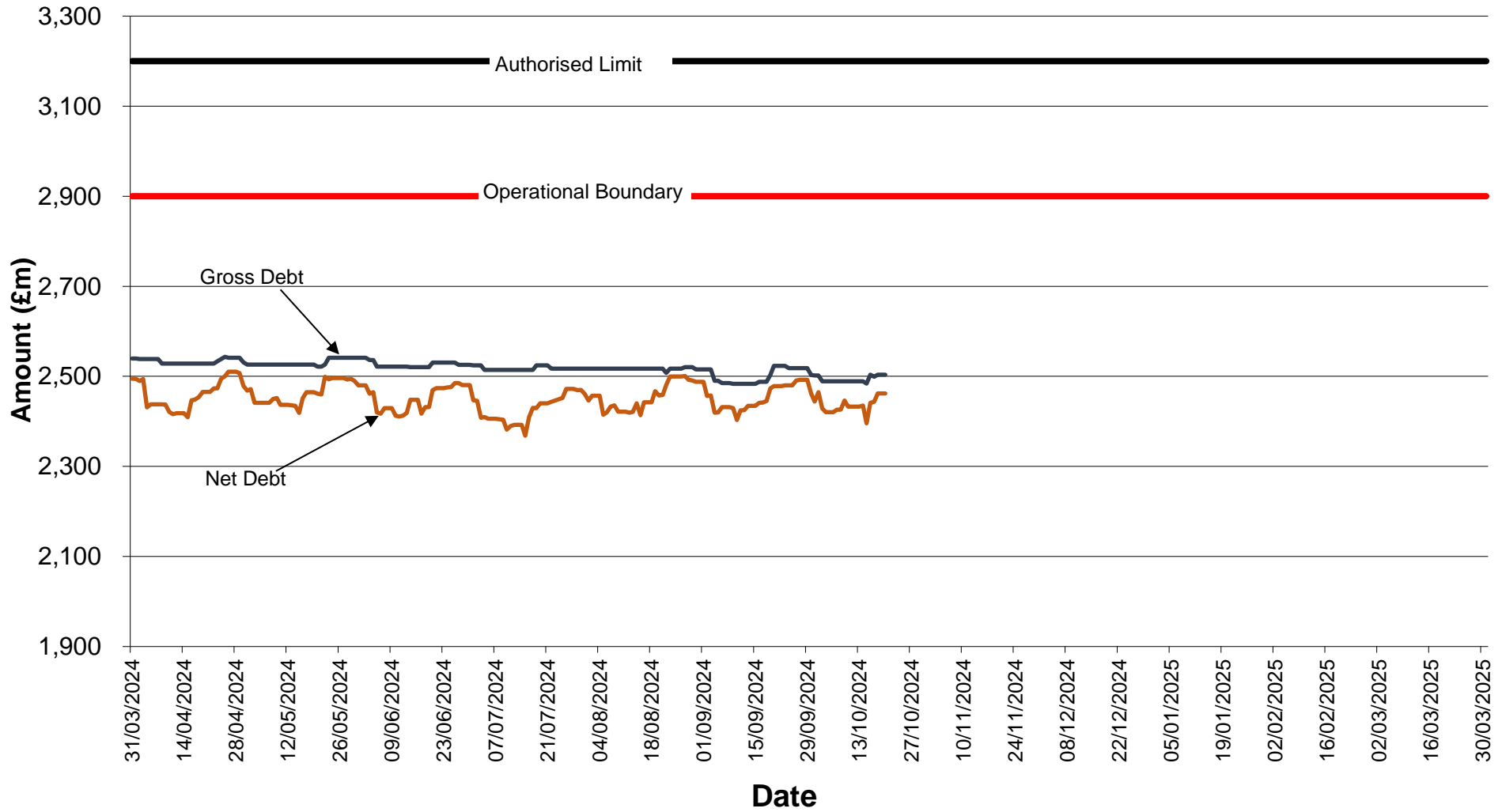
Appendix B - Liability Benchmark Borrowing 10 years from 2023/24 to 2032/33



Appendix C - Prudential Code Monitoring 2024/25 - Debt



Appendix C - Prudential Code Monitoring 2024/25 - Debt



Cost-of-Living - update report

Date: 20th November 2024

Report of: Director of Communities, Housing and Environment

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

This report provides Executive Board with an updated position on the cost-of-living crisis, national policy interventions and the Leeds City Council's response to addressing the crisis.

Attached as **appendix 1** to this report is the 'Cost-of-Living Dashboard Monthly Summary' for October 2024. For further context, a link to the full online cost of living dashboard which brings together detailed data and analysis is also included.

This update follows the report to Executive Board in April 2024 and sets out any new developments, their potential impact, and any additional response required.

It is recognised that current local action alone may not be enough to mitigate the impact, and that in the longer-term greater focus will be required across all three pillars of the Best City Ambition in sustainably addressing deep rooted poverty and inequality within the city.

Recommendations

Members of Executive Board are recommended to;

- a) Note the content of this report and endorse the approach being adopted.
- b) Note that the Director, Communities, Housing and Environment will be responsible for overseeing and implementing any actions arising from this report.

What is this report about?

- 1 Poverty and financial exclusion have been deep-rooted challenges in Leeds for many years. Despite significant work to address these issues locally, financial pressures and widening inequalities continue to impact households in Leeds and across the country.
- 2 This report provides an update on the Cost-of-Living crisis and the actions being undertaken by the Council and partners from a welfare and financial inclusion perspective. The report follows on from the report received by Executive Board in April 2024 and provides update and context at both national and local levels.
- 3 The Cost-of-Living Dashboard which has formerly been attached as an appendix to previous versions of these reports, is now hosted online as a fully interactive tool/resource. This is complimented by a paper-based 'Cost-of-Living Dashboard Monthly Summary' document – now attached as **Appendix 1**.

