



SCRUTINY BOARD (ENVIRONMENT, HOUSING AND COMMUNITIES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Thursday, 14 January, 2021 at 10.30 am

(A pre-meeting will take place for all Members of the Board at 10.00 a.m.)

MEMBERSHIP

- B Anderson (Chair) - Adel and Wharfedale;
- J Akhtar - Little London and Woodhouse;
- J Bentley - Weetwood;
- A Blackburn - Farnley and Wortley;
- D Collins - Horsforth;
- M Dobson - Garforth and Swillington;
- A Gabriel - Beeston and Holbeck;
- P Grahame - Cross Gates and Whinmoor;
- A Khan - Burmantofts and Richmond Hill;
- P Gruen - Cross Gates and Whinmoor;
- M Harland - Kippax and Methley;
- N Sharpe - Temple Newsam;
- K Brooks - Little London and Woodhouse;
- T Smith - Pudsey;

**Principal Scrutiny Adviser:
Rebecca Atherton
Tel: (0113) 37 88642**

A G E N D A

Item No	Ward/Equal Opportunities	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 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <ol style="list-style-type: none"> 1. To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report. 2. To consider whether or not to accept the officers recommendation in respect of the above information. 3. If so, to formally pass the following resolution:- <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p>No exempt items have been identified.</p>	

3

LATE ITEMS

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

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

4

DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.

5

APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

To receive any apologies for absence and notification of substitutes.

6

MINUTES - 12 NOVEMBER 2020 AND 2 DECEMBER 2020

5 - 16

To approve as a correct record the minutes of the meetings held on 12 November and 2 December 2020.

7

REDUCING POVERTY AND IMPROVING FINANCIAL INCLUSION

17 - 40

To receive a report from the Chief Officer (Customer Access and Welfare), which includes an update on the position regarding the local roll out of universal credit.

8

BEST COUNCIL PLAN PERFORMANCE REPORT QUARTER 2 2020/21

41 - 80

To consider the report of the Director of Resources and Housing and the Director of Communities and Environment, which presents a summary of 2020/21 Quarter 2 performance data and provides an update on progress in delivering the relevant priorities in the Best Council Plan.

9

INITIAL BUDGET PROPOSALS & FINANCIAL HEALTH MONITORING

81 -
254

To consider the outline budget proposals for 2021/22 as required by the Council's budget and policy framework.

Also appended to this item is financial monitoring information as at Month 7 of 2020/21 (October), and as reported to Executive Board in December 2020.

10

WORK SCHEDULE

255 -
300

To consider the Scrutiny Board's work schedule for the 2020/21 municipal year.

11

DATE AND TIME OF NEXT MEETING

The next meeting of the Board will take place on 25 February 2021 at 10.30am. There will be a pre-meeting for all Board members at 10.00am.

SCRUTINY BOARD (ENVIRONMENT, HOUSING AND COMMUNITIES)

THURSDAY, 12TH NOVEMBER, 2020

PRESENT: Councillor B Anderson in the Chair

Councillors J Akhtar, J Bentley, D Collins,
A Gabriel, P Grahame, A Khan, P Gruen,
M Harland, N Sharpe, K Brooks and
T Smith

51 Appeals Against Refusal of Inspection of Documents

There were no appeals.

52 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

53 Late Items

There were no formal late items.

54 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

55 Apologies for Absence and Notification of Substitutes

Apologies were received from Councillor M Dobson.

56 Minutes - 15 October 2020

RESOLVED – That the minutes of the previous meeting held 15th October 2020, be approved as an accurate record.

57 Volunteering Response to Covid-19

Further to the minutes of the meeting held 9 July 2020, the report of the Chief Officer (Communities) provided the Board with an update on the work which Leeds City Council (LCC), Voluntary Action Leeds (VAL) and other organisations have continued to undertake in response to ongoing need in communities as the Covid-19 Pandemic has continued.

The Chair commended the work and various roles Martin Dean (Area Leader, Communities) had undertaken in the Council over 35 years. The Board shared their thanks for the work Martin had contributed, in bettering outcomes across communities.

The following were in attendance for this item:

- Councillor Coupar, Executive Member for Communities
- Shaid Mahmood, Chief Officer Communities
- Lee Hemsworth, Chief Officer Customer Access & Welfare
- Richard Jackson, VAL

The Chief Officer (Communities) introduced the report and highlighted the work in terms of considerations around the support provided to community hubs for the remainder of the year, and additional funding.

The Board were informed of the following matters:

- The increased demand across all Community Care Hubs, and in particular the inner city wards. Partnership working continues between Fareshare and the council to ensure that food supply remains sufficient, however access to a sufficient level of food has been identified as a challenge;
- The Local Welfare Support Scheme (LWSS) has seen a 50% increase on the helpline service and the effect this has on Community Care Hubs. Provision in terms of priority supermarket slots and paid vouchers were being promoted;
- Two new Community Care Hubs that will be delivered and resourced by universities across Leeds;
- Encouragement of Community Care Hubs to work collaboratively with partners in their local area;
- Ensuring neighbourliness continues across all wards to address mental health and inequality concerns;
- A working group in relation to sector resilience that focused on work streams such as sector resourcing, community led activity, volunteering, climate action and generous leadership in terms of supporting smaller organisations;
- The infrastructure in place in terms of a locally led approach.

In responding to Members' comments, the following had been discussed:

- Food supply complications specifically in relation to Slung Low Community Care Volunteer Hub and the process in terms of distribution. The Executive Member for Communities confirmed this particular issue would be looked at as a matter of urgency.
- LWSS referrals. Members heard that early complications with the helpline have now been resolved, and work was undertaken to ensure that all of the Community Care Hubs have a single point of contact to raise issues.
- Covid-19 Helpline operating hours and in particular, the implications on weekends. It was confirmed that the service operated Monday – Friday. Weekend work had operated at the start of the pandemic, however considerations needed to be looked at in terms of the demand on services across Community Care Hubs.
- In paying tribute to all volunteers during the pandemic, the number of volunteers across the Third Sector and Community Care Hubs had been discussed. It was acknowledged that engagement with volunteers

post the pandemic, to address inequality and poverty issues would still be needed.

- The fair distribution of finances across Community Care Hubs. Although funding was distributed on ward basis, the tailored approach did not cover the full cost of operations. A model was being considered in conjunction with VAL to provide funding on a full cost recovery basis.
- The work and role of Neighbourhood Networks had been emphasised.
- It was confirmed that an up to date document containing a list of contact details for all of the Community Care Hubs would be distributed to Board Members.

The Chair thanked everybody for their contributions.

RESOLVED:

- a) That the contents of the report be noted, together with comments raised by the Board.

58 Priority Neighbourhoods and Locality Working

The report of the Director of the Communities and Environment provided an update to Members on locality working and the Neighbourhood Improvement Board (NIB) in relation to the emerging impact of Covid-19 in our most disadvantaged communities.

The following were in attendance for this item:

- Councillor Coupar, Executive Member for Communities
- Shaid Mahmood, Chief Officer Communities
- Localities Managers
- Alison Szustakowski
- Stuart Byrne
- Tajinder Virdee
- Rachel Marshall
- Andrew Birkbeck
- Jane Pattison
- Harpreet Singh

The Chief Officer (Communities) introduced the report, and provided the Board with a short presentation that highlighted the following:

- Background context on the Locality Working arrangements;
- The emerging impact of Covid-19 specifically in relation to tackling poverty and reducing inequalities;
- The Leeds Communities of Interest that seeks to address the needs of a wide range of families and people across neighbourhoods;
- Locality working update in terms of social and economic interventions;
- An update on the Neighbourhood Improvement Board (NIB);
- Proposed next steps and the opportunity for this Board to work in conjunction with all of the Scrutiny Boards to explore organisational development and design the council.

The Chair made reference to an LGA webinar that focused on asset based community development and local area co-ordination. It was requested that a presentation delivered by the Chief Officer (Communities) be distributed to Members of the Board following the meeting.

A Member requested additional information on how smaller pockets of deprivation in outer areas will be supported. The Chief Officer (Communities) confirmed an update on the matter will be provided in a future report for the Boards consideration.

The Chair invited the Localities Managers in attendance, to provide the Board with an update on the benefits of working across the priority neighbourhoods. The following had been highlighted:

- The work provided an opportunity to build on community engagement and issues in relation to ASB and hate crime;
- The increased support of youth provision;
- Information on local services have become more accessible;
- Closer working partnerships helped realign resources and accessing additional funding;
- Better understanding of local amenities to access external funding for additional infrastructure;
- Better support provided to Third Sector organisations;
- Longer term considerations around investment for the Priority Neighbourhoods.

The Chair outlined the importance of the work undertaken, and thanked those in attendance.

RESOLVED:

- a) That the contents of the report be noted;
- b) That the information outlined in the minute be provided as requested;
- c) That a further report be brought back to the Successor Board and form part of the work schedule in the new municipal year.

59 Work Schedule

The report of the Head of Democratic Services submitted a report that invited Members to consider the Board's Work Schedule for the remainder of the current municipal year. Copies of the Board's draft work schedule were appended to the report, as well as the remote minutes of the Executive Board meeting held 21st October 2020.

RESOLVED – That the work schedule for the remainder of the municipal year be noted.

60 Date and Time of Next Meeting

The next public meeting of the Board will take place on 14 January 2021 at 10:30am (there will be a pre-meeting for all Board members at 10am)

(The meeting concluded at 12:15)

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SCRUTINY BOARD (ENVIRONMENT, HOUSING AND COMMUNITIES)

WEDNESDAY, 2ND DECEMBER, 2020

PRESENT: Councillor B Anderson in the Chair

Councillors J Bentley, A Blackburn,
D Collins, A Gabriel, P Grahame, A Khan,
M Harland, K Brooks, T Smith, M Dobson,
D Ragan and K Renshaw

61 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection documents.

62 Exempt Information - Possible Exclusion of the Press and Public

The agenda contained no exempt information.

63 Late Items

There were no late items added to the agenda.

64 Declaration of Disclosable Pecuniary Interests

No declarations of pecuniary interests were made.

65 Apologies for Absence and Notification of Substitutes

Apologies were received from Cllr Peter Gruen and Cllr Nicole Sharpe. Cllr Denise Ragan and Cllr Karen Renshaw attended as substitutes.

66 Call In Briefing paper

The Head of Democratic Services submitted a report in relation to the procedural aspects of the call in process.

Members were advised that the options available to the Scrutiny Board in respect of this particular called in decision were as follows:

Option 1- Release the decision for implementation

Having reviewed this decision, the Scrutiny Board may decide to release it for implementation. If the Scrutiny Board chooses this option, the decision will be immediately released for implementation and the decision may not be called in again.

Option 2 - Recommend that the decision be reconsidered

The Scrutiny Board may decide to recommend to the decision maker that the decision be reconsidered. If the Scrutiny Board chooses this option a report will be submitted to the decision maker.

In the case of an Executive Board decision, the report of the Scrutiny Board will be prepared within three working days of the Scrutiny Board meeting and submitted to the Executive Board. Any report of the Scrutiny Board will be referred to the next Executive Board meeting for consideration.

In reconsidering the decision and associated Scrutiny Board report, the Executive Board may vary the decision or confirm its original decision. In either case, this will form the basis of the final decision and will not be subject to any further call in.

Failure to agree one of the above options

If the Scrutiny Board, for any reason, does not agree one of the above courses of action at this meeting, then Option 1 will be adopted by default, i.e. the decision will be released for implementation with no further recourse to call in.

67 RESOLVED – That the report outlining the call in procedures be noted. Revenue budget Update 2021/2022 and Budget Saving Proposals - Resolution 77(c)

The Head of Democratic Services submitted a report that presented background papers to an Executive Board decision which had been called in in accordance with the Council's Constitution.

The decision had been called in for review by Councillor Robert Finnigan.

The Scrutiny Board considered the following written information:

- Call in request form – 24 November 2020.
- 'Revenue budget update 2021/22 and budget savings proposals' – Executive Board Report 18 November 2020.
- Minute 77 Executive Board 18 November 2020.

The following were in attendance:

- Cllr Robert Finnigan, Leader of the Morley Borough Independent group
- Cllr Debra Coupar, Executive Board member for Communities
- James Rogers, Director of Communities and Environment
- Shaid Mahmood, Chief Officer Communities
- Michael Everitt, Head of Finance
- Richard Jackson, Head of Service, Facilities Management
- Sarn Warbis, Senior Policy and Performance Officer
- Mark Turnbull, Head of Service Resources and Housing

As the lead signatory to the Call In, Councillor Finnigan was invited to outline his concerns regarding the decision taken by the Executive Board and to set out the outcomes he wished to secure from the Call In meeting.

Cllr Finnigan set out a number of concerns including:

- The potential impact on an already disadvantaged community of losing a valuable asset if the Lewisham Community Centre were to close.
- The likelihood that those most affected would be the same people who have been hardest hit by the consequences of the covid-19 pandemic.
- His interpretation that the wording of a Service Review proposal suggested a decision had already been taken to close the Lewisham Community Centre with the associated cost saving having already been built into the budget for 2021/22.
- There not being sufficient time to “galvanise the local community” to engage in a consultation exercise before February 2021 given the disruption caused by the ongoing pandemic and Christmas.
- There being a lack of clarity about the anticipated costs of running the community centre during 2021/22.
- Usage being adversely impacted by the way in which Leeds City Council’s centralised booking system operates.

Cllr Finnigan sought a recommendation from Scrutiny Board members that the Executive Board should remove Lewisham Community Centre from the “closure list” and instead provide the local ward members with 12 months to work with the community to explore alternative proposals for the centre.

Cllr Finnigan further indicated that organisations he has involvement with, including Morley Town Council, would be prepared to provide financial support to cover a proportion of the ongoing costs of running the community centre if an assurance were provided that an extended consultation could take place.

Members were invited to ask questions or raise points of clarification in regard to the information outlined by Cllr Finnigan. Discussion included:

- The cost associated with the work of a mobile caretaking team.
- The cost of water on the site and the potential measures that could be introduced to reduce these and other running costs.
- Possible reasons for declining usage since 2015, including a perception that the Council’s charging policy and centralised booking system discourage wider community use of Lewisham community centre.
- The likelihood of securing greater community engagement than was the case when the centre was last considered for closure in 2015.
- The perceived lack of alternative community venues in the area.
- Recent and ongoing discussions with the local community committee and its community centre sub-committee.
- The likelihood of securing sustainable future income streams to make a community run centre viable.
- Clarification about the potential costs of maintaining the site if the centre were to close from 1 April 2021.
- Examples of centres that have successfully transferred to community-led arrangements in Stanhope, Drighlington and Meanwood and the involvement of the Council’s communities’ directorate in facilitating those arrangements.

Members sought and received assurance that the decision taken by the Executive Board was to begin consultation on the potential closure of Lewisham Community Centre and that the Board had not agreed to the closure of the centre ahead of the outcome of that consultation being properly assessed.

The Executive Board member and her officers were invited to further address the Board and respond to the concerns raised by Cllr Finnigan.

The scale of the financial challenge facing the Council for 2021/22 was highlighted. The Executive Board member for Communities noted that budget proposals had been set out at a much earlier point in the municipal year than has been typical in recent years, with a view to enabling discussion and engagement to take place in relation to some of the “very difficult choices” facing the organisation.

The Chief Officer for Communities reiterated that the service is seeking to quickly engage in a consultation exercise about the future of Lewisham Community Centre with a range of stakeholders. He noted that officers within the directorate would work towards February 2021 to assess the viability of any alternative proposals, including any potential community asset transfers, which emerged from the consultation and advise the Director and Executive Member for Communities.

