

SCRUTINY BOARD (STRATEGY AND RESOURCES)

WEDNESDAY, 22ND JULY, 2020

PRESENT: Councillor M Harland in the Chair

Councillors G Almass, P Carlill,
D Chapman, L Cunningham, S Firth,
H Hayden, D Jenkins, J McKenna,
M Robinson and S Seary

17 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

18 Exempt Information - Possible Exclusion of the Press and Public

There were no items which required the exclusion of the press and the public.

19 Late Items

There were no late items of business.

20 Declaration of Disclosable Pecuniary Interests

No declarations of disclosable pecuniary interests were made.

21 Apologies for Absence and Notification of Substitutes

There were no apologies.

22 Minutes - 1st July 2020

RESOLVED – That the minutes of the meeting held on 1st July 2020, were approved as a correct record.

23 Financial Performance - Outturn Financial Year Ended 31st March 2020

The report of the Head of Democratic Services informed the Board of the Council's financial outturn position for 2019-2020 for both revenue and capital which were reflected in a report to the Executive at its meeting on 24th June 2020. A copy of this report submitted to Executive Board was appended for the Board's consideration at Appendix A.

The following were in attendance for this item:

- Councillor James Lewis, Deputy Leader of the Council and Executive Member for Resources
- Neil Evans Director of Resources and Housing
- Victoria Bradshaw, Chief Financial Officer

The Chief Finance Officer gave a brief overview of the main issues outlined in the report.

Responding to questions in a shared letter from Cllr Robinson in relation to Welcome to Yorkshire, the Board Members were informed of the following points:

- The accounts covering an 18 month period were currently being audited by external auditors. Once the auditors had finished the Council would have sight of the accounts;
- Surplus from the funding provided to Welcome to Yorkshire was to be distributed in accordance with the agreement;
- Any decisions made by the joint meeting are provided in the form of minutes etc. and published to the Leeds City Council website;
- Any money left over is returned to the member authority.

It was noted that at a presentation to Humber and Yorkshire members, the Chief Executive of Welcome to Yorkshire set out how they were planning to reduce their spending as they moved to an electronic platform. This would include redundancies as they stripped back to the bare minimum. It was also noted that they would not be able to be extricated from the lease of the building. They would continue to promote tourism in the area but due to COVID-19 would not be able to go forward with the events that they had planned. It was the view that Welcome to Yorkshire may require support going forward.

Cllr. Lewis informed the Board Members that it was the Council's intention to continue to support Welcome to Yorkshire, however, no decision had been made so far. The Council would need to see how Welcome to Yorkshire planned to proceed. Welcome to Yorkshire would need the support of the private sector and public funding over the coming period.

Board Members requested that this item be brought back to the Board when more information was known and also to be included in the work programme for the Board.

RESOLVED - To note the report.

24 Treasury Management Outturn for 2019/20

The report of the Head of Democratic Services provided Board Members with details of the Council's Treasury Management Outturn position for 2018/19.

A copy of the report submitted to the Executive Board in June 2019 was appended to the papers.

The following were in attendance for this item:

- Councillor James Lewis, Deputy Leader of the Council and Executive Member for Resources
- Neil Evans Director of Resources and Housing
- Victoria Bradshaw, Chief Financial Officer

Board Members attention was drawn to the main issues set out in the submitted report and the details of the Council's Treasury Management

Outturn position for 2019-20 was reflected in the Executive Board report which was appended for the Boards consideration.

In response to Members' comments and questions, the following information was provided:

- £48m of capital receipts had been planned for this financial year. However, due to COVID -19 this has now changed and is causing pressure in this area;
- Information for the exposure of borrowing from the Chinese banks would be checked and fed back to Members;
- The Council's assets of £5.6bn does include building such as schools and these would not be sold off. The exception to this is where schools become academies and in these cases the school building is transferred to the academy;
- Review of the Council's assets will be submitted in a report due in September;
- 3.3% is the average interest to be paid over all loans. It was noted that some loans would have been acquired years ago when the interest rates were much higher. It was also noted that officers are continually reviewing the loans the council have and looking for opportunities to lower the rates of interest. However, many of the loans are tied in with penalties for early release from them.

RESOLVED – To note the report.

25 Impact of COVID-19 upon the Council's financial position

The report of the Head of Democratic Services provided Board Members with details of the impact COVID-19 has had on the Council's finances both in the current financial year and looking ahead into 2021-22.

In attendance at the meeting were:

- Councillor Lewis – Deputy Leader of Council and Executive Members for Resources
- Neil Evans – Director of Resources and Housing
- Victoria Bradshaw – Chief Finance Officer

Board Members noted that this was an unprecedented position that the Council finds itself in. Although, the Council had set a robust budget position the Council was facing significant expenditure and loss of income.

Detailed information had been provided to Board Members on projected overspend and Government grants. Monthly reports were being produced and shared with Government to highlight the cost of Covid-19 on the Council's budget. However, there were a lot of unknowns currently and it was the view of the Chief Finance Officer that at the end of the year there would still be a significant financial gap without additional support or flexibility from Government.

In response to questions from the Board, Members were advised of the following points:

Draft minutes to be approved at the meeting
to be held on Monday, 7th September, 2020

- Work was ongoing with directorates to assess potential savings. Looking at opportunities to reduce costs of paper, transport, fuel, etc.;
- A review on the Council's buildings in the long term, to reflect a new way of working;
- The roll out of ultra-fast broadband was proceeding, linked to primary and secondary schools providing a good distribution across Leeds, with benefits for the recovery of the Council and the City;
- Should a local lockdown occur this would add further pressure on the Council's budget and it was difficult to make provision for this;
- Recovery of business rates and council tax would continue. However, with increased numbers of unemployed people there will be an increased number requiring benefits and assistance with council tax payments. This will have an impact on income;
- There was a need to get a long term funding settlement in place in respect of Adult Social Care with enhanced allocation of resources from Government and local government. This has been highlighted by Covid-19 and the sector more generally has responded well to the pandemic due to strong partnership in Leeds.

Board Members were advised that detailed information would be sort in relation to the Public Work Loan debt and fed back to Members.

Board Members requested that a letter be written in relation to the Social Care Settlement. Cllr Hayden, as a Board Member and the Chair of Adults, Health and Active Lifestyles Scrutiny Board suggested that it could be a joint letter.

The Chair, gave a heartfelt thank you to all officers across the Council at this uncertain period.

RESOLVED - To note the report.

26 Work Schedule

The report of the Head of Democratic Services requested Board Members consideration of the Boards Work schedule for 2020-21.

Members discussed the following points:

- Welcome to Yorkshire and requested that the auditors results be brought to a future meeting;
- Recovery of Council Tax and Business rates;
- Implications of homeworking in the long term and that this should be looked at on an individual department basis.
- To have an update from Human Resources on homeworking to include results from staff survey, costs, implications for staff and the Council, health and safety implications;
- Service Changes across all Directorates;
- How the Council gets back to 'normal' including hybrid meetings.

It was the view of the Board that some issues discussed could be linked to items already listed on the work schedule.

RESOLVED - To note the content of the report and approve the Board's work schedule.

The meeting concluded at 12:09

27 Date and Time of Next Meeting

The next meeting of Scrutiny Board Strategy and Resources will be on Monday 7th September 2020 at 10:30am (pre-meeting for all Board Members at 10:00am)