National Context

- 4 The rising cost-of-living has been a continual challenge in the UK since July 2021. Inflation reached a 41 year high of 11.1% in October 2022 and is currently 1.7% (as of September 2024).
- 5 Although inflation is currently marginally below the Government target of 2% and price increases have recently started to slow, they are still higher than the same point last year, when they were already exceptionally high.
- 6 Food inflation was 1.9% in the 12 months to September 2024, up from 1.3% in August.
- 7 The latest interest rate set by the Bank of England was 5% in September 2024. The rate has remained the same since August 2024.
- 8 According to ONS, the UK economy grew for two quarters in 2024, after GDP increased by 0.7% in the first three months of the year. However, this growth comes after the UK had fallen into recession at the end of 2023, when the economy shrank in the last two quarters.
- 9 The Resolution Foundation reports¹ the UK's wider economic backdrop remains a concern; *'with GDP per capita growth down 90% over the past 16 years... The UK has now experienced three recessions in the past 16 years. This record of a downturn occurring roughly every five years is far worse than their occurrence of roughly once every ten years during the second half of the 20th century.'*
- 10 Low-income households unable to afford the cost of essentials in normal economic conditions, have been the worst affected by the instability seen since the COVID-19 pandemic, and throughout the Cost-of-Living Crisis. This has led to the emergence of 'deficit budgets' as a primary challenge, where income is lower than outgoings even after all debt and advice solutions are put in place. Locally, financial inclusion partners report the impact of this includes widespread dependence on emergency/short term support, particularly from households unable to change their circumstances.
- 11 The demography of local Citizens Advice data reveals women, racially minoritised groups and disabled people/people with a long-term health condition all represent for advice at higher proportions than they are in the wider Leeds population, indicating these groups are being more severely affected by the cost of living than the overall population.
- 12 A survey of UK independent advice services by Advice UK (October 2024) found 90% reported an increase in demand over the last year, and 55% reporting they are not confident they can meet demand. Furthermore 61% stated they are likely to reduce or cut services within the next year due to financial constraints.
- 13 In its latest report on 'The Cost of Hunger and Hardship'² Trussell (formerly Trussell Trust) highlights that; *'Levels of hunger and hardship are more than a third higher than they were 20 years ago...9.3 million people face hunger and hardship across the UK, including 6.3 million adults and 3 million children. This represents one in seven (14%) people across the UK, and one in five (20%) children.'* In addition:
 - *More than half (53%) of people facing hunger and hardship live in a disabled family.*
 - *One in three (32%) people in single parent families face hunger and hardship.*
 - *Over a quarter (28%) of people living in Black, African, Caribbean and Black British families face hunger and hardship compared to 11% of people in White families.'*
- 14 In July 2024, the Government announced a national Child Poverty Taskforce and associated strategy.
- 15 Many measures announced in the Autumn Statement (October 2024) such as the investment in social housing, extension to Household Support Fund and UKSPF, rise in national living wage and state pension, support for carers and a reduction of max UC deduction level from 25% to 15%, provide assurances.

¹ Resolution Foundation, May 2024 - [UK swiftly exits its third recession in 16 years • Resolution Foundation](#)

² Trussell – The Cost of Hunger and Hardship, October 2024 - <https://trusselltrustprod.prod.acquia-sites.com/sites/default/files/2024-10/Cost%20of%20hunger%20and%20hardship%20Interim%20report%202024%204.pdf>

16 However, there was no indication in terms of Holiday Activity Fund (current 3-year fund set to end March 2025) and the impact of the acceleration of UC Managed Migration for those currently in receipt of Employment and Support Allowance, proposed changes to the Work Capability Assessment (first announced by the previous Government but reconfirmed in the Autumn Statement) and continued freeze to Local Housing Allowance are of concern.

Cost-of-Living Support - National

- 17 Despite overall national economic conditions somewhat stabilising in recent months, household costs have not returned to levels seen prior to the Cost-of-Living crisis.
- 18 Household Support Fund is now the last national Cost-of-Living support measure in place and Leeds has developed a successful mixed delivery approach as referenced in all previous Cost-of-Living Update reports for Executive Board (see appendix 2 for latest details on Leeds implementation).
- 19 The scheme is well-established locally (and nationally) and while the fund has provided relief in the immediate term, the pattern up until recently of short-term extensions, lead times and changeable guidance criteria seen since 2021 has resulted in uncertainty and instability.
- 20 Coupled with a lack of alternative funding options, and budgetary pressures for local authorities, the dependency of the Council, partner organisations and individual household recipients on short term funding for essential welfare solutions is problematic.
- 21 As referenced earlier in this report, the 2024 Autumn Budget included a yearlong extension to Household Support Fund (March 2025-26). The early notice is a favourable change, providing opportunity for planning and contingency measures to be considered.