Members were invited to ask questions and/or provide comment at this point in the meeting. Discussion included:

- Long standing efforts over a period of ten years to reduce to costs associated with running community centres across the city so as to retain as many as possible.
- The offer from Cllr Finnigan to explore alternative sources of funding to assist in securing the future of Lewisham Community Centre as a community asset.
- The success of partnership arrangements in other areas of the city which have enabled community-run centres to succeed.
- Examples of improved outcomes being delivered as a result of successful consultation events in other areas of the city including Temple Newsam.
- The financial impact of extending the consultation period to a year.
- Ongoing work to improve the centralised booking system.
- Proposals for consultation regarding the potential closure of two other community centres, which were detailed in the same Executive Board report.

Members were provided with assurance that ward members in Morley South would receive support their exploration of alternative proposals for Lewisham Community Centre from officers that had provided support to other councillors affected by similar proposals in previous years.

It was agreed that should the proposed closure be recommended as part of the final budget proposals the outcome of the consultation would be outlined in the associated Executive Board papers to inform decision making.

Cllr Finnigan requested further information about the basis of the assumed costs of running Lewisham Community Centre in 2021/22 in order to inform local consultation and engagement.

It was noted that the final decision about the future of the centre would be taken by the Executive Board and that final budget proposals would be presented to Executive Board in February for recommendation to a meeting of Full Council the same month.

The Chair welcomed the assurances and clarification provided in relation to running costs, the consultation process and the support that would be made available to ward members.

RESOLVED – That the contents of the report and the information provided at the meeting be noted

68 Outcome of the Call In

The Scrutiny Board considered whether or not to release the decision for implementation. A vote was subsequently held and the Scrutiny Board agreed (by majority decision) that the decision be released.

RESOLVED – That the decision be released for implementation.

69 Date and Time of Next Meeting

To note the date and time of the next meeting as 14 January 2021 at 10.30am.

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Report of Chief Officer Customer Access and Welfare

Report to Scrutiny Board Environments, Housing & Communities

Date: 14 January 2021

Subject: Reducing Poverty and Improving Financial Inclusion- Including update on Universal Credit

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- Leeds City Council and partners have been working to address financial inclusion in Leeds since 2003. The work which is key to reducing poverty in the city, has been based on building knowledge and research, and a strong collaborative partnership to develop innovative and sustainable actions for the residents of Leeds. Even before the COVID-19 pandemic the scale of the challenge was significant, with an estimated 174,000 people in Leeds in relative poverty, and local research in 2018 highlighting that households were less resilient and worse prepared for an external financial shock or crisis than in 2004.
- The COVID-19 pandemic has put further pressures on low income households and the most vulnerable in our society, and has also pushed many more households into financial uncertainty, hardship, to seek support and advice and to claim benefits. Advice agencies have reported a significant rise in enquires related to benefits and Universal Credit, employment and housing. In addition partners are also reporting that many more people presenting to services are unable to manage or cover basic living costs.
- For Leeds the depth of experience and the strength of the partnership developed over many years has been crucial in being able to respond rapidly and effectively to the challenges that the COVID-19 pandemic has had on our communities and residents. Adapting the way services are delivered and communicating these changes, sharing ideas, knowledge and experience, and collaborating to deliver multiple projects and initiatives to support the residents of Leeds.

- In terms of Universal Credit, it has now been in full service in Leeds for just over two years. The benefit is applicable both to those making a brand new claim to one of the six impacted benefits & to those transferring as a result of changes in their financial circumstances & now includes all members of the family. The only current exemptions are for those who are entitled to Severe Disability Premium, who will remain on legacy benefits until 27th January 2021.
- The benefit system has been crucial to the national COVID-19 response but has been under extraordinary pressure from an unprecedented wave of applications for Universal Credit. In Leeds there are now 70,127 people claiming UC, which is a 60% increase compared to 2019. Prior to March 2020 there was an average of 600 claims registered in the city per week, this increased significantly from March 2020 and peaked at over 6,800 during April.
- The system has responded to significant demand alongside social distancing, and this should be recognised. Partners in the city have reported that while many of the rapid changes implemented by DWP in response to the COVID-19 pandemic, (particularly the £20 weekly uplift and the suspension of deductions from benefits) have proved beneficial to claimants, the COVID-19 pandemic has escalated, and also drawn attention to many of the ongoing underlying problems that relate to the welfare system. The key issues being;
 - a. Risks for vulnerable claimants and their capacity to access benefits (support) have been identified. A lack of access to digital resources for more vulnerable clients is one such issue that predates the pandemic, but has exacerbated due to limited public access points (i.e Community Hubs, Libraries and Job Centres) caused by COVID-19 related restrictions.
 - b. The initial 5 week wait for payment and deductions continues to be a cause for concern, with partners reporting a pattern of claimants falling into debt and relying on food and/or fuel vouchers during this period. Although the £20 weekly uplift provides assistance to many claimants, the removal in April 2021 is being raised as a potential future concern.
 - c. Claimants often present to advice services in the city with multiple queries, and appointments are both complex and time consuming due to the need for 'better-off' calculations, verification documentation and claim completion as a minimum. Advice partners have reported that the number of social welfare issues clients are presenting with since COVID-19 outbreak has more than doubled.
 - d. Due to the impact of COVID-19 on employment, many clients reported fluctuating financial circumstances, particularly for those impacted by furlough, changeable hours, redundancy pay, zero hour contracts, Self Employed Income Support Scheme claimants. Although UC is more flexible in these circumstances than legacy benefits, these fluctuations can result in claims being closed and the claimant having to re-open or re-start the claim, causing financial hardship through delays to income.
 - e. Instances of claimants being wrongly advised to claim Universal Credit rather than remaining on legacy benefits also continue to be identified, which is of particular concern in relation to people with disabilities who may be worse off financially if they claim UC in error.
- The long established partnership approach in the city means that the issues outlined above and throughout the report are regularly raised at both local and national level meetings which include the active involvement of the Council, third sector and the DWP.

2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- The work set out in this report contributes to the Best Council Plan focus on tackling poverty and reducing inequalities, and achieving the Council's ambition for a strong economy and compassionate city.
- The activities set out in this report support the Best City Priorities of Safe, Strong Communities, Inclusive Growth, Health & Wellbeing, Child Friendly City, Age-Friendly Leeds and Housing. All of which have a strong focus on addressing poverty, unmanageable debt, and maximising incomes.

3. Resource implications

- All projects and services are being undertaken within current budgets and there are no additional resource implications arising from this report

Recommendations

- a) That the information supplied in this report is noted.
- b) That Scrutiny Board, make any recommendations for future monitoring the impact of the work being undertaken to address financial inclusion and the impact of Universal Credit.

1. Purpose of this report

- 1.1 This report provides an update on the work undertaken by Leeds City Council and partners to reduce poverty and improve financial inclusion, with particular focus on the implementation and impact of Universal Credit.

2. Background information

- 2.1 Led by the Council's Financial Inclusion team the strategy to tackle financial inclusion has focussed on developing projects and initiatives to ensure that residents on the lowest incomes have access to affordable financial services and are able to access quality marked, free and independent advice when needed. The aim being to reduce the need for high cost sources of finance such as doorstep and payday lenders, pawnbrokers and rent to buy options, or in the worst case scenario illegal lenders. The depth of the experience and strength of the partnership approach has been particularly important over the past year in being able to respond rapidly and effectively to the challenges that the COVID-19 pandemic has brought about.
- 2.2 Evidence based policy development has continued to underpin the financial inclusion work in Leeds. The household survey undertaken in 2004, was repeated in 2010 and 2018 in order to ensure that the policy and strategy being developed continued to deliver for those in greatest need. The full report and its findings concluded that in 2018 respondents were less resilient and worse prepared for an external shock or crisis than in 2004, with significantly lower propensity to save and higher likelihood of being in debt.
- 2.3 Even before the emergence of the COVID-19 pandemic, the findings of the Leeds research, coupled with national evidence and statistics on poverty gathered and presented in the Financial Inclusion Team's Poverty Fact Book, further emphasised

the importance of the Council and partners continued work to address financial exclusion and poverty in the city. Key statistics as follows:

- Over 174,000 people in Leeds are estimated to be in relative poverty after housing costs.
- 74,000 adult Leeds residents are estimated to be affected by in-work poverty, with an estimated 62,000 full time equivalent residents earning less than the Living Wage Foundation's recommended living wage of £9.30 per hour in 2020.
- National DWP data shows that provisionally there were 70,127 Universal Credit claimants in Leeds as of 31st October 2020, which equates to 14% of the working age population.
- Over 41,600 people in Leeds have received food through a foodbank or food parcel provider in 2019/20 (pre COVID-19), which has increased by 24% since 2018/19.
- An estimated 35,000 children under 16 are in relative poverty in Leeds.

2.4 Key areas of work over recent years have included;

- Developing an integrated advice provision to improve access by increasing opening hours and expanding telephone and web based advice to help with increasing demand.
- Supporting and working with Leeds Credit Union to increase membership and develop a range of services and products for members.
- Developing a coordinated approach to welfare reforms and the roll out of UC.
- Working alongside Food Aid Network, FareShare Yorkshire and third sector organisations on Food Insecurity.
- Leading the Financial Health and Inclusion priority of the 'Thriving: a Child Poverty Strategy for Leeds', to develop and implement a range of projects focussed on children and young people including the Healthy Holidays projects and the Leeds School Uniform Exchange.
- Increasing awareness of financial exclusion and poverty through training to frontline workers across Council and partner organisations.
- Raising awareness and increasing support for Gambling Related Harm.
- Working with the national Illegal Money Lending team to promote awareness and prevent residents from using illegal lenders, and seek help if required.
- Co-ordinating financial support services through the Money Information Centre website and the Help with Managing your Money flyer and booklet to bring together all money and financial support services available to residents of Leeds.
- Undertaking research and bringing together intelligence on subjects related to financial inclusion, poverty and inequality.

2.5 In terms of Universal Credit, Full Service commenced in Leeds from 10th October 2018 and has now been live for just over two years. The benefit is applicable both to those making a brand new claim to one of the six impacted benefits & to those transferring as a result of changes in their financial circumstances. The only current exemptions are for those entitled to Severe Disability Premium, who will remain on legacy benefits until 27th January 2021 when the current exemption known as the 'Severe Disability Premium Gateway' ends.

- 2.6 The benefit system has been crucial to the national COVID-19 response, and has been under extraordinary pressure from an unprecedented wave of applications for Universal Credit. Nationally, Universal Credit claimants have increased to 5.7 million in October 2020, which is an increase of 125% since the previous year's figure of 2.5 million. This equates to 14% of the working age population.
- 2.7 The COVID-19 pandemic has also impacted significantly on employment. Nationally, the UK unemployment rate has risen to its highest level in over three years, growing to 4.9% in the three months to October 2020, compared with 4.0% in the three months to April 2020. The UK employment rate was 75.2% in the three months to October 2020, a decrease of 0.8 percentage points from 76% in the three months to April 2020. The number of people reporting redundancy in the three months to October 2020 increased to a record high of 370,000, the highest level since the last recession.

3. Main issues

3.1 Reducing Poverty and improving Financial Inclusion

- 3.2 The long established partnership approach to Financial Inclusion in the city has been essential in response to the COVID-19 pandemic. In early March 2020 the council established weekly Bronze Group meetings including internal council services and external partners on financial inclusion and separately on emergency food. The aim of both meetings was to ensure key services and organisations were kept up to date on how services were being delivered and to develop collaborative approaches to addressing issues which arose.
- 3.3 The Financial Inclusion group includes representatives from Council services including, Housing, Council Tax, Benefits and Financial Inclusion, along with partners from the DWP, Leeds Credit Union and Advices services. The key areas of focus have been;
- Sharing information on how services are operating, which are updated on the Leeds Money Information Centre website (www.leedsmic.org.uk) and circulated on mailing lists and on social media.
 - Identifying at the earliest opportunity any trends in the customer contacts, and any areas to investigate further or adapt communications.
 - Sharing best practice and resources on social distancing for advice and support partners to purchase Personal Protective Equipment through Leeds City Council.
 - Reallocating workforce capacity to support emergency COVID-19 services, for example Customer Service Operators moving to the COVID-19 helpline and emergency food provision.
 - Reporting significant increases in Universal Credit claimant counts.
 - Ensuring that Leeds Credit Union branches remained open throughout the first lockdown in March, enabling members to access their finances, and to also administer fuel payments for the Local Welfare Support Scheme.
 - Reporting into the Silver Group Communities meeting and the quarterly Financial Inclusion Steering Group.

3.4 **Leeds Credit Union**

- 3.5 Throughout the pandemic Leeds Credit Union has continued to offer face to face services at four of its branches, three based in the Council's Community Hubs.
- 3.6 To support members isolating or not able to come into the branches due to COVID-19 the credit union accelerated the introduction of its new and improved online banking app.
- 3.7 Throughout the year Leeds Credit Union has maintained its normal lending policy whilst other lenders have drawn back.
- 3.8 The credit union has also given payment holidays on over a hundred loans for members struggling to repay their loans due to COVID-19; these loans totalling some £200k.
- 3.9 An unexpected consequence of COVID-19 is that the savings deposited by members into the credit union rose to an all-time record of £23M. This means that the credit union has a considerable capacity to provide more affordable loans into the community in competition to the door step lenders and help to get the local economy working again. However, there remains the continuing challenge of getting people to come to the credit union instead of turning to the high cost lenders.
- ### 3.10 **Evidence of emerging impacts of the COVID-19**
- 3.11 Both local financial inclusion research as well as updates from partners indicated that low income households were already demonstrating reduced levels of financial resilience including high levels of debt, being less likely to save and relying on borrowing to meet basic living costs. These features meant that increasing numbers of low income households would be highly vulnerable to income shocks or a financial crisis such as the COVID-19 pandemic.
- 3.12 As part of a series entitled, *Destitution in the UK*¹, Joseph Rowntree Foundation research showed levels of destitution had also been growing since 2017 and many families were being pushed to the brink even before the pandemic.
- 3.13 This is consistent with the 'Covid-19 Client Data Report' (December 2020) produced by Step Change, which stated 'Coronavirus has resulted in significant hardship, with clients having to juggle bills and debt repayments while continuing to provide for their families on depleted incomes. Coping often meant skipping meals and making do with less'.
- 3.14 Nationally the Trussell Trust has also reported '47% of households surveyed at food banks during the summer owed money to DWP due to loans and overpayments of benefits –compared to 37% at the start of the year before the pandemic hit' In addition, the report also found 'Almost three out of four households on Universal Credit at food banks over the summer were repaying an advance payment' ('Lift the burden' Report, Trussell Trust Dec 2020)
- 3.15 Emerging evidence from advice partners indicates how during COVID-19, interventions such as the furlough scheme, forbearance and uplifts in benefits have been a vital support for low income families on the brink, however there are major concerns for how households will be impacted once these temporary schemes conclude.

¹Destitution in the UK 2020 – Joseph Rowntree Foundation, December 2020
<https://www.jrf.org.uk/report/destitution-uk-2020>

- 3.16 Research by Citizens Advice 'Life on less than Zero'² reports that 75% of people in receipt of Universal Credit and Working Tax Credit would have a negative budget if the £20 uplift is removed.
- 3.17 Citizens Advice Leeds have provided the following data comparing April to September 2019 to the same period in 2020:
- Universal Credit enquiries rose to 24% of total enquiries, compared to 19% in 2019, reflecting numbers of people becoming unemployed or losing income through furlough/ sickness
 - Other welfare benefits enquiries fell to 17% of the total compared to 23% in 2019, reflecting the impact from forbearance on mortgages, bills and DWP sanctions and deductions.
 - Of all benefit enquiries, the largest issue was initial claims for UC.
 - Employment enquiries increased from 6% in 2019 to 10%, largely due to furlough, redundancy and job insecurity
 - Housing enquiries increased during 2020 from 5% in 2019 to 8%
 - There has been a fall in demand for debt advice at 12% of all enquiries compared to 14% in 2019. This reflects a fall in debt enquiries in Q1 and the effect of payments holidays, with enquiries increasing again in Q2. The national funding body for debt advice MAPS are projecting a 60% increase in debt problems in the next 18 months
 - Fuel debts and Council Tax arrears have been the largest debt enquiry areas at 10% & 8% respectively of all debt issues.
 - Of clients with a disability, people with mental health issues increased from 21% in 2019 to 25% in 2020
 - There was a 12% increase in enquiries from 20-44 year olds, reflecting the impact of the pandemic and lockdown on people of working age.
 - Enquiries from BAME clients have fallen slightly from 35% to 33%, most likely due to the closure of drop-in services which were used heavily by some BAME groups.
 - Enquiries from households with dependent children have increased from 30% in 2019 to 34%
 - Enquiries from clients living in social housing have fallen by 7% during the period, possibly a reflection of the suspension of court action. With enquiries from clients living in the private rented sector increasing by 3%
 - There has been a 5% increase in enquiries from people who are unemployed/ seeking work
- 3.18 The Emergency Food Bronze group includes representatives from Council services including Adult Social Care, Public Health, Childrens Services, Resources and Housing, Catering Leeds, Financial Inclusion, along with partners from the Food Aid Network, FareShare, Rethink Food, Trussell Trust, Voluntary Action Leeds, Food Wise, and Leeds Community Foundation. The existing relationships between organisations meant that the city was able to mobilise a response to ensure that

² 'Life on less than zero' Citizens Advice, October 2020

[https://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/Life%20on%20less%20than%20zero%20\(October%202020\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/Life%20on%20less%20than%20zero%20(October%202020).pdf)

food and other key services were being provided to vulnerable people across Leeds.

- 3.19 The COVID-19 Helpline was established alongside the existing Local Welfare Support Service. Both helplines recorded food referrals and systems were in place to ensure food and support was provided and accessible to those most in need and impacted by COVID-19. In addition to food parcels, the service offered other support with shopping, prescriptions, fuel, hygiene products, baby products, dog walking, and welfare/befriending telephone calls.
- 3.20 Support was delivered by the council and in conjunction with the third sector and volunteers through 27 Community Care Hubs, located to support residents across all 33 Leeds wards. Over the period of provision, adaptations to the service and food bag contents were made to respond to cultural and dietary needs and further details were provided in the November Scrutiny report: *Locality working in our most disadvantaged communities: tackling poverty and inequality and COVID-19 recovery*.
- 3.21 The referrals recorded by the council helplines resulted in an estimated 64,000 food bags (equivalent of 34,000 food parcels) being distributed from the food warehouse over the course of 24 weeks between March and September 2020. In addition to this support, the Council also provided breakfast and lunch bags to up to 230 homeless people every day that were being rehoused in hotels and b&bs. This resulted in over 68,000 meals to the homeless. From September this provision was handed over to St George's Crypt.
- 3.22 In addition during the school closures schools have been working hard with the council's Catering Leeds to support the increasing number of children eligible for free school meals with vouchers, meals and hampers. Throughout the period of full or partial school closure, Catering Leeds worked with a large proportion of these schools to provide a total of 95,826 daily grab bags and 170,910 daily hampers (34,182 weekly hampers). Schools were also able to support pupils entitled to a free school meal with supermarket vouchers through the Edenred national voucher scheme. Vouchers of £15 per week, per free school meal eligible pupil, would be available for schools who were unable to offer daily meals or weekly hampers. Provision decisions were made by the school and a combination of these approaches could be adopted if required. These meals made a significant contribution to children's nutrition and wellbeing, and also supported schools by enabling contact with families, during COVID-19.
- 3.23 **Leeds Food Aid Network:** Leeds FAN have reported how even before the COVID-19 pandemic, people who seemed to need recurring food support, were frequently attending food aid provisions. In addition, families accessing food aid, frequently reported struggling to cover the costs of living due to low paid work, debt and benefits not covering outgoings (often due to deductions). The COVID-19 pandemic has exacerbated these pre-existing issues.
- 3.24 Reinforcing concerns highlighted by advice partners, Leeds FAN also reported how many food bank clients with mental health problems found their issues were compounded by difficulties accessing food. Other recurring issues included the 5-week wait for UC and people not having the savings / resources needed to get through this time without help. Case studies evidencing the real lived experiences of their clients are available in Appendix 4.
- 3.25 Between 19th March and 10th May, We Care Leeds, in partnership with the Food Aid Network, offered a food parcel delivery service across the city. The service

received a total of 711 referrals in respect to 567 different people/families. Referrals were most commonly for single parent households.

3.26 Financial Inclusion Team: Other key areas of work to improve Financial Inclusion in the city, this year have included;

- Working with partners to adapt Healthy Holidays projects over the Easter, Summer, October and Christmas holidays.
- The Leeds School Uniform Exchange.
- Increasing awareness of financial exclusion and poverty through training to frontline workers across Council and partner organisations.
- Raising awareness and increasing support for Gambling Related Harm.
- Working with cross council colleagues and partners to create a 'Funeral Costs' help booklet and to develop low cost funeral support assistance schemes in the city
- Working with the University of Leeds to provide evidence and intelligence relating to Universal Credit and the impact of COVID 19.
- Consultations and evidence submissions to Feeding Britain, as well as The House of Lords Economic Affairs Committee Call for Evidence on 'The economics of Universal Credit' (February 2020) and Work and Pensions Committee Call for Evidence on 'The five week wait for payment' (April 2020).
- Working with the Local Government Association and Government departments to raise key issues related to poverty, welfare and financial inclusion. This involvement help to shape the emergency funding made by Government in response to the pandemic.

3.27 Universal Credit

3.28 National DWP data shows that provisionally there were 70,127 Universal Credit claimants in Leeds as of 31st October 2020, which equates to 14% of the working age population. This is an increase of 42,182 claims since October 2019.

3.29 Data sourced locally through the DWP Partnership has further revealed that in October 2020, there were approximately, 30,000 UC claimants seeking work. This figure is based on the customer's intent and current ability/capability to work and is not affected by COVID-19 changes to conditionality.

3.30 Data from the local DWP Partnership revealed that prior to COVID-19, an average of 600 claims to Universal Credit were registered across the city each week. Following the COVID-19 outbreak, the number of weekly claims rose quickly through March and peaked at 6,801 during April.

3.31 As the difficult economic and social situation continues, the number of Universal Credit claims has started to rise again, with an average of 900 new claims registered per week in November 2020 as a consequence of increased redundancy notifications & economic uncertainty.

3.32 Data from DWP nationally shows almost £130 million was deducted from universal credit claims in August 2020. 68% of deductions were taken to repay advance payments with the average monthly deduction per claim being £70.

3.33 Policy Changes

- 3.34 Since the last Scrutiny Committee in January 2020, there have been substantial policy changes in relation to Universal Credit, particularly in response to the COVID-19 pandemic.
- 3.35 Impact of COVID-19**
- 3.36 Local Housing Allowance rates have been increased to the 30th percentile of market rents, and the standard allowance of Universal Credit and the basic element in Working Tax Credit have been increased by £20 a week on top of annual uprating for one year (up to April 2021).
- 3.37 Recovery of certain debts was temporarily suspended from 3rd April to 5th July, although UC advance payments continued to be deducted throughout this period.
- 3.38 Face to face medical assessments have remained suspended for all sickness and disability benefits since 17th March.
- 3.39 Implementation of The Social Security (Coronavirus) (Further Measures) Regulations 2020 temporarily suspended all work search and conditionality requirements, most sanctioning and the Minimum Income Floor (self-employed claimants) for three months. From 1st July 2020, as national lockdown restrictions were lifted, benefit conditionality has been gradually reinstated, with the DWP confirming that ‘No sanction will be used until the claimant has an up-to-date Claimant Commitment in place’.
- 3.40 Update on policy – outside of COVID-19 pandemic**
- 3.41 The Severe Disability Premium gateway is scheduled to close 27th January 2021. Until then, any UC claimants who should not have been able to claim UC because they were entitled to a Severe Disability Premium at the time/within the month before claiming, will be able to move back onto legacy benefits.
- 3.42 From 22nd July 2020 Legacy benefit claimants in receipt of Income Support, Jobseekers Allowance and Employment and Support Allowance will now automatically receive a two week run on as they “naturally” migrate to Universal Credit. This payment does not need to be repaid and is separate and in addition to the pre-existing two week run-on of Housing Benefit.
- 3.43 Managed migration: The Government had planned for managed migration to begin at scale in July 2020 and complete by September 2024. The DWP has not updated this position since the COVID-19 outbreak, however the pilot for managed migration in Harrogate has been suspended due to the pandemic.
- 3.44 Details of additional policy changes can be found in Appendix 1.
- 3.45 Evidence and Research**
- 3.46 Leeds City Council has worked in collaboration with partners in the city including; Citizens Advice Leeds, Leeds Credit Union, Chapeltown Citizens Advice, Money buddies, Gipsil, DWP and the Leeds Food Aid Network to submit collective citywide responses and case studies in regards to Universal Credit and other Financial Inclusion issues, including;
- The House of Lords Economic Affairs Committee Call for Evidence on ‘The economics of Universal Credit’ (February 2020)
 - Work and Pensions Committee Call for Evidence on ‘The five week wait for payment’ (April 2020).
- 3.47 Leeds City Council has contributed as a key stakeholder to ‘Welfare at a (Social) Distance: Accessing social security and employment support during the COVID-19

crisis and its aftermath', conducted by Leeds University and partners. The project aims to provide evidence on how well the UK benefits system is meeting the challenges presented by COVID 19, with Leeds being selected as one of four case study locations.

- 3.48 The combined findings so far suggest that when compared to existing claimants, new UC claimants are more likely to be younger, male and/or educated to university level. 8% of new claimants are from BAME backgrounds compared to 6% of existing claimants, and the report finds new BAME claimants have been disproportionately impacted by job loss and/or a reduction in hours.
- 3.49 The study also considered 'unsuccessful' benefit claimants and found over a third reported a disability and just under 10% were from BAME backgrounds. Findings also suggested that being rejected or 'unsuccessful' for benefits did not mean respondents were not experiencing financial strain, with an emerging demographic that is not in receipt of benefits, but still facing hardship including debt, mental health and financial issues being identified.
- 3.50 **Partnership Updates**
- 3.51 Partnership work is well developed in Leeds and Leeds City Council continues to hold and attend regular meetings with both cross council colleagues and external partners that include DWP, Citizens Advice and other third sector organisations, in order to identify and respond to issues at an operational level.
- 3.52 **DWP Local Partnership Update:** Nationally, DWP made numerous changes in order to respond to the pressures caused by the COVID-19 pandemic. This included the secondment of 10,000 staff from across the department to support local office staff in relation to new claims, processing and payment of benefits. National DWP also announced that the number of Work Coaches in local Jobcentres would be doubled and although this has presented additional operational considerations, many of these new work coaches are already now in post in Leeds.
- 3.53 Throughout the pandemic, the Social Justice team have been a key aspect to the DWPs local delivery of support for highly vulnerable customers in Leeds. The team have recently received a regional award and national recognition, with a view to the work undertaken in Leeds being used as a potential framework for future national implementation.
- 3.54 Locally, DWP have also continued to work with all partners in the city to utilise funding to adapt to the needs of a changing customer base. This has included further provisions for customers with addiction issues, mental health difficulties & bespoke provision for graduates. In response to feedback from Citizens Advice partners, a further funding application has been submitted to help customers with language barriers.
- 3.55 Co-location working arrangements with staff from Housing Leeds also being effectively maintained through weekly digital communication meetings, resulting in improved communication, understanding & resolution of outstanding enquiries in relation to social housing applications.
- 3.56 In response to high numbers of customer enquiries from partners throughout the pandemic, escalation processes have been revised in order to ensure partners are able to obtain relevant information in line with current guidance, with the local partnership team providing a vital support and link as part of services.

- 3.57 Across the city, all offices are currently paying between 92% and 100% of all customer's payment of Universal Credit in full (figures to 08/11/20), which is testament to the work of DWP Staff and the partnership approach to support customers across the city. Of claims which have not been paid in full, the main issues relate to personal identification, customer failure to respond to journal requests and/or outstanding housing enquiries.
- 3.58 Under revised national guidance due to the pandemic, local job centres initially processed all benefit applications via telephone including I.D verification. This inevitably led to a number of fraudulent claims which resulted in further internal investigation teams being established, to examine cases of stolen identity, claim duplication, misuse of advance payments, and false declarations etc.
- 3.59 **Citizens Advice Bureau - Help to Claim**
- 3.60 The Help to Claim service is provided by Chapeltown Citizens Advice (CCA) and Citizens Advice Leeds (CAL). Prior to lockdown CAL delivered Help to Claim locally from the city centre offices and contributed to the national telephone & webchat service.
- 3.61 Since lockdown in March 2020 all Help to Claim advice resources across the country diverted to a free phone national telephone service & an online service. From April – September 2020 CCA and CAL have assisted clients with 14,589 Universal Credit enquiries, amounting to 29.2% of all enquiries.
- 3,295 unique clients advised in relation to Universal Credit (UC).
 - 36% of those clients identify as being disabled or having a long term health condition.
 - 30% of UC clients rent their home from the Local Authority or a Housing Association and 32% rent their home from a private landlord.
 - 30% of those advised were from BAME communities.
 - 55% of clients were female and 45% male.
 - 84% of UC clients have been advised via the telephone, 8% via email and 8% via webchat/online.
- 3.62 Attached at **Appendix 3** is data which shows the type of issues dealt with by CCA and CAL since April 2020. The largest proportion (59%) of enquiries relates to the initial claim. Also attached is a breakdown of Citizens Advice UC clients by ward.
- 3.63 62% of enquiries have been dealt with by the Help to Claim funded project and 38% from other projects
- 3.64 The National Help to Claim contract with the Citizens Advice Bureau is due to finish on 31st March 2021. The DWP Local Partnership team are anticipating further advice from national colleagues in respect to whether this contract will be extended or whether alternative support will be arranged.
- 3.65 **Housing Leeds Update**
- 3.66 At the end of September 2020 13,504 Housing Leeds tenants had moved into UC full service. There was an increase in the number of tenants moving to UC during the last 2 weeks of March and throughout April, but as can be seen in the table below the rate slowed in the last quarter.