Energy Support

- 22 Between 1 October to 31 December 2024 the Energy Price Cap (Ofgem) is set at £1,717 per year for a typical household using electricity and gas paying by Direct Debit. This is an increase of 10% compared to the cap set between 1 July to 30 September 2024 (£1,568).
- 23 Changes to Winter Fuel Payments, announced in August 2024 will result in a reduction in the number of pensioner households receiving energy related support.
- 24 First introduced in 1997, Winter Fuel Payment amounts have varied, but in most years the amount has been £200 for households where the oldest person is under 80, and £300 for households with someone aged 80 or over.
- 25 From winter 2024/2025, only households in receipt of Pension Credit or certain other means-tested benefits will receive Winter Fuel Payments. The change is intended to ensure only those most in need receive the payment.
- 26 Pension Credit is a historically underclaimed benefit, with around 880,000 older people eligible but not currently claiming. Local and national charities have also highlighted the challenge for low-income households just above the threshold for benefits, who will not be eligible for support.
- 27 Work to increase uptake of Pension Credit has been ongoing nationally and locally for many years, including via regular national campaigns by the DWP. In September 2024, the DWP undertook a 'week of action', utilising various advertising channels and requesting support from local authorities.
- 28 Leeds City Council, Elected Members and partners including Leeds Older People's Forum and Age Friendly Leeds supported the national campaign and distributed/displayed DWP materials, in addition to a range of additional promotions and activities such as a coordinated communications plan, events, clinics, creation of a staff/volunteer toolkit etc.
- 29 Led by Leeds Older People's Forum, a working group to increase Pension Credit has been in place in Leeds since 2022. Through participation with the group, Leeds City Council has established a project, identifying Council Tax Support and/or Housing Benefit claimants in the city who meet age, income, benefits characteristics of pension credit but are not actively claiming. Using this data, potentially eligible individuals are being contacted and encouraged to make a claim. The pilot is proving successful, with at least 69 successful claims with yearly benefit gains of approximately £336,405.16 as of October 2024.

Local update & key statistics

- 21% (176,376) of the Leeds population is living in relative poverty after housing costs are deducted from income³.
 - 22% (33,482) of children in Leeds, were estimated to be living in relative low-income families before housing costs⁴.
- 30 The Cost-of-Living Dashboard (formerly attached as an appendix to previous versions of these reports), is now hosted online as a fully interactive tool/resource. This is complimented by a paper-based 'Cost-of-Living Dashboard Monthly Summary' document – now attached as **Appendix 1** (The weblink to the interactive dashboard is included in the attached 'Cost-of-Living Dashboard Monthly Summary' for further context).
- 31 Key data highlights include;
- In the year to June 2024, the rate of Employment in Leeds was 69.7% (359,900 people), This is below the national rate of 75.4% and is a fall since April-March 2023 when it was 76.4%.
 - In August 2024, there were 90,712 Universal Credit claimants in Leeds. The number of UC claimants has continued to increase since January 2022. This can be attributed to both increased levels of need and the roll out of UC Managed Migration.
 - According to the latest available data (August 2024) around 37% of UC claimants are in employment, and 63% of UC claimants in Leeds are not employed.
 - As of April 2023, although the median average wage for Leeds residents was £15.43 per hour, an estimated 44,968 (14.3%) Full Time Equivalent (FTE) Leeds residents earned less than the 2023 Living Wage of £10.90 per hour.
 - The real term impact on Leeds residents estimates the lowest (10%) of earners, saw a weekly loss of 6% (£12), in comparison to the top 10% of earners who lost only 4% of their income (£46), highlighting how those on the lowest incomes continue to be hit the hardest by inflationary impacts and the Cost-of-Living.
 - The total number of enquiries seen by Leeds City Council's Welfare Rights Unit in 2023/24 was 3215, a significant year on year increase since 2020/21 (1140 enquiries)
 - Local Citizens Advice data shows by the end of quarter 1 2024/25, total enquiries increased by 42.5%, from 16,228 in quarter 1 of 2023/24 to 23,125 in quarter 1 of 2024/25.
 - Enquiries on benefits (including UC and tax credits), utilities, debt, housing and foodbanks were the most sought-after areas of advice.
- 32 Since the last Cost-of-Living Update report submitted in April 2024 the exceptional pressure on services, staff and customers has continued.
- 33 Funding instability and cuts to local authority, NHS and third sectors continue to compound the situation, with prolonged exceptional pressure challenging the operations of services, at a time of rising need.
- 34 The cost-of-living has resulted in increased demand for food aid provision, with charities and third sector organisations currently utilising surplus, donations, and purchasing options to maintain their supplies. Considering changes to the supply chain of surplus food and continued uncertainty around funding opportunities, Leeds Food Aid Network and key partners, supported by the Financial Inclusion Team, facilitated a workshop on the 26th of September to initiate discussion with food aid organisations and stakeholders about the ongoing challenges. The workshop marks the beginning of an ongoing conversation about the complex issues faced and hopes to generate realistic options for building sustainability into the approach in Leeds.

Local Action

- 35 Strategic and operational 'Welfare and Cost-of-Living' meetings, linked to the Best City Ambition and breakthrough priority around integrated city-wide welfare support, have met regularly since September 2022 and are now firmly established in the City's approach to Welfare provision, reflecting the '#TeamLeeds' approach.

³ Leeds Poverty Factbook: <https://observatory.leeds.gov.uk/leeds-poverty-fact-book/>

⁴ As per footnote 4.

- 36 The work areas and actions emerging from the meetings focus on awareness and understanding of support available, developing practical support to enhance existing services, and ensuring funding available is coordinated and maximised. Recent developments have included attendee ensuring the work aligns with other strategies such as the Leeds Food Strategy and Child Poverty Strategy – as reported to the Council’s Executive Board in September 2024. Please see **Appendix 2** for further details and updates of work undertaken to date. These project areas are continually reviewed and updated with seasonal considerations. Key workstreams include:
- 37 Review and update of the **Together Leeds campaign website** and content, ensuring all Cost-of-Living information and advice is up to date and seasonally accurate alongside dedicated social media. Winter 2024 content will include Pension Credit and Winter Fuel Payment, winter wellbeing, Welcome Spaces and Winter Coat Appeal etc.
- 38 Online content is complimented by a range of offline activity, particularly via **Welcome Spaces and the Winter Coat Appeal**. Delivery for both projects will commence in Community Hubs and Libraries from the 21st October, with details of third sector delivery to follow.
- 39 **Leeds Money Information Centre (MIC)** continues as the main signposting opportunity for money advice in the city. Printed copies of MIC resources are distributed to and via key locations in the city, including a new Benefits Advice flyer. Review and improvements to the MIC website are now also underway, with a view to ultimately migrating the site to the Drupal platform.
- 40 The Financial Inclusion Team continue to provide **training and awareness sessions** for frontline services including LCC, external partners and third sector volunteers. Bespoke briefing sessions and discussions relating to key financial inclusion issues and initiatives have also been delivered recently for groups including Age Friendly, Leeds Community Anchor Network Leadership, Headteacher working groups and LCC Strategic Forums.
- 41 Continued focus on ensuring funding such as the **Household Support Fund, Holiday Activity and Food Funding, West Yorkshire Mayoral Fund and UK Shared Prosperity Fund** are prioritised to support people most in need (including via third sector partners in the city), whilst adhering to the criteria of the different funds and differing timescales for delivery.
- 42 In addition, the Equality, diversity, cohesion, and integration screening undertaken with respect to the work is attached as **Appendix 3**.