Quarter	Number of tenants moving to UC
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October - December 2019	1587
January - March 2020	1667
April – June 2020	2467
July – September 2020	1227

- 3.67 **Support to tenants:** At the start of the pandemic a high number of tenants were affected by changes to their employment and income, which was reflected in the high number of UC claims. Housing Leeds received a considerable number of queries from tenants seeking advice on their status and eligibility for furlough payments and Government help for the self-employed. Housing Leeds worked closely with the DWP to clarify emerging issues about how eligibility for the furlough scheme and help for the self-employed related to eligibility for UC and other existing welfare benefits, which facilitated staff to advise tenants promptly.
- 3.68 Housing Leeds follows a preventative approach – supporting tenants during the early stages of the UC claim to ensure that the claim is correctly made, tenants are maximising their income, and that prompt rent payments are made. To do this effectively three different service offers are used for different customer groups. The Advice and Guidance service offer is provided to those tenants comfortable with claiming, the Standard Service covers support with claiming UC and paying rent, and the Enhanced Service is a wraparound service offered to those tenants who are vulnerable and require additional support with their claim and budgeting.
- 3.69 **Managed Payment to Landlord (MPTL):** The Housing Cost element of UC is paid directly to the UC claimant by default, however landlords can apply for direct payment through a MPTL, where the tenant has more than 2 months arrears or where circumstances, as defined by DWP, make this appropriate to support the tenant. This includes the Housing Cost element, plus an amount to pay off arrears (where applicable). By the end of October 2020, Housing Leeds had applied for MPTL for 6,316 tenants claiming UC, amounting to 46.77% of all UC claims.
- 3.70 The DWP changed the way MPTL payments for current rent charges are made, and instead of a four weekly schedule, MPTLs for current rent are now paid to the landlord on the individual claimants monthly payment date. This means the payment shows on the rent account earlier, reducing ‘technical arrears’ which occurred previously outside of the claimant’s control.
- 3.71 The DWP have recently increased the functionality of the portal to allow landlords to see when APA payments will be made and how much will be paid for individual tenants. Having Trusted Partner status and access to the DWP Landlord Portal offers a more efficient process for verifying claims.
- 3.72 **Rent arrears:** A key measure when looking at the impact of UC on rent arrears is the increase in arrears since the start of claim. Housing Leeds records any rent arrears at the start of the claim and compares to the balance at the end of each period. By the end of September 2020 the total arrears for the 13,504 Housing Leeds tenants who had made a UC claim had increased by £259k from the start of their claim. This amounts to an average increase in arrears of £19 per tenant. Although arrears increase in the short term, it has been identified that they reduce over time as the UC payment becomes established and the tenant sets up regular rent payments or APA payments are introduced.
- 3.73 **Partnership working:** Housing Leeds continue to work closely with the DWP and have maintained regular communication during the COVID-19 pandemic which

allowed Housing staff to give tenants the best possible advice about benefit and income matters, including the furlough scheme and Government help for the self-employed.

- 3.74 Prior to the COVID-19 pandemic Housing Leeds arranged to co-locate Enhanced Income Officers to work in DWP offices around the city for part of the week. This gave Housing Leeds a presence in all of the DWP offices in Leeds, to resolve complex cases and develop improved approaches for hard to reach groups and tenants with court orders. This has not been possible with the restrictions of the pandemic, but officers have been able to continue to use the contacts with DWP officers developed during co-location to resolve complex cases.
- 3.75 In addition to work with DWP, Housing Leeds continues to work closely with the Leeds Credit Union (LCU) and fund the Money Management and Budgeting Service (MABS). The MABS service adapted to remote working and has seen a significant increase in referrals; providing support to an increased number of tenants since the start of the pandemic.
- 3.76 Housing Leeds continue to maintain links with a wide range of organisations which allows tenants to be referred for specialist support. Support can be accessed depending on the individual requirements of the particular tenant, including, but not limited to, debt advice, and support with mental health, drug and alcohol dependency, fuel poverty and food aid.
- 3.77 **Leeds Benefit Service Update (Council Tax and Housing Benefit)**
- 3.78 In the last 12 months since 28th November 2019 the Council has received 7,415 Housing Benefit stop notifications from the DWP, which is equivalent to 20 per day.
- 3.79 As of September 2020, Housing Benefit claims in Leeds have reduced by 18,031 since the rollout of UC full Service in Leeds in October 2018. Of these, 9,152 were Council tenant claims and 8,879 private and housing association claims.
- 3.80 The current Housing Benefit caseload as of September 2020 is 41,259 of which 26,277 recipients are working-age and 14,982 are pension age.
- 3.81 **Issues affecting the service:** The Council receive a subsidy each year to cover the cost of Housing Benefit administration. This year that subsidy is just over £2.5 million for Leeds, which is £1 million less than the allocation for 2016/17. The administration budget is being reduced to reflect the declining Housing Benefit caseload. Additionally, the Council gain revenue from the recovery of Housing Benefit overpayments and, as the Housing Benefit caseload declines, so does this stream of revenue.
- 3.82 Measures are in place to ensure that those who should be claiming UC are not inadvertently awarded HB. However this has added complexity to a process which is already challenging for both customers and assessment staff.
- 3.83 Although small in number, there have been cases where the Council has not been notified of a customer's migration onto UC. The impact of this has been that both UC and HB payments have been received in the same period resulting in an overpayment of HB which then needs to be recovered through UC.
- 3.84 Council staff have seen an increase in administration processes undertaken. For every HB claim cancelled the local authority needs to complete a form known as an MGPI and return this to DWP.
- 3.85 Some legacy benefit claimants are currently unable to move to UC by "natural" migration. Since January 2019, the introduction of the "Severe Disability Gateway" has prevented disabled people who are in receipt of the Severe Disability Premium

from moving to UC, and in doing so losing their premiums. This adds extra complexity for Housing Benefit assessment staff who need to determine whether or not an applicant should receive their housing costs via UC or HB.

- 3.86 **Council Tax Support (CTS):** In order to maximise CTS take up, UC first payment notifications are treated as a claim for CTS. This is in line with approach taken across other local authorities and ensures take up is maximised and successful UC applicants are not expected to make a separate claim for CTS.
- 3.87 The cost per claim of processing CTS is increasing as housing benefit moves into Universal Credit. This is because of the reduction in funding received from Government for administering housing benefit, which partly funds the same teams who administer CTS. CTS schemes are no longer fully funded by central government which, coupled with the reduced Housing Benefit Subsidy means that the Council faces financial pressure to ensure that the administration of CTS is as streamlined and efficient as possible.
- 3.88 Leeds currently operates two CTS schemes for its citizens. These schemes are referred to as the legacy scheme and the UC CTS Scheme. Working-age CTS applicants have their CTS limited to 75% of their liability unless they fall into a protected group. The UC CTS scheme is less complex than the legacy scheme and, against a backdrop of reduced funding from Government, is also less generous for many applicants. For example, there are no protected groups in the UC CTS scheme, which means that someone claiming UC may see their CTS entitlement reduce by 25%. For customers who move to UC and lose 100% protection there is a discretionary hardship scheme and this is publicised with front-line services and on LCC website. Most applicants who receive UC and do not work will be expected to pay 25% of their annual council tax liability themselves. If an applicant works as well as receiving UC their CTS entitlement will be reduced dependent upon their earnings.
- 3.89 In the case where a housing benefit stop notification is received CTS is left in payment and the customer details are updated based upon their UC entitlement once their details are established. This is in order to support customers as they wait the minimum 5 weeks for their UC claim to be determined.
- 3.90 The table below illustrates the growth in caseload for the UC CTS scheme and the corresponding decline in caseload for the more generous legacy CTS scheme:

	Position at 31/12/18	Position at 01/10/20
Legacy Caseload	62,725	47,240
UC CTS Caseload	1,814	19,829

- 3.91 The tables below display an overall increase in the number of citizens in Leeds who claim CTS. However, the COVID-19 pandemic has mostly contributed to this increase. The CTS caseload in Leeds grew by 4255 between April 2020 and October 2020 although caseload growth has slowed significantly over recent months.

	Number of CTS recipients September 2018	Number of CTS recipients in November 2020
Working Age	41,553	45,246

Pension Age	23,747	20,959
Total	65,300	66,205

3.92 It is likely that the less generous nature of the UC CTS scheme has meant that some working UC recipients are no longer entitled to CTS. There are now more customers who only receive CTS as opposed to HB&CTS, in Sept 2018 there were 4341 working age people in Leeds claiming CTS but not HB. This increased to 20502 in Sept 20 as illustrated by the table below:

	Number of CTS only claims in Sept 2018	Number of CTS only claims in Sept 2020
Working Age	4341	20502
Pension Age	8537	9057
Total	12,878	29,559

3.93 **CTS Hardship:** As part of its response to COVID-19, the Government provided local authorities in England with new grant funding to support economically vulnerable people and households in their local area. Leeds was allocated £8,921,883. The Government expectation is for billing authorities to use the majority of the funding to provide relief to individual council taxpayers, alongside existing working age local council tax support schemes. Using this additional funding, Leeds Council Tax Service has uplifted the maximum CTS award for over 25K non-protected working-age CTS recipients from 75% to 100%. This approach has meant that this year an additional 19K CTS recipients have had no council tax to pay.

3.94 So far, around £7M of the allocation has been awarded to working-age CTS recipients and there are plans in place to award the remaining allocation before April 2021. This includes a plan to target working-age lone-parents and families with children who have historical council tax debt.

3.95 **Free school meals:** The free school meal caseload continues to grow as a result of the changes made by DfES and the proactive work carried out by LCC. However this year a rise in awards can also be directly attributed to the COVID-19 pandemic with the income of families reducing to a level that now entitles them to a UC award and subsequent FSM. The number of pupils eligible in Leeds for free school meals as at November 2020 is 29,939 children. Take up of free school meals has been running consistently between 75% and 81% since 2013. As at Jan 2020 it was 78.5%.

3.96 **Discretionary Housing Payments (DHP):** A DHP may only be awarded when a Local Authority considers that the customer requires further financial assistance towards housing costs and the UC award includes a housing cost element towards rental liability. The main reasons for claims are;

- Due to the removal or spare room subsidy (bedroom tax).
- Local Housing Allowance restrictions for single people in UC.
- People with rent arrears facing eviction, or requiring to pay rent or bonds in advance.
- The impact of the benefit cap.

- 3.97 The number of DHP claims from UC customers since October 2018 has been 4,698 with 2,741 successful awards.
- 3.98 **Test and Trace Support Payment:** During September the Government announced a Test and Trace Support Payment of £500 for those on low incomes to support those that cannot work during their self-isolation period. The scheme was introduced in response to feedback from local authorities and directors of public health that financial constraints were affecting the ability of some residents to self-isolate as directed.
- 3.99 Local Authorities are funded by Government to administer these payments until 31 January 2021 (currently) and the scheme went live in Leeds on 12th October 2020.
- 3.100 To be eligible for the Statutory Test and Trace Support Payment, an individual must meet minimum criteria set by Government, and LAs also received a single amount of funding for a discretionary scheme for customers that do not meet all the statutory requirements, but are considered to be in need of assistance.
- 3.101 In order to qualify, an applicant must be in receipt of a qualifying benefit which excludes many applicants. Until recently those told to isolate via the NHS test and trace App were unable to apply and awards could only be made to those told to self-isolate by NHS Test and Trace via phone, email or text. This posed a significant barrier but has now been rectified (10th December 2020).
- 3.102 The position in Leeds on 10th December 2020 was as follows:
- Total applications: 2,085
 - Applications assessed to-date: 1,920
 - Successful applications: 1,006 (52% of the 1,920 assessed to-date)
 - Unsuccessful applications: 914 (48% of the 1,920 assessed to-date)
 - Number of claims paid: 974 (97% of successful applications)
 - Number awaiting assessment / further information: 165
- 3.103 **COVID Winter Grants Scheme**
- 3.104 Leeds City Council received £2.8 million from the governments COVID Winter Grants Scheme, which is to assist families and individuals most in need with the costs of food, energy and other essential items over the winter.
- 3.105 Funding has been used to provide approximately 35,000 children in poverty with food over the Christmas and February school holidays. Assist households with payments for food, fuel and essential items both directly and through a wide network of voluntary and third sector organisations.
- 3.106 **Welfare Rights Unit and Third Sector Partner update**
- 3.107 Through regular meetings and communication with Council services including the Welfare Right Unit and external partners the following issues have been identified. A list of all partners consulted in respect to this Scrutiny report can be found in **Appendix 5**.
- 3.108 Communication at a local level has been commended and celebrated by partners, however communication with national DWP poses significant ongoing challenges. In particular, a lack of response by DWP to UC journal entries has been identified as particularly frustrating given that UC is a digital system. The need for follow up calls

via the UC helpline often leads to delays and confusion for all involved including DWP staff.

- 3.109 Partners report that UC deductions continue to cause severe financial hardship for claimants, and the UC debt management system remains extremely difficult to navigate both for claimants and advisers. This issue is particularly problematic for claimants dependent solely on means tested benefits.
- 3.110 Due to the impact of COVID-19 on employment, many clients reported fluctuating financial circumstances, particularly for those impacted by furlough, changeable hours, redundancy pay, zero hour contracts, Self Employed Income Support Scheme claimants. Although UC is more flexible in these circumstances than legacy benefits, these fluctuations can result in claims being closed and the claimant having to undertake additional measures to re-open or re-start the claim.
- 3.111 There are many issues and concerns relating to the process of claiming UC, that have been raised by partners since the roll out of UC first began in Leeds in 2018. A lack of access to digital resources for more vulnerable clients is one such issue that predates the pandemic, but is arguably now exacerbated due to limited public access points (i.e. Community Hubs, Libraries and Job Centres) caused by COVID-19 related restrictions.
- 3.112 It has been reported that clients with complex needs, often struggle to maintain the online journal and adhere to UC commitments, putting them at increased risk of sanctions and loss of income. The Welfare Rights Unit have continued to successfully refer the details of such cases to the local relationship manager at DWP to highlight this issue and resolve cases where possible.
- 3.113 Claimants often present to advice services in the city with multiple queries, and appointments are both complex and time consuming due to the need for 'better-off' calculations, verification documentation and claim completion as a minimum. Money buddies have reported that 'the number of Social Welfare issues clients are presenting with since COVID-19 outbreak has more than doubled from 2 to 5, including; housing, employment, relationship breakdown and abuse.'
- 3.114 Instances of claimants being wrongly advised to claim Universal Credit rather than remaining on legacy benefits also continue to be identified, which is of particular concern in relation to people with disabilities who may be worse off financially if they claim UC in error.
- 3.115 The initial 5 week wait for payment continues to be a cause for concern, with partners reporting that the pattern of claimants falling into debt and relying on food and/or fuel vouchers during this period, as reported in the 2019 UC Scrutiny report persists. A sharp rise in housing related issues has been described by Money buddies, with most advice agencies in the city anticipating a considerable increase in emergency housing and debt related enquiries in the coming months as payment 'holidays' come to an end and court action in relation to evictions is resumed.
- 3.116 Unemployment due to redundancy, lack of income and food for families in isolation and bubbles have increased relationship issues, including financial abuse of partners and relationship/family breakdown. Clients are presenting with more than just debt issues, and employment issues have increased.
- 3.117 Following on from the initial claim, the need for further support and additional complications is common, particularly in cases where the claimant requires a mandatory reconsideration due to failing the Habitual Residence Test. These cases are challenging due to the multiple needs of the clients, including no/limited alternative sources of income, language issues, lack of digital skills.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 This report provides an update on the impacts and activity related to UC, all organisations involved in the delivery of UC or provide advice and guidance have been consulted.

4.2 Equality and diversity / cohesion and integration

4.2.1 The Government's UC has implications for equality and diversity and it has been subject to equality impact assessments by the DWP.

4.2.2 The COVID-19 pandemic has been shown to disproportionately impact specific protected characteristics identified in the Equalities Act. Research continues to be undertaken in order to fully consider and respond to this impact.

4.3 Council policies and the Best Council Plan

4.3.1 The work set out in this report on financial inclusion and the proactive partnership approach to work to implement UC in the city contributes towards achieving the Council's ambition to build a compassionate city and tackling poverty and reducing inequalities. The overarching aim of the Best Council Plan is 'Tackling Poverty and Reducing Inequalities'. The activities set out in this report support the Best City Priority of Safe, Strong Communities through;

- Keeping people safe from harm, protecting the most vulnerable.
- Helping people out of financial hardship.
- Tackling crime and anti-social behaviour.
- Being responsive to local needs, building thriving, resilient communities.
- Promoting community respect and resilience.

Climate Emergency

4.3.2 A key aspect of the work on poverty alleviation and the COVID-19 Emergency Food Response is the redirection of surplus food.

4.3.3 For the period 16th March 2020 to 12th December 2020, based on food redistributed to 92 Leeds based organisations via Fareshare and the Leeds Emergency Food response it is estimated that 737.2 tonnes of surplus food, with an estimated equivalent retail value of £1,192,783 has been intercepted and therefore saved from disposal to waste.