What impact will this proposal have?

- 43 The proposal sets out how the Council and partners are adopting a strategic, coordinated, and collaborative response to the Cost-of-Living crisis. As continually reported, many of the projects and initiatives referenced are short term, with minimal lead times due to short term funding. The key challenges for the council and partners centre on how to make long-term differences to the people of Leeds.

How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing Inclusive Growth Zero Carbon

- 44 The Leeds Best City Ambition has at its heart the mission to tackle poverty and inequality and improve the quality of life for everyone who calls Leeds home. The actions and initiatives set out within the report to mitigate the impacts as far as possible of the Cost-of-Living crisis, impact all three pillars of the Best City Ambition. Furthermore, the approach adopted has been undertaken as a #TeamLeeds approach.
- 45 In the longer term a greater focus will be required across all three pillars of the Best City Ambition in sustainably addressing deep rooted poverty and inequality within the city.
- 46 Poverty and inequality are protected characteristics, and Equality, Diversity, Cohesion and Integration screening are undertaken as appropriate for each measure, with the EDCI screening document for the ‘Cost-of-Living and Welfare strategic and operational arrangements’ included in this report, attached as **Appendix 3**.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

47 Partner organisations referred to in this report have been consulted to provide relevant and up to date information about the projects, initiatives and services referenced.

What are the resource implications?

48 All the projects and services referred to in this report are being undertaken within current budgets, there are no additional resource implications arising from this report.

What are the key risks and how are they being managed?

49 The Corporate Risk Register houses the most significant and cross cutting risks facing the council and city. The register includes a risk on Escalating Poverty - 'The impact of poverty in the city escalates due to factors such as inflation, fuel, food and energy prices increases.' Should the council fail to play an effective part in tackling the risk, then the impact of the risk increases, and it will have a more detrimental effect on the citizens and communities of Leeds. This could lead to a loss of public faith in the council and subsequent reputational damage.

50 The risk is managed through a range of activities as outlined in this report, including regular strategic and operational group meetings. The risk is regularly reviewed, updated and reported within the council, to the Communities, Housing and Environment Directorate Leadership Team and onto the Corporate Leadership Team.

51 An additional risk on Third Sector Sustainability also appears on the Corporate Risk Register – the risk that third sector organisations will not be able to deliver due to reduced funding and increased demand. We continue to work with partners on increasing the resilience of the sector through the ongoing management & delivery of the city owned Third Sector Strategy 2023-28. This strategy sets out a path for more detailed and longer-term work around key areas such as social value and inward investment.

What are the legal implications?

52 There are no specific legal implications or access to information issues with this report.

Options, timescales and measuring success

What other options were considered?

53 No other options have been considered.

How will success be measured?

54 Success will be measured by update reports and the Cost-of-Living dashboard.

What is the timetable and who will be responsible for implementation?

55 Implementation is immediate and continuous.

















Appendices

- Appendix 1: Cost-of-Living Dashboard Monthly Summary
- Appendix 2: Cost-of-Living Action Plan
- Appendix 3: Equality, Diversity, Cohesion & Integration Screening - 'Cost-of-Living and Welfare strategic and operational arrangements'.

Background papers

None

Monthly bulletin: 16 October 2024

Latest data: Cost of living			Snapshot trend analysis		Next data update
Inflation	<i>CPI inflation</i>	1.7%		UK CPI Inflation was 1.7% in Sept 2024, down from 2.2% the previous month. The largest downward contribution to the monthly change in rate came from transport, with larger negative contributions from air fares and motor fuels; the largest offsetting upward contribution came from food and non-alcoholic beverages.	20/11/2024
	<i>Food inflation</i>	1.9%		Food inflation was 1.9% in the 12 months to Sept 2024, up from 1.3% Aug.	20/11/2024
	<i>Bank Rate</i>	5.00%		Bank rate was 5% in Sept 2024, the same as Aug but down from 5.25% in Jun 2024. Bank of England was expecting inflation to rise to 2.75% in the coming months before falling below 2% next year, however September's low CPI results have led some commentators to suggest bank rate may reduce to reflect this when announced on 7 November.	07/11/2024
Fuel	<i>Petrol (ppl)</i>	133.86		Average price of petrol was down by 58p in the week commencing 14 th Oct from its peak in Jul 2022.	Weekly
	<i>Diesel (ppl)</i>	139.08		Average price of diesel was down by 60p in the week commencing 14 th Oct from its peak in Jul 2022.	Weekly
	<i>Energy price cap</i>	£1,717		Between 1 October to 31 December 2024 the energy price cap is set at £1,717 per year for a typical household who use electricity and gas and pay by Direct Debit. This is an increase of 10% compared to the cap set between 1 July to 30 September 2024 (£1,568).	25/11/2024
Poverty & Income	<i>Employment</i>	73.5%		In the year to Mar 2024, 378,900 people were estimated to be employed in Leeds, at a rate of 73.5% of the working age population. This was just below the national rate of 75.4%. Employment levels in Leeds have fallen since Apr-Mar 2023 when the rate was 76.4%.	17/10/2024
	<i>Un-employment</i>	2.8%		In the year to Mar 2024, 11,100 people were estimated to be unemployed in Leeds, at a rate of 2.8%. This was below the national rate of 3.9%. This is one of its lowest rates both nationally and locally and is lower than its pre pandemic rate of 4.2% in Dec 2019.	17/10/2024
	<i>UC claimants</i>	90,712		90,712 people claimed UC in Leeds in Aug 2024. The number of UC claimants has increased by 0.9% since Jul 2024 and is up 18% since Aug 2023.	12/11/2024
	<i>UC Claimants in work</i>	37%	N/A	63% of claimants to UC were not in work, and 37% - 33,717 Leeds claimants were in-work in Aug 2024.	12/11/2024
	<i>Real Living Wage</i>	£12		From Apr 2024, the Real Living Wage for outside of London is £12.00 per hour. The National Living Wage for people over 23 is £10.42 per hour. The Leeds Median hourly rate is £15.43.	November 2024
Housing	<i>Monthly rental cost</i>	£850		Rental costs in Leeds increased by 7% from £795/month in the 12 months to Sept 2023.	To be announced
	<i>Housing Affordability Ratio</i>	6.78		With data to Sept 2023, Leeds house prices averaged £230,000 and wages averaged £34k it cost the average full-time Leeds resident almost 7 times their income to afford a house. Although a slight dip from 6.80 in Sept 2022, this is one of the highest ratios for Leeds on record, and an indication of wages not keeping pace with house prices.	March 2025
	<i>Evictions</i>	68		In Q2 2024 (Apr-Jun 2024) there were 68 evictions in Leeds, down from 72 in Q2 2023.	Nov 2024
Advice & Support	<i>Welfare Rights Unit</i>	308		In Sept 2024, 308 benefit checks were made by the WRU, up 23% from 258 checks in Sept 2023.	Nov 2024
	<i>CAB enquiries</i>	23,125		In the first quarter of 2024/25, total enquiries were 23,125 – up from 16,228 from Q1 of the previous year (a 42.5% increase).	Nov 2024
	<i>Food parcels</i>	81,959		In 2023/24, 81,959 food parcels were given out informally. This is up 21% on the previous year.	Jun/Jul 2025
	<i>Household Support Fund</i>	63,589	N/A	In the first quarter of 2024/25, HSF supported 63,589 households across Leeds. 33% of the support was on food, 33% on energy and 34% on essentials.	Nov 2024

The next bulletin is due on 20th November 2024 to coincide with the next Inflation update.

To access the live data, visit our dashboard: <https://observatory.leeds.gov.uk/home/cost-of-living/>

Key:

Red arrow – negative trend

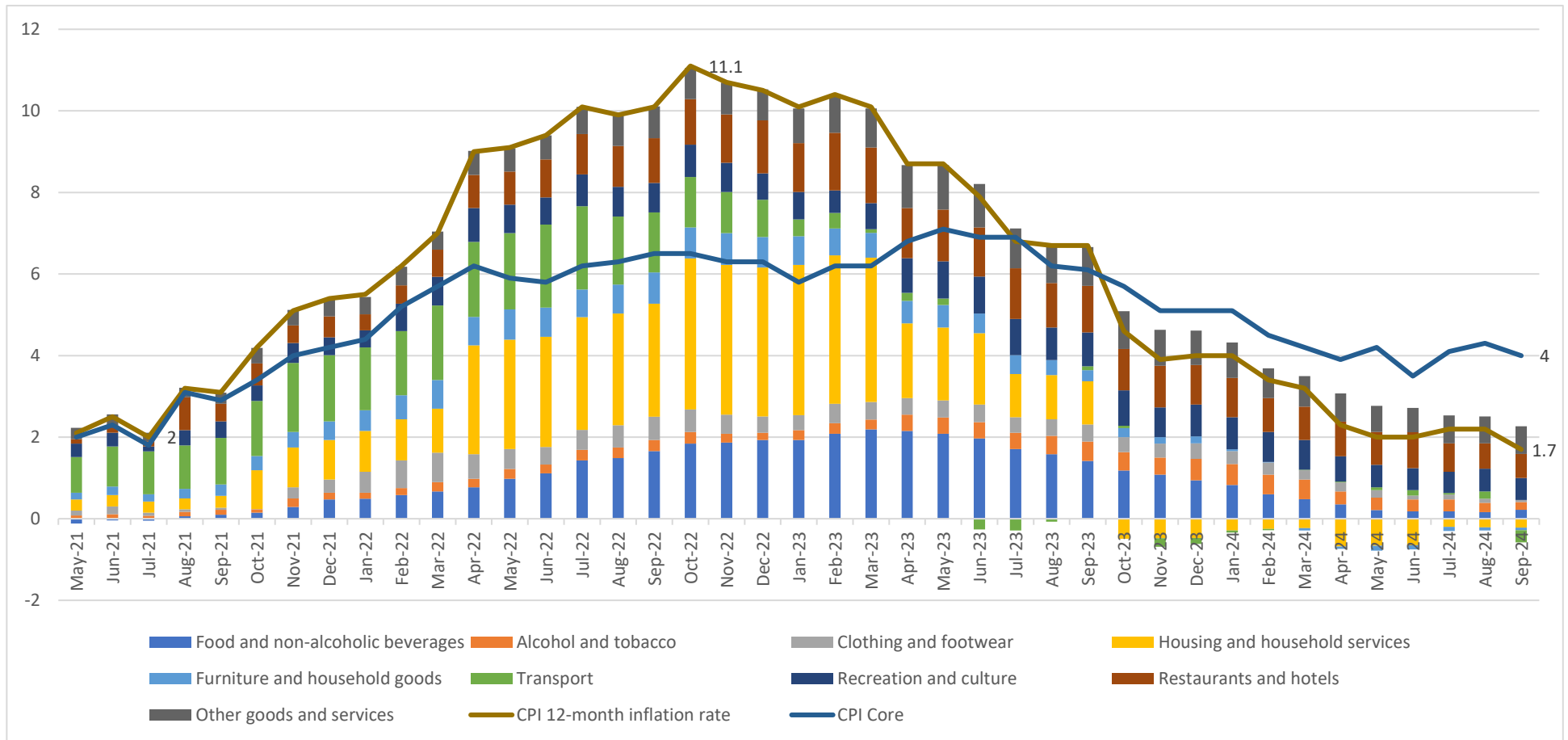
Amber arrow – trend remains the same

Green arrow – positive trend

Monthly bulletin: 16 October 2024

Timeline of the Cost-of-Living Crisis

The Government target is to maintain inflation at 2%. This timeline graph displays key impacts on prices during the cost-of-living crisis. July 2021 coincides with Covid Lockdown rules easing and more spaces starting to reopen. From that point, supply and demand issues in the global economy, affecting fuel prices and food supplies started to push up prices and the cost-of-living crisis began to take effect, with inflation exceeding 2% and peaking at 11.1% in October 2022.



The next bulletin is due on 20th November 2024 to coincide with the next Inflation update. To access the live data, visit our dashboard: <https://observatory.leeds.gov.uk/home/cost-of-living/>

APPENDIX 2 - LEEDS STRATEGIC COST OF LIVING PLAN

This plan outlines the response to the Cost-of-Living crisis by Leeds City Council and partners. The aim of the plan is set out how as a city we are working together to harness the capacity and capability in Leeds, our communities and those with lived experience to develop a city solution to welfare provision and addressing the cost-of-living crisis.

This plan will ensure that the council maintains the infrastructure to respond to the immediate crisis and use collaborative approaches to build resilience for medium and long terms.

	Action Area	Progress update
1	Governance and oversight	
1.1	Strategic and Operational groups with cross sector representation	<p>The following strategic and operational groups with representatives from across Council, NHS, DWP, third sector and wider public sector, have been established and have been meeting since September 2022;</p> <ul style="list-style-type: none"> • Strategic Cost of Living meeting- Directors and senior leaders meeting every quarter • Cost of Living and Welfare Board- Senior Officers and partners meeting regularly • Financial Inclusion steering group- to ensure wider partners and services experiences have been considered and key messages disseminated.
2	Communications and engagement	
2.1	Webpages	<ul style="list-style-type: none"> • The Cost of Living webpage is still live and relevant for 2024/25 Together Leeds. • Key messaging themes for 24/25: Welcome Spaces, Community hubs and support they offer, Winter Coat Appeal, Together Leeds Campaign website, Low/no cost family activities for Christmas, Healthy Holidays, Fuel and Energy, 16 days of action (including content about relationships, domestic abuse etc), winter health, Loan Sharks, MIC resources, Pension Credit. Messages shared across corporate channels including Housing Leeds. • Full communications evaluation report will be available towards the end of March 2025
	Digital Promotions, PR and campaigns	<ul style="list-style-type: none"> • Once again the Zero Waste Leeds uniform exchange secured positive media coverage over the summer. • General messages over the summer signposting to the Cost of living webpage • Promoted low cost and no cost activities available for families during school holidays

		<ul style="list-style-type: none"> Continued to promote the healthy holidays scheme Shared Mindwell resources around mental health linked to money worries. Supported the Step Change campaign for debt awareness week Shared the Gov UK campaign for Stop Fraud Shared the NHS Healthy Start scheme Stop Loan Sharks campaign Shared the Gov UK Help for households campaign for 'Childcare Choices' Supported Pension Credit week of action and pension awareness week.
2.5	Events	<p>FOCUS: DWP Pension Credit Week of Action: 2nd –8th September 2024</p> <ul style="list-style-type: none"> Public Channels used to share assets and messaging from the DWP PC Stakeholder Toolkit including Corporate Communications, Housing Leeds and Community Hubs and Libraries. Targeted information shared with LCC staff -Housing Leeds, Community Hubs and Libraries Community Hubs and Library sites hosting digital and printed Pension Credit posters and printed flyer materials Financial Inclusion Team – DWP PC Stakeholder Toolkit shared with partners via Financial Inclusion channels and focused September Financial Inclusion Steering Group Meeting on PC. Age Friendly Leeds Board Members & Partnership Members promoted/shared the comms linking to the DWP toolkit Leeds Older People's Forum supported promotions & prepared a comms pack which included a newsletter article; social media posts and links to the DWP Toolkit.
3	Information, Advice and Guidance	
3.1	Leeds Money Information Centre	<ul style="list-style-type: none"> Leeds Money Information Centre website details of free, independent, and confidential advice and support in Leeds. All information reflects the current situation and is updated regularly. MIC Website is currently being migrated to 'Drupal' which will enhance the look and navigation. Physical resources include flyers (and translations), concertinas, posters, business cards and the Managing Your Money printed booklet. A new benefits advice flyer is also available from October 2024