4.3.4 Food is a major contributor to climate change as it results in methane emissions which have a greater impact on climate change than the equivalent amount of CO₂. However, for consistency of approach it has been calculated that the CO₂ equivalent of the emissions that have been saved from escape to the atmosphere is 3,096 Waste tonnes of CO₂ in the year

4.3.5 The Uniform reuse scheme also contributes to the priority around addressing the Climate Emergency. In the first 10 weeks of the project between June and September 2020, over 3,000 items of uniform, with an estimated total value of £50,000 was recycled, saving a potential 600kg of textile waste with an equivalent value of 10,800kg of CO₂ saved.

4.4 Resources, procurement and value for money

4.5 Legal implications, access to information, and call-in

4.5.1 There are no specific legal implications or access to information issues with the report.

4.6 Risk management

4.6.1 Both Universal Credit and the impact of COVID-19 are associated with increased risks of rent arrears and Council Tax arrears. By ensuring all staff are fully equipped with the relevant knowledge of UC and the support tools available to them, the risks continue to be mitigated.

4.6.2 UC is part of a wider welfare reform programme that is already covered by the Corporate Risk on welfare reform, which is reviewed on a regular basis and which looks at risks around rent arrears and other housing issues.

4.6.3 The wider economic effects of COVID-19 such as job losses, business closures and reduced incomes are impacting on local authority budgets across the country, leading to risks in being able to maintain essential support services.

5. Conclusions

5.1 COVID-19 has put further pressures on low income households and the most vulnerable in our society, and has also pushed many more households into financial uncertainty, hardship, to seek support and advice and to claim benefits.

5.2 It is also clear that this strong partnership approach has helped to mitigate some of the impact of the COVID-19 pandemic so far, and will be vital for the city in terms of support and recovery as the situation develops.

5.3 In terms of UC, the changes made to the benefit throughout the pandemic, particularly the £20 weekly uplift and the suspension of deductions from benefits, have been welcomed, and the fact that the DWP have been able to process the large volume of claims is to be recognised. However, there are still many ongoing underlying problems that relate to the welfare system.

5.4 The issues raised in this report are understood by all parties involved due to continued communications and partnership work. The work being undertaken in the city is reported to regional and national bodies through the local DWP, Citizens Advice and Welfare Rights groups.

6. Recommendations

6.1 That the information supplied in this report is noted.

6.2 That Scrutiny Board, make any recommendations for future monitoring the impact of the work being undertaken to address financial inclusion and the impact of Universal Credit.

7. Background documents³

³ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1

Further Updates on UC policy

- On 5th March 2020, the government announced changes to UC regulations, which will provide a 'UC run on' to claimants who reach pension age. Under normal UC rules, changes in circumstance are actioned from the beginning of the assessment period, meaning when a claimant reaches pension age (and is generally no longer eligible for UC*), the UC award would end for that entire assessment period – regardless of whether they reached pension age at the start, middle or end of their assessment period. In some situations, this has created a 'gap' in benefit entitlement, as Pension Credit can only start from the day the claimant actually turns State Pension Age. Although the date of the legislation change is yet to be announced, the DWP have confirmed that the changes are already in place on an extra statutory basis, meaning those who reach State Pension Age while claiming Universal Credit will receive a payment for the entire Assessment Period in which they reach State Pension Age, thereby ensuring there is no gap in benefit provision as people approach State Pension Age.
- From November 2020, the DWPs contract with the Post Office has ended, meaning claimants will no longer be able to register a Post Office Card Account to receive benefits such as Universal Credit. This means that those without access to mainstream bank accounts will need to be assisted to open a bank account, or find an alternative service such as a Credit Union Account or the Payment Exception Service.
- Planned Surplus Earning regulations were put in place to prevent working claimants from manipulating when earnings are reported in order to receive more UC. For example – reporting 6 months' worth of earnings in one assessment period enabling the claimant to receive more UC in the other periods. The surplus earnings regulations are complex, but ensure any income spikes are taken into account for future months. The current threshold of £2500 is due to reduce to £300 from April 2021. This considerable reduction will likely mean more claimants with (genuinely) fluctuating income will be affected. The rules are complex, and may cause budgeting issues for those affected as well as an increase in related queries for advice agencies.

Appendix 2 – Research and Evidence

- [The House of Lords Economic Affairs Committee Call for Evidence on 'The economics of Universal Credit' \(February 2020\)](#)

- [Work and Pensions Committee Call for Evidence on 'The five week wait for payment' \(April 2020\).](#)
- Welfare at a (Social) Distance: Accessing social security and employment support during the COVID-19 crisis and its aftermath. All reports in this series are being published here: <http://hub.salford.ac.uk/welfare-at-a-social-distance/publications/>
- There are currently 3 reports in the series, available in full at the links below:
 - **Report 1:** Claiming but Connected to Work
 - **Report 2:** Who are the new COVID-19 cohort of benefit claimants?
 - **Report 3:** At the Edge of the Safety Net: Unsuccessful benefits claims at the start of the COVID-19 pandemic

Appendix 3 – CITIZENS ADVICE/HELP TO CLAIM

Figure 1 shows the types of UC issues dealt with by CCA and CAL from 1 April to 30 September 2020. The largest proportion of enquiries- 60% have been about initial claims.

Figure 1

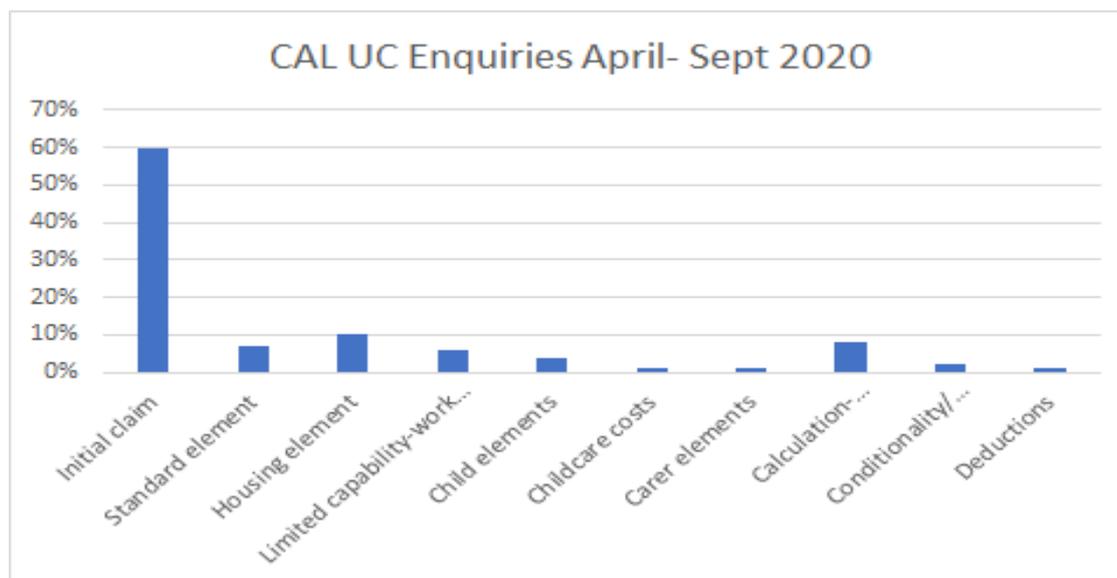
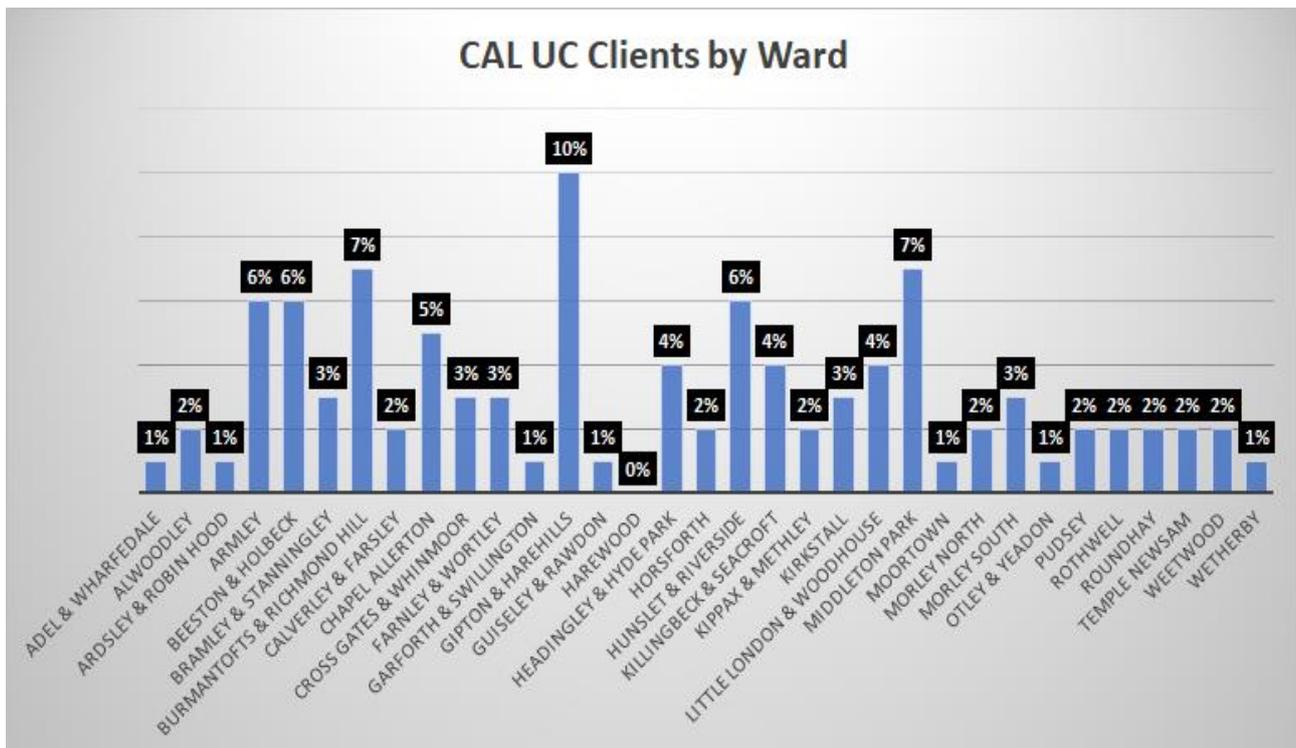


Figure 2 shows Citizens Advice UC clients by ward in Leeds

Figure 2



Appendix 4 Leeds Food Aid Network – Lived Experiences/Case Studies of food bank users

The case studies below provide examples of the referrals seen by providers and volunteers at the Leeds Food Aid Network

25th March - He is very ill at the moment with Crohn's disease and a brain injury and is in and out of hospital. The hospital have advised him he needs to self-isolate due to being considered vulnerable. Unfortunately, he lives alone and has little social support, so he is really struggling for food. He also has no money, due to spending money on taxis back and forth to the hospital as he can't get on public transport.

5th April - I have not had a job since January, I take a universal loan, I cannot take a job because of the coronavirus, we have a very high debt, my partner has strong anxiety and she cannot work, they have cancelled her commission. We need food help.

6th May - States that she has not eaten properly since last Wednesday (29th April). Universal Credit payment does not come in until 11.5.20 and PIP payment on the 13.5.20. Partner's Carer's Allowance also does not come in until next week. Already struggling with debts and used last of savings. Has arthritis and low mood and often difficult to get out. Has no credit on her phone so has not been able to contact agencies for help, socially isolated and therefore has no friends or family checking in on her.

28th May - I have severe mental health problems & asthma, my daughter has diabetes & asthma and her partner also has asthma. I am really struggling financially as I'm on benefits. We are having to go without food sometimes for 2 or 3 days just to make sure the baby can eat.

29th June - Her benefits haven't been processed since her release (from Prison) and she has no access to money at the moment. Also, her flat has been taken over whilst she was in custody and left in a poor state. If there are any cleaning supplies that are available, anything would be of some use to her.

18th August - S is a destitute asylum seeker who has submitted a fresh claim and is awaiting the outcome of a claim for S4 support. She lives with her daughters who have recently been successful with their asylum claims. Client has exhausted Red Cross food voucher allowance.

19th August - I am having a lot of money issue problems at minute, as I've had a few problems with work in the past month. I have a job now, but my weekly pay has been switched to monthly pay and therefore I am struggling with money problems until 10th of September, as I currently live alone and am 2 months in arrears on rent for this month and next. I'm struggling really bad with gas and electric.

27th August - Single person who has moved into a 1 bed flat after being homeless for 2 years since he lost his grandma who brought him up. B is on UC, but had a lot of loans and court fines being deducted from his UC, leaving him suffering with hardship until his next payment, which is a week away. I am in the progress of trying to get him some debt advice to see if they can reduce the repayment etc.

26th November - A has anxiety and depression. She had 2 fines taken from her UC benefit which she was unaware were being taken this month. This has left her very short of money and very little food. Her next UC payment is not until 10th December.

Appendix 5 – List of consulted partner agencies

- Citizens Advice Leeds
- Chapeltown Citizens Advice
- Gipsil
- Leeds Food Aid Network
- Leeds Credit Union
- Ebor Gardens/Money Buddies
- DWP Leeds

Report of the Directors of Resources & Housing and Communities & Environment

Report to Environment, Housing and Communities Scrutiny Board

Date: 14th January 2021

Subject: Performance Report

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number: Appendix number:	

Summary

1. Main issues

This report provides a summary of performance against the strategic priorities for the council and city and other performance areas relevant to the Environment, Housing and Communities Scrutiny Board.

2. Best Council Plan Implications

This report provides an update on progress in delivering the council priorities in line with the Best Council Plan.

3. Resource Implications

There are no specific resource implications from this report, although some performance indicators relate to financial and other value for money aspects.

Recommendations

Members are recommended to

- Note the Quarter 2 performance information in this report and Appendices 1 – 3 and the issues which have been highlighted and consider if they wish to undertake further scrutiny work to support improvement over the coming year in any of these areas.

1 Purpose of this report

- 1.1 This report presents a summary of 2020/21 Quarter 2 performance data (unless otherwise stated), and provides an update on progress in delivering the relevant priorities in the Best Council Plan 2020 to 2025.

2 Background information

- 2.1 Members will note that the Best Council Plan (BCP) sets out the council's key objectives and priorities. This report provides an overview of the relevant Environment, Housing and Communities performance relating to this plan, enabling the Scrutiny Board to consider and challenge the council's performance.
- 2.2 This report includes three Appendices showing a summary of Quarter 2 performance information (unless otherwise stated) relevant to the Environment, Housing and Communities Scrutiny Board.

3 Main issues

- 3.1 Appendix 1 shows the Quarter 2 performance data relating to Housing priorities. Members will see that some of the indicators are designed to track trends rather than report against specific targets, and for these reasons the trend indicators have not been rated. Appendix 2 relates to Community Safety and Appendix 3 relates to Waste and Environmental priorities. Members will note that there is no appendix in relation to Communities priorities and all information relating to these priorities is contained in the main body of this report. The main performance issues arising from these progress reports are given below:

3.2 *Housing (Appendix 1)*

- 3.2.1 Housing's performance is monitored against three areas:

- HRA Business Plan Indicators – measuring the health of the HRA Business Plan
- Housing Strategy Indicators – measuring progress in delivering Housing Strategy priorities
- Regulator of Social Housing - Regulatory Framework Indicators – measuring performance of Council Housing in meeting the 4 HCA Consumer Standards

- 3.2.2 Members' attention is drawn to the following performance areas:

HRA Business Plan PIs:

a) Rent Collection

Rent collection at the end of September increased to 96.71%, compared to 96.37% in September 2019. The service has continued to undertake a range of actions to ensure a strong focus on supporting tenants to pay their rent during the pandemic.