3.2	Google drive	<ul style="list-style-type: none"> To ensure awareness amongst frontline services of support available in the city and key messages around the cost-of-living crisis, a google drive which across organisations has been created. Themed folders on Communications, Money, Housing, Health, Food and Energy in addition to details of how to order physical resources. The link is sent out in the regular financial inclusion news bulletin.
3.3	Training and awareness raising	<ul style="list-style-type: none"> Financial Inclusion Team continue to deliver training and awareness sessions to a wide range of council (including elected members) and health services, and city-wide partnerships. In 2024, this has included: Adult Social Care, Children's Services, Headteacher Forums, Elected Members, Leeds Community Anchor Network, Communities, Housing & Environment: Leadership forum, Leeds Migration Partnership, Age Friendly Board & Partnership etc
4	Practical Support	
4.1	Home Plus Leeds (Affordable Warmth)	<ul style="list-style-type: none"> Home Plus Leeds service provides energy efficiency and fuel bill advice to lower income vulnerable residents across Leeds, as well as referrals to grants for heating and energy efficiency improvements. The scheme is targeted at supporting 1000 households experiencing fuel poverty per year as well as providing warmth and energy efficiency interventions to 850 households.
4.2	Welcome Spaces	<ul style="list-style-type: none"> In Winter 2023/24 over 200 organisations including all Leeds City Council Community Hubs and Libraries, faith-based, private and third sector stepped forward to become part of the Leeds Welcome Space Project. Funding for the project was secured via West Yorkshire Mayoral Fund and Household Support Fund. Voluntary Action Leeds collated expression of interest from third sector and faith-based organisations which was then shared with the Leeds Community Anchor Network (LCAN) who coordinated activity and distributed funding to Welcome Spaces within their locality, hosted on Leeds Directory. Welcome Spaces delivery in Community Hubs and Libraries will commence from 21st October with options for third sector delivery currently being finalised. Funding for this years project has now been confirmed via Household Support Fund.
4.3	Winter Coat Appeal	<ul style="list-style-type: none"> The Leeds Winter Coat Appeal, coordinated by Zero Waste Leeds will once again collect and redistribute winter coats from October to March 2024/25. Requested items: Coats for adults, children, and babies, Waterproofs, Fleeces, Baby cot sleeping bags, Snow suits for babies and young children, Pram footmuffs, Hats, scarves, and gloves

		<ul style="list-style-type: none"> From 21st October, approximately 49 collection points across the city will operate in addition to a further 24 distribution only points. Sites include businesses, leisure centres, third sector organisations, Community Hubs and Libraries.
4.4	Housing Leeds	<ul style="list-style-type: none"> Housing Leeds Housing Officer Income (HOI) provide tenants with a range of financial support, including benefits and grant applications, as well as dealing with any rent arrears and referrals to other advice and support such as debt advice. Between April 24 and June 2024 inclusive, the HOI team have worked with 1344 Households in total and secured £1,589,264 in additional income. With an average additional income per family of £1182. This included 301 households with Children (£271,884 of additional income, with an average of £903 per family). As part of the Leeds allocation of Housing Support Fund 5, £225,000 was made available to Housing Leeds to offer support to tenants with ongoing arrears issues.
5	Funding	
5.1	Household Support Fund	<ul style="list-style-type: none"> HSF5 - Government funding of £7.1m to directly support vulnerable people with the costs of energy, food and essential items over the 6 month period 1st April to 30th September 2024. In Leeds, the fund provided support including through: <ul style="list-style-type: none"> Direct support via council services- Welfare & Benefits, Housing Leeds, Housing Options & Children's Services; Applications via the Local Welfare Support Scheme; Third sector support working citywide through a partnership approach involving Leeds Community Anchor Network (via Voluntary Action Leeds), Forum Central, Leeds Food Aid Network and advice organisations. Examples include funding for Zarach and Leeds Baby Bank, as well as Hamara and Give a Gift for their work coordinating the city's cultural food hub offer. Winter support in collaboration with Public Health A further 6-month extension to Household Support Fund was announced on 2nd September 2024 (to 31st March 2025). The updated DWP guidance was received with no substantive changes, and the

		Delivery Plan (in line with previous rounds) has now been approved.
5.2	Holiday Activities and Food Funding	<ul style="list-style-type: none"> • Funded from the Department for Education’s Holiday Activities and Food Programme, the Healthy Holidays scheme in Leeds provides activities and a healthy, hot meal for children eligible for income-related Free School Meals, over the Easter, Summer and Christmas school holidays. • For the 2024 programme, Leeds was allocated £3.4m. Leeds City Council and Leeds Community Foundation funded 39 school providers, 44 third sector organisations, 4 Breeze programmes and 4 Community Hub and Libraries programmes. • A booking and eligibility checking system has been implemented for the 2024 programme to meet new programme requirements. All parents of school aged children who are eligible for income-related Free School Meals can register and access activities across the city- Healthy Holidays Leeds. • Currently no indication from national government regarding funding for beyond 2024 which would be a significant loss if not continued.
5.3	West Yorkshire Mayoral Fund	<ul style="list-style-type: none"> • West Yorkshire Mayoral Fund (£323,950 November 2022-April 2023) - Funding was primarily used to support the citywide network of faith based and third sector warm spaces, focused on helping those most at risk during the cold weather. • The funding also provided a necessary uplift to organisations delivering the Leeds advice contract to help mitigate the impact of the cost of living and inflation on service delivery. • There is currently no update regarding further funding.
5.4	UK Shared Prosperity Fund	<ul style="list-style-type: none"> • LCC Financial Inclusion team has been allocated around £800k in UKSPF funding to cover three financial years on projects relevant to the cost of living: • During 2022/23: £400k of the funding was allocated to the Local Welfare Support Scheme and assisted 6,682 households impacted by the cost-of-living crisis with white goods or energy support. • From 2023/24 to 2024/25: £250k has been awarded to Money Buddies over two years for delivery of outreach sessions across Leeds, supporting households with issues relating to the cost of living, particularly around emergency debts, money management and fuel bills. • In 2024/25, £210k was allocated to Leeds Food Aid Network to support food infrastructure projects. <p>2024/25 Q1 update:</p>