In March, in response to the Covid-19 pandemic, the Government announced a complete ban on eviction and new possession cases during the coronavirus

emergency. In response, enforcement of rent collection was suspended, but recognising the importance of maintaining regular contact with tenants who are in rent arrears, the service focused on a supportive approach, using phone calls and e-mails to support tenants to maximise income and make affordable payments. Up to the end of September over 81,000 calls were made to tenants to discuss rent payments / arrears, and 36,000 emails were sent.

Limited mobilisation of the formal arrears process has taken place. No LCC arrears cases have been progressed through the courts and no evictions of LCC tenants for arrears have taken place during the pandemic.

The service has continued to promote direct debit take up. This is reflected in direct debit increasing to 43% at the end of September 2020, up from 42% in March 2020. The service has continued to support tenants claiming Universal Credit, and those affected by the benefit cap and the under occupancy charge.

- The number of tenants claiming Universal Credit has increased to 13,504 at the end of September 2020, up from 10,920 in March 2020.
- 136 council tenants on Housing Benefit have been affected by the benefit cap.
- There have been 2,784 tenants on Housing Benefit affected by under occupation as recorded by the benefit service.

The decrease in the numbers affected by the benefit cap and under occupation is mainly the result of tenants moving to Universal Credit.

b) Former Tenancy Arrears

Former Tenancy Arrears (FTA) were 2.16% at the end of September 2020 compared to 2.22% at the end of September 2019, the service has collected £309k in former tenancy arrears compared with £342k at the same point in 2019 and £252k in 2018. The FTA enforcement process was suspended in March and the FTA cases were actively managed using a supportive phone call approach to mitigate the impact on arrears. Mobilisation of the FTA arrears process took place in July.

c) Void Properties

Between 23 March and 24 June the Lettings Policy was suspended and new lettings were restricted to emergency lettings only, meaning that the number of voids increased from 510 to 897. Since June, it has been a priority to reduce the voids backlog. At the beginning of December 2020 the total number of void properties has now reduced to 675.

There have been a number of factors which have impacted on the reduction of the backlog:

- Social distancing measures put in place as part of contractor / Leeds Building Services (“LBS”) risk assessments limit the number of operatives who are able to work on each void, increasing the amount of time taken to complete void works
- The number of repairs operatives available has been impacted due to self isolation measures where an operative has tested positive, or come into contact with someone who has.
- Some issues with the supply of building materials, particularly fire doors.

- The lettings process has been amended as part of the Covid-19 risk assessment, which means that a viewing cannot take place until the property is fully ready to let.
- Resourcing issues within Lettings Teams to undertake additional viewings with additional measures in place which have extended the viewing and lettings process.

Voids and Lettings teams continue to work closely to address the backlog and it is projected that the 1% target will be met by the end of January 2021.

d) Right to Buy Sales

The number of Right to Buy sales reduced in the early part of 2020/21 as a result of lockdown. The number of new applications also reduced but have now begun to increase again. At the end of September there had been 214 sales compared to 282 in September 2019. It is projected that numbers of RTB sales at year end will be lower than previous years as some tenants solicitors continue to work at reduced capacity.

e) Disrepair

Following a reduction in new disrepair claims during Q1, there has been a significant increase in new claims received during Q2, with an average of 81 claims per month during this period. This is a result of a backlog of claims now being received. This volume is anticipated to reduce into Q3.

Activity to ensure works are completed as soon as possible is fully resumed and the fast-track process for completion of surveys in new cases was re-introduced in August 2020. The backlog of surveys accrued during Q1 has now been completed and pre-Covid timescales are now back in place.

Housing Strategy PIs:

f) Council Housing Growth – New Build Programme

The previous report to Scrutiny Board advised that a total programme of 766 new build homes was in progress. Since the last report there has been further significant progress and the current position with the programme is shown below with a total pipeline of just under 1,000 new homes. Despite the wider impact of Covid-19, the programme has been able to continue with the support of consultant and contractor partners and only small delays to a small number of schemes.

Scheme status	Number of homes
Homes completed	59
Homes with planning permission (on site)	12
Homes submitted and awaiting planning permission	71
Homes to be submitted for planning permission (next 3 months)	257
Homes out for procurement	226
Pre-procurement/feasibility stage	373
Total homes	998

(11 of the 59 “Homes completed” were handed over in Q4 2019/20, the remainder have been handed over in 2020/21.)

This represents significant progress towards the target of 1,500 new homes over the next 5 years, and the service is continuing to proactively seek additional sites to bring into the programme. All Leeds City Council new build homes will be offered at rents that are genuinely affordable for its tenants, and well below market rates.

The above information relates specifically to new build council housing. The Council Housing Growth Programme also includes a smaller but growing property acquisitions workstream, which is currently focusing on re-acquiring former council houses bought by tenants under the right to buy regime. At the time of the last report 28 properties had been acquired. The total acquisitions has now grown to 67 homes, with 27 others currently in conveyancing. In addition the Team has also agreed terms with Strata Homes to acquire 21 new build homes off the shelf during 2019/2020 with all properties expected to be in Council ownership by June 2021.

g) Empty Homes – all sectors

Returning empty homes to occupation remains a priority and continues to be linked to the Core Planning Strategy. Since April 2017 the target has been to maintain the number of long term empty homes below 3,777 at the end of March each year. In March 2020 the figure was 3,545. At the end of September the figure was 4,178, representing an increase of 402 over the end of year target. This figure has a tendency to fluctuate throughout the year but this year there has been an impact post Covid-19. There is ongoing work to understand the increase and to target empty homes to try and ensure the number is maintained below the 3,777 level by the end of March 2021.

h) Private Sector Inspections

In the first quarter of 2020/21, due to Covid-19 restrictions, property inspections were limited only to urgent inspections where there was imminent risk to occupants. More inspections resumed during quarter 2; the service undertook 632 inspections up to the end of quarter 2, removing 319 hazards and improving 60 properties. Officers have supported homelessness prevention work throughout the pandemic by continuing to inspect properties put forward as part of the Landlords Letting Scheme. This work with colleagues in Leeds Housing Options has contributed to an additional 399 new homes during this period.

Throughout the first half of the year officers have continued to work in partnership with others to target known rogue landlords. There have been a number of joint operations based on intelligence with the Police to target certain landlords in Armley, Beeston and Harehills. This has been part of the work to target criminal landlords and activity.

The Council designated Beeston and Harehills as selective licensing areas as of 5 January 2020 and have so far received just over 5,000 applications with around 1,000 identified as potentially private rented and requiring to be licensed.

In March, to support the sector, the Council suspended the requests for all licence payments which put the issuing of any licences on hold as payment is an essential part of the process. This was resumed in September. Over 80% of all initial payments for selective licensing applications received have now been paid,

with just over 950 still outstanding. All landlords have been told that any application without payment will now be cancelled and that they may be operating without a licence and that appropriate legal action may follow. The Council will be starting to issue draft licences towards the end of the year now that fees are being requested again. Currently a number of properties are subject to formal investigation for operating without a licence.

i) Housing Association Nominations

193 households were re-housed by way of a nomination to Leeds City Council from Registered Providers during the first two quarters of 2020/21 (taking in to account the national lettings restrictions in Q1).

The overall performance percentage is taken from the ratio of 'true lets' to Nominations. A 'True Let' is defined as a genuine new or re-let, discounting such lets as internal transfers, mutual exchanges and decants. Any Housing Association lettings made via the Council's Emergency Lettings Policy during the pandemic have counted as a nomination.

The service is still expecting some outstanding returns so the Quarter 2 total is likely to change.

j) Homeless Preventions

The service continues to secure a positive outcome (that is accommodation secured for at least 6 months) for the vast majority of people who approach the service as threatened with homelessness. Of all prevention cases closed, over 80% result in a positive outcome which compares to 52% nationally. For the 15-20% of those for whom a positive prevention is not achieved, the majority of these are because they have lost contact with the service and are assumed to have resolved their housing difficulty. The service standard for positive preventions is 80% and this has been achieved or exceeded month-on-month since the last report. The figure for September 2020 stood at 92%.

Leeds Housing Options has seen a significant rise in the number of calls and e-mails received into the service – now averaging 700 calls and 900 e-mails per week (up from around 400 calls and 200 e-mails per week pre Covid-19). The number of homelessness assessments done Jul-Sep 2019 was 1,585. In Jul-Sep 2020, this number rose to 1,800.

k) Temporary Accommodation

There were 34 households owed a housing duty as a homeless household in emergency temporary accommodation at the end of September 2020.

Following the Governments 'Everybody In' directive at the beginning of the Covid-19 pandemic the city saw an increase in temporary accommodation placements, 226 people accommodated at its peak across a number of locations in the city. (Please see paragraph 3.4.1 e) "Street Support", below for further detail around the use of hotels for temporary accommodation as a result of the Covid-19 pandemic.) There are currently 71 people in temporary accommodation; an exit strategy is in place to provide a positive move on option for those accommodated as the service looks to return to its low temporary accommodation figures – the pre Covid-19 position.

The Council's application for 'Next Steps Accommodation Programme' funding has been successful and this will enable the city to deliver on an injection of additional accommodation units by March 2021.

l) Adaptations

In the first quarter of 2020/21, due to Covid-19 restrictions, only urgent adaptations were completed in the public and private sectors. This has inevitably meant that target timescales for the completion of adaptations have been negatively impacted.

During quarter 2, adaptations work resumed with Covid-19 risk assessments in place and officers have been working with customers and contractors to reduce the backlog of adaptations work.

LBS have taken on 4 private contractors to support them in reducing outstanding adaptations while contractors working in private homes have diverted more resources into adaptations to support the service. These combined efforts should see performance steadily rise and it is hoped that by the end of the year 20/21, adaptation completions should have recovered back to its position pre Covid-19 and formal reporting will resume once the backlog is cleared.

Regulator of Social Housing - Regulatory Framework Performance Indicators:

m) Decency

The government's Home Standard does not set out a specific target but refers to a requirement to "ensure that tenants' homes meet the standard set out in section five of the Government's Decent Homes Guidance 1 and continue to maintain their homes to at least this standard". In practice, the service is aiming to keep the level of decent homes above 90%, although it is accepted that there will be fluctuations year-on-year.

The level of homes meeting the standard in September 2019 stood at 87.64%. The current status of the Decent Homes is 95.64% (at 26th November 2020) meeting this criteria. A significant rise from previous reported figures. During the Covid-19 pandemic, the service has taken the opportunity to carry out a cleanse of asset management data with extra external stock condition surveys and has undertaken large contracts of roof replacement schemes. Roofing schemes can have a large impact in the Decent Homes standard but importantly can be carried out with a relatively low customer impact and within a Covid-safe environment.

n) Responsive Repairs Completed Within Timescale

During the initial phase of the Covid-19 pandemic, in line with government and industry guidance, Leeds City Council introduced an 'essential repairs only' offer to ensure compliance with Lockdown requirements. This offer included a triage process to ensure all repairs, including those deemed as 'non-essential' were recorded and assessed. As a result, all non-essential repairs were recorded but not attended, resulting in a backlog of c.16,000 non-essential repairs. This meant non-essential repairs exceeded timescales in the majority of cases. This backlog is anticipated to be fully cleared by the end of Q3 with Mears and LBS both working collaboratively to ensure this is achieved as efficiently and safely as possible. Some 71,000 repairs have been completed in the period April 2020 – September 2020.

o) Responsive Repairs Completed Right First Time

City wide performance against this target has remained strong and above the 90.50% target and largely consistent with the same period last year, which, under the current circumstances is testament to the excellent work of Mears and LBS.

p) Satisfaction with Responsive Repairs Completed

Performance remains above target and consistent with pre Covid-19 levels. A new, digital initiative to measure customer satisfaction is being piloted in order to maximise returns and generate added value feedback.

q) Capital Works - Satisfaction

The satisfaction rate for Quarter 2 2020/21 was 87.10%; it has been below the target of 90% for the last two quarters.

Within the first quarter of the year, mobilisation has been impacted, particularly work within people's homes. To mitigate against spending commitments, the service has concentrated on works that have either been external works or within communal areas. Therefore, customer satisfaction surveys have been relatively small in number and not a representative sample. However, full mobilisation is underway and it is anticipated that full figures can be reported at the next quarter.

r) Gas Services Completed on time

Gas servicing has remained active during the entirety of the Covid-19 period. However the number of gas services completed on time has been put under significant pressure, primarily as a result of tenants shielding and closure of the courts. The service continues to see week-on-week improvements on gas compliance, however performance is not anticipated to return to pre Covid-19 levels until the end of the financial year.

s) Average Relet Times

As lettings were suspended during quarter 1 properties were held in void until lettings were resumed on 24 June, therefore distorting average relet time performance. Whilst the lettings backlog is reducing, work to let additional properties along with changes in business process meaning that the void and lettings process is taking longer continues to have a negative impact on relet times. It is expected that relet times will remain higher than 2019/20 for the remainder of the financial year. (In September 2019 the average relet time stood at 31.89 days. The figure for September 2020 stands at 58.53.)

t) Mutual Exchanges

Mutual exchanges dropped in both Q1 and Q2 due to the Covid-19 restrictions. The quarter 2 figure this year stands at 15, compared with 80 in the same period last year. Mutual Exchanges did started picking up again in September when restrictions were lifted but the service is not anticipating a large increase due to the withdrawal of the £500 incentive scheme for LCC tenants as part of cost saving measures. The scheme had been running since April 2015 but success on increasing numbers had waned in the last 2 years. Every effort will now be made to promote exchanges between tenants using social media, email contact and the LCC/Leeds Homes websites as an alternative to a transfer via the housing register.

u) Annual Home Visits

Annual Home Visits were suspended during March and a different approach has been undertaken to managing contact during 2020/21. During the first quarter, tenants over 60 and other vulnerable tenants were prioritised for a wellbeing contact – checking that the tenant had support in place. 12,400 contacts were made with vulnerable tenants and tenants over 60. In addition to this 4,000 tenants who were shielding were contacted to encourage them to register for the national helpline and to signpost for additional support where needed.

During quarter 2, an adapted Annual Tenancy Contact telephone conversation was put in place for tenants who were identified as being low risk – no vulnerabilities, arrears or previous issues identified at AHV. At the end of September, 4800 tenants had received an annual tenancy telephone contact.

For the remainder of the year the service will adjust its focus on tenant contact depending on Covid-19 restrictions in place and priorities identified for supporting particular customer groups.

v) Complaints

During Quarter 4 2019/20, the Housing service responded to 79% of complaints within 10 working days and 88% within the corporate target of 15 working days - an improvement of 4% on the previous quarter. Due to the Covid-19 pandemic, updated guidance on how to best manage complaints was circulated to investigating officers ensuring telephone contact with customers and regular telephone updates. A small number of complaints (40 out of 512 for Q1 and Q2) were put on hold with the customers agreement, due to a home visit being required to resolve the complaint, until the service was able to recommence activity. These have all now been fully responded to. The total number of stage 1 complaints received during Q1 and Q2 this year is 45% less than the same period last year.

In July the Housing Ombudsman Service (HOS) shared a new 'Complaint Handling Code' outlining the requirements upon all social landlords, including local authorities managing council housing, in how they manage complaints. In particular, ensuring that complaints processes are accessible, are customer focussed and that landlords learn effectively from complaints. The new code is supported by a self-assessment which the service is required to submit by the end of December 2020. Housing are also working as part of a cross council task group to develop a Customer Care e-learning package to embed the Customer Care Standards and fresh guidance for officers responding to complaints.

Responsive repairs are trialling an early intervention process when dealing with complaints. This allows simple complaints to be dealt with quickly in an informal manner leading to a positive outcome for the customer. This also allows officers time to focus their efforts on more complex complaint cases.

3.3 **Communities**

3.3.1 Broad, high level information is included in relation to Customer Access, Council Tax and Welfare, and Safer and Stronger Communities. This is supported by further detailed observations which can be made available should Members find additional information useful. Members' attention is drawn to the following performance areas:

3.3.2 **Customer Access**

a) Face to Face

The Covid-19 pandemic saw the majority of the Community Hubs and Libraries close during the first lockdown, with the five sites that remained open offering support to those citizens impacted by the pandemic. Staff whose sites were closed were asked to provide support for other areas of Customer Access while working from home. This includes taking calls on the Covid line that was set up to provide an immediate response to people affected by all aspects of the pandemic. During quarter 2 of 2020/21, following lockdown measure being eased, the remaining Hubs began to open to customers in a phased approach. Customers were able to access PCs, use library services and drop off proofs for Benefit or Housing enquires. Appointments for booth enquires were offered on a telephone basis, where a member of staff would call the customer back at an agreed time. This approach was to help minimise the number of people in a site and maintain social distancing, while providing help and assistance to those in need.

Helping People into Work – In the second quarter of 2019/20 there were 1,369 new customers registered at a Jobshop. In the second quarter of 2020/21, 201 new customer were registered. In terms of job gains, 629 gained successful employment in quarter 2 of 2019/20 compared to 322 who gained employment in quarter 2 of 2020/21.

Enquiries – Since the decommissioning of Seibel it was not been possible to provide data on the number of visit to Hubs or the number of service requests made. However, due to the introduction of a new recording system (CATS) the service is now able to provide some of these details. In Quarter 2 of last year (the first full quarter of recorded data) there were 130,985 visits (footfall) recorded on CATS. The same period this year saw 49,016 visits recorded. This reduction is due to the closure and phased reopening of the Hubs during the lockdown period. While the service request data for quarter 2 of last year is not available, in the current year 15,518 service requests were recorded in CATS by face to face staff, with 5,359 relating directly to Covid-19.

Further to this, the number of unique users of self-serve IT stations in Hubs was 101 in the second quarter of 2020/21 compared with 2957 the previous year.

Library Usage – There were 1,501 visits to Libraries recorded in quarter 2 of 2020/21, which is a significant reduction of 506,925 from the same period last year with 508,426 visits. Visitor data is based upon libraries staff submitting these figures manually, which could account for some anomalies due to changes in how the Hubs were staffed following the phased reopening.

Through these visits, customers borrowed 103,143 items during the first 2 quarters of 2019/20, down from 579,752 for the same period last year, and used the library public PCs 9,146 times, which represents a drop from 116,600 for the

same period last year. These figures include all Library usage, not just those in community hubs.

The library service is continuing to work on a 5 year strategy which will seek to deliver modern, flexible and responsive services which drive engagement with libraries.

b) Contact Centre

During the first lockdown all contact centre staff were asked to work from home and within 2 days of the restriction being in place, 98% of staff were all operational.

During this time there was an increase in calls regarding Local Welfare Support and Council Tax as the financial impact of the pandemic was felt, as well as being asked to call members of the public who had been advised to shield by the NHS, following lockdown measures being eased, to ensure they had a support network in place and to signpost to additional help that may be available.

Staff from the Community Hubs and Libraries were provided to support the work of the Contact Centre, however as the Hubs began to open from July, the amount of support available decreased.

Emails - the Contact Centre answered 42,325 emails in the second quarters of this year which is an increase of 13,109 (29,216) from the same period last year. More emails were received in the period due to the response to Covid-19 and support was provided by staff in face to face who were unable to work from one of the Community Hubs due to school closures and lack of child care, or due them shielding or isolating.

Telephone Performance - In the second quarter of 2020/21 the Contact Centre answered 92% of calls with an average wait time of 4 minutes 16 seconds. This compares to 84% of calls answered with an average wait time of 6 minutes 45 seconds for the second quarter last year. The closure of the Community Hubs, plus the additional pressure of dealing with the pandemic saw an increase in the number of calls being offered from 286,519 in quarter 2 of 2019/20 to 364,566 in the same period this year. An increase of 78,047.

Staff from face to face were utilised to help provide support to Golden Number, Local Welfare Support Scheme, Council Tax and Benefits calls if they were not required at site.

There are ongoing delays with the implementation of systems for housing and Registrars which will help reduce telephone contact by allowing customer to self-serve enquires through online forms.

c) Digital - Web/Online Development

There were 3,955,616 unique web page views in Quarter 2 of 2020/21, this was a big increase of 50% compared to the same period last year which saw 2,635,047 unique views. The ongoing pandemic is the main contributor to this; the service has created a coronavirus section that has had over 1.1 million views since going live and have had over 400,000 unique users booking a slot at a recycling site.

The service's social media presence also continues to grow. The service can assist with most enquiries and received a total of 7,957 direct messages in Quarter 2 whilst also reaching 189,018 people with outgoing posts, most of which

highlighted key coronavirus information. There are an ever increasing 39,609 followers on Facebook and 25,905 on Twitter.

d) Welfare Rights

The number of customers assisted between 1st April 2020 and 31st October 2020 was 12,226. This compares to 21,203 in the same period last year; a decrease of 43%. Due to Covid-19, DWP have shifted focus of work to process Universal Credit applications. The Welfare Rights Unit do not assist with Universal Credit applications as the contract for this was awarded to CAB. Therefore, there has been a significant reduction in other benefit applications that the Welfare Rights Unit do assist with. The migration from DLA to PIP and reviews of benefit awards were placed on hold and decisions on benefit applications were also delayed. The total amount of benefit gains for the period 1st April 2020 to 31st October 2020 was £7,563,633.41. This compares to £11,892,060.37 for the same period last year; a decrease of 37%. As the focus of DWP is Universal Credit which the unit does not assist with, this has reduced the other benefit applications clients have needed assistance with.

Welfare Rights Client Satisfaction - Despite not providing a face to face service at present due to Covid-19, the number of responses received is 68. This is reduced as the team generally hand out feedback forms at the face to face appointments and the service has started posting forms out for customers to complete and return. Out of 68 responses received, 99% of clients using the Welfare Rights Unit said the service was excellent and 1% felt the service was good.

The service continues to assist as many people as it can and is also referring council tenant form filling to the Housing Income Team to maximise the number of clients being assisted to claim benefits.

Welfare Rights Unit stopped all face to face appointments due to Covid-19 and are yet to resume. Face to face appointments have been replaced with dedicated telephone appointments and numbers have increased from a low of around 15 appointments per week in May up to 65 per week by October. The service was receiving on average around 90 calls a day before lockdown; the numbers dropped to a low of about 40 calls a day by the end of April as DWP activity slowed. Figures have been steadily increasing from May, reaching 70 calls a day by October, before increasing significantly up to around 100 per day following the introduction of the self-isolation payment scheme.

Whilst the service has been less busy with benefit related enquiries, the Welfare Rights Team have assisted with other areas of work to assist citizens of Leeds including RUOK , Befriending, Foodbanks, Hub work once opened and now assisting with Self Isolation payments.

The Tribunal Service is still operating and the service is still receiving a significant number of appeal cases, although at a much lower level than the previous year – for the 6 months commencing April 2020, 123 tribunal cases were received, compared to 344 for the same period the previous year.

3.3.3 **Welfare and Benefits:**

a) Housing Benefit and Local Council Tax Support

Following the introduction of Universal Credit (“UC”) Full Service in Leeds, there continues to be an ongoing decline in the Housing Benefit Caseload for Working Age claims. This “natural migration” to UC, when an HB customer has a change in their circumstances that meets the DWP’s criteria to warrant a move to UC, will continue until “Managed Migration” which will see all the remaining Working Age HB claim move to UC en-mass.

This change remains scheduled for somewhere between now and 2023. After this has happened, there will remain HB claims in respect of Pension Age customers and those Working Age customers who have been exempted from UC.

Since the introduction of Natural Migration in October 2018 there has been an average monthly decrease of 751 HB Claims, but in the second quarter of 2020/21 this has decreased to an average of 386 each month.

In October 2018 the HB caseload was 59,259. In September 2020 this had reduced to 41,259 however, each change generates additional work to process the claim across to Universal Credit. Additionally whilst the HB claims ends, the majority of claims that have moved to UC have continued to receive Council Tax Support (CTS).

Additionally, during the first quarter of 2020/21 there was a significant increase in HB claims for homeless people being housed in temporary accommodation. This was due to the government initiative of “everyone in” during the pandemic, by which people who were rough sleeping, or housed in unsuitable dormitory style hostels were moved to more Covid-safe housing; hotels being used in Leeds.

The effect of Covid-19 on people’s income has meant that many have had to claim Universal Credit for the first time, and consequently many of these householders have become entitled to CTS as detailed in the figures below. This unprecedented increase in such a short timeframe of new claims for CTS only has placed significant additional demand on resources.

The total number of CTS cases has increased from 62,902 in April 2020 to 67,029 in September 2020. For the same period the number of CTS Only claims increased from 23,848 to 29,559.

HB Expenditure for 2019/20 was £207.5m. The Mid Year estimate for HB spend for 2020/21 is £188m. This decrease being primarily due to the decrease in caseload as people move to Universal Credit

CTS Expenditure for 2019/20 was £50m, and the total amount of CTS credited to Council Tax Accounts at the end of Quarter 2 2020/21 is £55.5m with this increase primarily due to the increase in claims caused by Covid-19.

b) Speed of Processing Housing Benefit

The DWP have recently published the second quarter 2020/21 statistics, as detailed below, of the Speed of Processing Housing Benefit (average no. of days).

These figures demonstrate that Leeds continues to process New Claims at a speed ahead of the average compared to both regional and national figures, and at around the average for the processing of Changes.

	Speed of Processing Quarter 1 2020/21	
	New Claims	Changes
Great Britain	18	5
England	18	6
Yorkshire & The Humber	18	5
West Yorkshire	16	4
Leeds	13	5

c) Discretionary Housing Payments (DHP)

DHP can be awarded to customers in receipt of Housing Benefit, but whose HB doesn't cover their rent in full. Awards are primarily made to customers adversely affected by Welfare Reform. DHP can also be awarded to customers who have moved on to Universal Credit where the part of their UC Award in respect of Housing Costs is less than their rent. In 2020/21 the total budget available for DHP, which includes both a central government contribution and a contribution from Leeds HRA, is £2,677,251. The contribution from the HRA remained at the same level as in 2019/20 whilst the Government Contribution increased by £329,636.

At the end of the second quarter 2020/21 it is noted that the number and value of DHP awards made are at a lower level than at the same point last year. This decrease can be attributed to a knock on effect of Covid-19, during which, due to restrictions of lockdown, landlords not been able to undertake some of their housing management activities, including a ban on their pursuing action towards tenant eviction. It is anticipated that once these restrictions are lifted that the demand for DHP will increase. The value of spend is kept under review and the scheme can be amended to ensure there is no underspend of the grant.

d) Local Welfare Support Scheme

LWSS can be awarded to customers in receipt of qualifying benefits who face crisis or are in need of essential household items which they cannot afford. Awards are primarily made to customers adversely affected by Welfare Reform. The 2020/21 budget for the scheme remained unchanged from the previous year at £600k. The spend as at mid-September 2020 was £267k

The effect of the closure of "non-essential" shops during the Covid-19 lockdowns meant that many of the suppliers of goods were forced to close. In addition, demand for emergency assistance with food and fuel costs changed, as customers sought assistance through the provisions that were introduced to assist during the pandemic.

The additional funding due to Covid-19 came by way of the Local Authority Emergency Assistance Grant for Food and Essential Supplies from DEFRA.

This grant funding for Leeds totalled £1,051,565.15

The provisional allocation of the funding is as detailed below:

Description	Value Allocated
Voluntary Organisations	£165,000.00
Families First	£50,000.00
Third Sector Organisations	£25,000.00
Cultural Food	£50,000.00
Rough Sleepers	£50,000.00
Food Depot	£20,000.00
FareShare	£20,000.00
School Uniforms	£15,000.00
Digital Access	£30,000.00
Local Welfare Support Scheme	£600,000.00

These allocations leave £25k in reserve, and the allocation for Local Welfare Support can be used for funding a variety of initiatives, with £50k placed on account for FareShare to purchase food during Lockdown 2 if required, and £50k allocated to the Healthy Holidays Programme in 2021/22.

Should any allocations be considered as not meeting the criteria as set out by DEFRA, these will be funded from within the main budget for Local Welfare Support.

e) Covid-19 Self-Isolation Support Payment

Benefits Assessment are involved in the processing of claims for this scheme, introduced by The Government at the end of September 2020, to provide qualifying customers with a £500 payment to cover their period of self-isolation, and thereby to avoid them suffering a decrease in income during this period. As at mid November 2020, in excess of 400 payments have been made to qualifying customers.

f) Financial Inclusion

The Financial Inclusion team's activities have been almost exclusively focussed on the work needed to mitigate the impact for people living in hardship as a result of the Covid-19 pandemic. Since April 2019 the team have:

- Grant funded Leeds Credit Union (LCU) to increase their usual marketing activity to aid their membership rates/numbers (the 2nd instalment of the grant was rescinded due to financial position outlined above).
- Been significantly involved in the development of the emergency food provision work during the pandemic, playing pivotal roles in the establishment and running of the Logik Park food warehouse, set up of the referral process and ensuring food supply via existing relationships and food donations from businesses.
- During the pandemic have run weekly 'bronze' financial inclusion and food meetings – bringing together partners from across the city to ensure a collaborative approach to support has been taken.
- Redeveloped the MIC website to ensure a current picture of the support still offered during the pandemic by each FI partner is displayed. In addition the

team have developed a leaflet with the same information that was included in food parcels delivered across the city.

- Have secured funding to progress an ethical debt collections pilot from the LGA – now on hold until 2021.
- Continued to offer school savings clubs via primary schools working in partnership with LCU.
- Continued to offer a financial Inclusion training package to internal and external partners.
- Run the financial inclusion steering group – this meeting brings together all financial inclusion partners across the city and acts as governance for any work/emerging work.
- Continued to support the Northern Gambling Clinic – funding accommodation costs and helping to connect both the NHS and Gamcare to Community Hubs, and to ensure marketing is in place.
- Developed the 'Beat the Odds' gambling campaign for 2020 ensuring marketing is in place across the city.
- Worked closely with Fareshare and Food Aid Network to ensure grant funding is in place for both partners. In addition, Fareshare has played a key role during the Covid-19 pandemic – having been set up as the main supply of food into the 'community care hubs' established to support residents. Additional funding has been sourced to support their securing temporary and new premises.
- Have continued to play a key role in the city's healthy holidays work, contributing £100k to the effort – delivered in partnership with LCF, Children's services and 3rd sector.
- Co funded Zero Waste Leeds to develop a uniform exchange scheme – this initiative established many new schemes in the city and created a set up guide that orgs could follow if they decided to deliver a scheme. During the pandemic over £40k worth of uniform was sourced, sorted and given out to families in need. The scheme will now be further developed into 2021 and will seek to include other items in a 'backpack' which could include shoes, coats, IT equipment and more.
- Worked with JC Decaux to source up to 6 new advertising billboards, free of charge, which will be used to advertise FI initiatives. This will be established in 2021.
- Raised funds, in partnership with Employment and Skills and Children's Services colleagues for 240 tablet devices, with sim cards for data and embedded security. 90 of these were loaned out as part of the Healthy holidays summer provision and 150 will be loaned to ESIF/Job shop customers to help find employment.
- Developed a Leeds funeral poverty scheme – working in partnership with Leeds Credit Union to offer residents impacted by funeral poverty fast track loans, allowing them to afford a dignified send off for their loved ones. The scheme has brought together information on low cost funeral directors in the city, advice on access to DWP bereavement grants and also offers one to one advice via welfare rights.