		<p><u>Money Buddies Outreach</u> project was funded £125k for this financial year. It has supported 459 households between April to August with cost of living and money related issues and are ahead of their target of 408. In this time the project has brought £1.4m in financial gains to clients, averaging at £3,000 per household.</p> <p><u>Food Infrastructure Project</u> received £210k of funds to support food aid projects across the city. Following an application process, Leeds FAN are in the process of allocating this fund in grants between £5k to £20k to providers looking to improve access and support from their facilities on capital items such as white goods, cooking equipment, kitchen refurbs to electric vans.</p>
5.5	British Gas Energy Trust Funding	<ul style="list-style-type: none"> British Gas Energy Trust, through their corporate social responsibility commitments worked with Housing Leeds to provide tenants with £300k of energy vouchers for winter 2024. Eligible tenants (prepayment meter with no debt) may receive up to 3x £49 energy vouchers.
5.6	Home Upgrade Grant Funding	<ul style="list-style-type: none"> Leeds City Council has been granted funding to improve approximately 330 mainly private sector households without gas central heating, with energy efficiency measures and renewable heating. This scheme has now commenced and has had 213 households signed up so far with 103 completed installations. The scheme is due to run throughout 2024.
6	Reporting	
6.1	Cost of Living Dashboard	<ul style="list-style-type: none"> The Leeds Cost of Living Dashboard brings together the latest available national and local data to help provide an overview of how rising prices, particularly food, energy and fuel prices are having an impact in Leeds: https://observatory.leeds.gov.uk/home/cost-of-living/ The front page covers headline statistics which have been RAG rated where appropriate. The information button on the right also provides an explanation of each rating and links to all of the data sources and refresh dates for the datasets utilised. A monthly bulletin highlighting and summarising the key trends is released on the same day as inflation each month (you can access these by clicking the PDF links listed by month underneath the dashboard).

6.2	Leeds Poverty Factbook	<ul style="list-style-type: none">• The Leeds Poverty Fact Book contains national and locally sourced data and information to help understand the impacts of low-income poverty in Leeds. This resource provides an overview of the different terms, how they are calculated and includes analysis on what the data means for Leeds.• Previously the factbook was presented in text and tables on the Leeds Observatory. The data has now been moved into an interactive dashboard, which can be accessed via this link: Leeds Observatory – Leeds Poverty Fact Book
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Appendix 3 - Equality, Diversity, Cohesion and Integration Screening

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

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

Completed at the earliest opportunity it will help to determine:

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

Directorate: Communities, Housing and Environment	Service area: Financial Inclusion
Lead person: Lee Hemsworth	Contact number: 0113 3789219

1. Title: Cost of Living and Welfare strategic and operational arrangements

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify

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

Linked to the Best City Ambition breakthrough priority to develop an integrated city-wide welfare support approach, strategic and operational groups have been meeting since September 2022 to coordinate actions to mitigate as far as possible the impacts of the cost-of-living crisis for low-income households. The groups all have senior representatives from the Council, health, third sector and the Department for Work and Pensions and have expanded to include other key partners where appropriate such as West Yorkshire Fire Service.

Regarding framing the response in the city, the work areas and actions emerging from the meetings have focussed on ensuring that there is awareness and understanding of the support available, developing practical support which enhances existing services, and

ensuring the short-term funding available is coordinated and maximised. To achieve this the work in the short term has been organised into the following areas;

- Communications and engagement
- Information, Advice and Guidance
- Practical Support
- Funding
- Reporting

3. Relevance to equality, diversity, cohesion and integration

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

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

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

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

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

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

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

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

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

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

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

The focus of the work to mitigate the impact of the cost-of-living crisis is to ensure people and communities who will be most impacted are linked to support and advice in the city. The strategic and operational arrangements put in place have representation from across Council and Health services, and across the third sector. This ensures that the approach has been considered from a range of perspectives and concerns/ issues highlighted at the earliest opportunities. The approach to the cost-of-living crisis has also been presented and consulted upon at the Equalities Assembly, and a wide range of groups and forums including those specifically representing the equality characteristics groups.

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

Key findings from the meetings, discussions and engagement sessions highlighted;

- Need for both online and offline communications, information, advice and guidance
- Consideration of language and accessibility for communications, information, advice and guidance.
- Ensure funding supports a wide range of Third Sector organisations both in terms of size, scale and focus.
- Continued engagement and discussion with partner organisations, city and community forums and groups
- Understanding of limitations of local actions within wider national context.

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

The whole focus of the work is to ensure there is consistent and clear communications on the support and advice available to people to help throughout the cost-of-living crisis, and that actions are coordinated. This has resulted in the following;

- Communications- both online and offline campaigns
- Ensuring resources and information sources are up to date and available in a range of formats and languages
- Providing tailored information, awareness and training sessions
- Undertaking regular and wide ranging consultation on the approach
- In terms of practical support, that this is easily accessible such as through the Winter Coats scheme available across Community Hubs and Libraries, and community centres across Leeds.
- The Warm spaces network was focused on helping those most at risk during the cold weather – i.e. those affected by fuel poverty, low income and related issues. Over 65% of the Leeds population was within a 10-minute walk of a Warm Space during winter 2022/23. Targeted support and funding was made available to organisations working in and with underserved places and communities as well as funding to improve accessibility and tailored provisions for those with additional health needs.
- Ensuring the Household Support Fund has supported households on the lowest incomes with support for food fuel and essential items. A proportion of the funding has been directed through third sector organisations to ensure equality groups receive support, this has included funding organisations focused on health and social care, ethnically diverse communities and women.

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

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

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
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Lee Hemsworth	Chief Officer Community Hubs	03.07.23
Date screening completed		03.07.23

7. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to Governance Services	Date sent: 04.07.2023
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

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