3.3.4 **Communities Team:**

a) Priority Neighbourhoods Programme

A comprehensive report on the work in priority neighbourhoods throughout 2019 and 2020 – including Covid-19 related activity – was provided to the EHC scrutiny board for its meeting in November 2020.

b) Migration and Strengthening Communities

- Cllr Debra Coupar has signed a pledge of intention (08/10/2020) on behalf of the Leeds Hate Crime Strategic Board to do all that can be done to protect young people and adults from Islamophobia and increase understanding of the negative attitudes many Muslims face. Launching during Islamophobia Awareness Month, the pledge has also been signed by other major organisations in the city, including: West Yorkshire Police; The Office of the Police & Crime Commissioner West Yorkshire; Leeds Community Healthcare NHS Trust; Leeds Clinical Commissioning Groups Partnership; Leeds Teaching Hospitals NHS Trust and Leeds & York Partnership NHS Foundation Trust.
- Leeds City Council in partnership with Luton City Council and the Local Government Agency have secured funding to continue the work of the Special Interest Group for Counter Extremism (SIGCE) and the Knowledge Hub until the end of March 2021. This has enabled the service to continue its national work together with LA's across England and Wales to share challenges, learning and expertise in countering extremism whilst awaiting the direction of the new strategy. The threats from extremism continue to change, presenting new and evolving challenges. Recent months have seen the emergence of a number of extremism and cohesion issues, with influencers adapting long-standing narratives to exploit widespread fear and anxiety and extend their reach and support; for instance, blaming certain communities for the origins or spread of Covid-19 or continued lockdown measures.
- A risk assessment with regards to the Council's statutory obligations on Prevent has been developed and, alongside a situational analysis, submitted to the Home Office as part of the prioritisation process to inform their annual decision making process for Prevent priority areas. Virtual training sessions for schools continue to be delivered to assist them with complying with DfE and Ofsted requirements.
- The 10 Community Committees have continued to meet to support a wide range of community led projects, including local relief efforts related to Covid-19. To date, over 155 grants have been awarded to support local groups, in addition, the committees have continued to support new requests for funding through their Wellbeing and Youth Activity Funds. From November, formal Community Committee meetings will resume over the Council's YouTube channel. Members of the public will be able to observe the meeting and the committee will make formal decisions.
- Work has also taken place in the wards with the highest infection rates, to raise awareness and remind local people of the need to observe government guidance and stop the spread of the virus. Ward based work has so far covered the Headingley and Hyde Park, Little London and Woodhouse, and Garforth areas with others coming on line based on public health data.

- In November the Environment, Housing and Communities Scrutiny Board received a further update on the Locality working programme.
- Initiatives such as the Community Connectors project have resolved ongoing challenges for 250 households in priority neighbourhoods and exceeded the target of working with 100 households. Intervention through multi-agency and triage support has protected the most vulnerable, and benefitted the Council's services. This has resulted in households accessing welfare support, successful domestic violence concession applications, education, employment and independence.
- Work has been taking place on understanding the disproportionate or differential impact on inequality of the Covid-19 pandemic on the city's Communities of Interest. This work is a collaboration between Leeds City Council's Communities Team, Voluntary Action Leeds, Forum Central, Healthwatch and a range of other partners who provide specialist support to the city's diverse communities. It neatly mirrors work that is being undertaken by Public Health colleagues on the direct and wider health inequalities of Covid-19.
- The council have set up an anti-racism steering group with black leaders within the community, elected members and partners to look at the inequalities faced by the city's black citizens as well as other ethnic minorities. This is looking to bridge the gap and create a fairer and more equitable society for all.
- Extensive work has been undertaken to develop and strengthen the partnership with the faith sector to assist with the Covid-19 response and more generally including: expanding the membership of the Strategic Faith Leaders group which now meets monthly to advise on Covid-19 impacts on faith communities and service delivery; relaunching the Religion or Belief Hub online whilst physical meetings are not possible; working on reviewing the Faith Covenant with the sector; and assisting Leeds Faith Forum with the development of their strategic plan.

3.4 Community Safety (More detail is provided at Appendix 2)

3.4.1 Members' attention is drawn to the following performance areas:

a) People in Leeds are safe and feel safe in their homes, in the streets, and the places they go

Safer Leeds strategic focuses is on: Keeping people safe from harm (Victim); Preventing & reducing offending (Offender); and Creating Safer, stronger communities (Location).

The West Yorkshire Police & Crime Commissioner 'Your View' survey responses to March 2020 reported that 84% of Leeds respondents felt 'safe' or 'very safe' in their local area, (5,618 Leeds respondents). Leeds feedback was the second most positive within West Yorkshire Police force (West Yorkshire Police district level responses ranged from 77% to 86%).

Recent / Emerging Activity:

- Work during this period has primarily focussed on operational response to the pandemic. At a strategic level a new group has been established to both co-

ordinate the response to drivers of serious violence and youth violence, to influence positive change across the city and at a neighbourhood level

- The Safer Leeds: City Centre Partnership Board has worked collectively during this period on managing the local response to changing local and national restrictions.

b) Domestic Violence and Abuse

The response to Domestic Violence and Abuse is a priority for the city, focusing upon: Supporting victims (adult, children and families); Changing attitudes and perceptions (individuals and communities), Challenging behaviours (working with perpetrators), and Enabling effective change (workforce and organisational responses).

The victim self-reporting rate is a Safer Leeds indication of victim confidence to report Domestic Violence and Abuse. 31% of 22,061 domestic incidents were victim self-reported; this is stable as a proportion of all domestic incidents.

Recent / Emerging Activity:

Domestic Violence and Abuse has been significantly affected by Covid-19. The volume of DVA crime incidents in the city has increased during the extended Covid-19 period, mirroring the national trend. Leeds moved quickly to mobilise business continuity plans for Domestic Violence and Abuse Services and the arrangements have continued over the last 7-8 months. Key features of this work are outlined below:

- At the start of lockdown the Council moved swiftly to launch a DVA social media campaign to promote the support available for people experiencing domestic violence and abuse and linked to the “You are not Alone” Government campaign. Further work is being done to develop the 16 Days of Action DVA awareness campaign (beginning 25th November 2020) and support White Ribbon Day.
- Safer Leeds has worked with the commissioned service Leeds Domestic Violence Service (LDVS) to ensure business continuity during the Covid-19 period. The services includes – additional helpline capacity, web-chat facilities, as well as the normal emailing arrangements, and continued refuge accommodation. Arrangements are in place for individuals to be directed/supported towards the current housing options arrangements for temporary and emergency accommodation when refuge space is not available. LDVS has seen the number of calls to the helpline significantly increase. Safer Leeds have worked with Women Aid to access Government funding to provide 7 additional units into the city until January 2021. All units are currently full.
- The Council moved its daily DVA MARAC arrangements to a virtual meeting the first week of lockdown. Demand is increasing with a 25% increase since the introduction of lockdown. Numbers fluctuate between 55-75 cases. The number of cases has reduced slightly to the upper end of normal levels with an initial increase in the first week of the second lockdown. Work is ongoing with partners to manage the pressures of the daily MARAC as the number of cases remains high.
- There is a risk of surge request for refuge places and an inability of the city to meet demand. All refuge places are in the Third Sector with a proportion

commissioned by the Council. Already demand for refuge outstrips supply. Safer Leeds, Housing Leeds and LDVS are working closely to support victims and to explore alternative Sanctuary arrangements and ensure safety plans are in place. Emergency temporary accommodation is available through the Hotel arrangements.

- Strategically, Safer Leeds is introducing a Domestic Violence and Abuse Local Partnership Board in line with the Domestic Abuse Bill legislation going through parliament. This new statutory Board will run in shadow arrangements until the legislation comes into place in April 2021. The new multi-agency Board had its first meeting in October 2020. The focus of the Board will be to deliver a needs analysis in relation accommodation DVA support requirements, develop a strategy for DVA and commission DVA accommodation support services. The Government is currently working with local authorities to confirm a funding formula for the new statutory duties.

c) Anti-social Behaviour

The Leeds Anti-social Behaviour team (LASBT) delivers a multi-tenure service operating across Leeds in partnership with a much broader range of agencies and support services. LASBT will typically deal with behaviour that cannot be reasonably resolved through tenancy management, or mediation.

17,684 incidents of ASB were recorded by Police in Leeds; this has increased by 12%. Youth nuisance continued to represent a high proportion of incidents, (5,495 youth nuisance incidents reported, reducing by 27%).

Recent / Emerging Activity:

- The Leeds ASB Strategy redefines the way in which LASBT operates, complements the Council's inclusive growth strategy, and works with children's services, and adult social care, to support vulnerable families. A key aspect of the ASB Strategy is the introduction of a triage system to identify and assess risk from the first point of contact. The Triage team became operational in 2020.
- Leeds City Council works with partners in Leeds, including West Yorkshire Police, to resolve anti-social behaviour at the earliest opportunity. The Safer Leeds partnership has successfully implemented enforcement powers as part of the wider response to nuisance motorcycles, and nuisance fireworks in Leeds. There is a suggestion that legislation introduced in response to the pandemic has heightened an awareness of / willingness to report anti-social behaviour issues in communities.
- There has been a large increase in Youth Nuisance across all areas and the partnership are working together to work on an action plan to tackle the issues. Work with Communities will take place to look at diversionary activities in the hotspot areas. The Youth Service secured violence reduction funding and will target interventions in areas where youth crime is a concern. Team Leodis is also doing some intensive Case Management in the hotspot areas
- Due to the increase in Covid-19 transmission linking in with the increase in complaints around the areas highly populated with students there has been successful implementation of an enhanced service and whilst starting to see a reduction in complaints there is the concern post-Christmas this may start to increase.

- Leeds Safer Roads Partnership and the SPARC (Supporting Partnership Action to Reduce Casualties) funding has been secured to provide a further 54 “officer days” of off road bike patrols to be targeted at key hotspot location/days/times and linked to persons of interest.

d) Hate Crime

Hate crimes and incidents can have devastating consequences for victims and their families, and can frighten and divide communities. The priorities and response in Leeds reflect national guidance in focusing upon: Preventing hate crime; responding to hate crime; increasing the reporting of hate crime; improving support to victims; and building an understanding of hate crime.

There has been an overall reduction in Police reported Hate incidents. The majority of reported Hate Incidents refer to harassment, verbal or written abuse.

Recent / Emerging Activity:

- Leeds City Council supported the ‘We say NO to Islamophobia Campaign’, pledging to: increase public awareness; increase confidence to report; influence social change; develop a co-ordinated city wide response; and embed work into Equality Improvement Priorities. This includes promotion of the ‘Untold Stories’ project delivered by Shantona Women’s Centre. Leeds City Council has committed to legal duties and responsibilities to protect young people and adults from Islamophobia.
- The Safer Leeds Hate Crime Strategic Board has highlighted issues and challenges faced by BAME communities in the city, in relation to racism and tackling inequalities. The Black Lives Matters Movement calls for an end to systemic and institutional racism. Leeds Civic Hall, Leeds Town Hall and the city’s museum building were all illuminated on Tuesday 2 June, in memory of George Floyd and in solidarity with all those across the world who are struggling against racism or any other forms of prejudice.
- Targeted work has taken place with Safer Leeds to raise awareness for Asylum Seekers currently living in hotel accommodation due to the restrictions imposed by Covid-19. Joint working with Migration Access Project and West Yorkshire Police has helped inform people what is a hate crime and how they can report it.
- An interdisciplinary team, led by academics at Leeds Beckett University, submitted an application for research funding to the Economic and Social Research Council (ESRC) under the Research Grants: Open Call fund.
- Cyber-Racism: Understanding the Motivations, Assessing the Impact, and Offering Solutions.
- The research bid aims to a) analyse online communication and behaviour across social media platforms (Twitter and Instagram), b) understand the motivational factors for posting racist and hateful comments online, c) assess the impact of online racism and hate has on its victims.
- This project is committed to achieving real world change and impact as a result of this research. The research outputs include: developing educational toolkits and curriculum content to help online users reflect on their behaviours, promote coping strategies, and locate support services; creating participatory workshops showcasing the research and bringing together social media users

to discuss their experiences related to online spaces; creating a policy report aimed at key stakeholders with recommendations for identifying and challenging trolling behaviour and supporting victims of online racism, etc.

e) Street Support

Leeds City Council is obliged by the government to carry out full city rough sleeper headcounts every two months. During the Covid-19 lockdown and social restrictions, this requirement has been relaxed for recent periods; however, within regulations and guidance frameworks, local monthly headcount assessments have been undertaken in Leeds; the latest figures for these are: August 30, September 26, and October 28. These are reduced numbers compared to 2019 headcounts (that averaged approx. 40 with a maximum count of 54)

The cohort of rough sleepers in Leeds are by nature and degree of their personal and social circumstances, a very fluid and difficult group of individuals to support and engage. Common features of this client group include mental health, drug and alcohol abuse and personality disorder, as well as people affected by trauma associated to life events. These features often impact on their ability to sustain meaningful working relationships or sustain accommodation, so incidences of eviction or restriction from homeless accommodation is also common.

At the of October 2020, there now less than 50 people currently in hotels, 17 of which are confirmed rough sleepers; this is from a peak of 226 as part of the Everyone in Directive)

Recent / Emerging Activity:

- During the initial 'lockdown' period, a cohort of Leeds homeless people were accommodated in the city's hotels. Trends in on-street begging correlated with city centre foot fall.
- Risk management is effective in achieving positive outcomes. This focuses upon both accommodation, and support (through a named key worker who acts as a co-coordinator of services). Work is focused to identify and align rough sleepers with lead professionals in terms of risk management and accountability to better meet complex individual needs.
- Funding received through the MHCLG, Next Steps Accommodation Programme and Rough Sleepers Initiative, will support the delivery of the Leeds Asks as part of the local Move-On: Transitional and Recovery Framework; in essence this will enable:
 - Continued offer of hotel accommodation and wrap around support
 - Specialist move on support for those leaving temporary accommodation
 - Development of dedicated accommodation and support for women
 - Purchase of additional one bed properties – with dedicated team of specialist support
 - Targeted outreach and support for those with complex circumstances

3.5 Waste and Environment (More detail is provided at Appendix 3)

3.5.1 Members' attention is drawn to the following performance areas:

a) Bin Collection Rate

Despite the unprecedented pressures on service and increase in waste presented since the Covid-19 pandemic and lockdown, Leeds City Council continues to successfully pick up in excess of 99.9% of all planned collections, and has marginally improved overall YTD compared to last year. The exception to this is period 3 which included the resumption of the garden collections which shows a 99.86% collection rate compared to 99.91% last year. The service introduced all new collection routes and collections days on the restart of the garden waste collections in May.

(Please refer to the table in Appendix 3 for a breakdown of type of missed bin per period.)

b) Recycling and Landfill (Unverified figures – Verification by the Environment Agency to follow after year end.)

Recycling rates have reduced substantially in Q1 due to the effects of Covid-19 on service provision and the huge increase in residents' residual waste during the lockdown period. Consequently, Leeds City Council is 8% lower in its overall recycling rate at the end of Q1 compared to last year. The main factors are the enforced HWRC closures from end of March to mid-May, the operational need to suspend garden waste kerbside collections from end of March to end of May and a disproportionately large and sustained increase in residual (black bin) waste since lockdown, which affects the overall recycling calculation.

Landfill continues to reduce and is well below target as well as a reduction compared to landfill tonnage in Q1 19/20. Although it continues to reduce, the reduction is higher than usual due to Covid-19 and the enforced HWRC closures from end of March to mid-May.

c) Street Cleanliness

Programmed mechanical street sweeping was suspended at the start of the pandemic as part of the Cleaner Neighbourhoods Team service prioritisation plan to deal with high numbers of staff having to shield during lockdown 1 and to enable the service to focus and prioritise effort on street cleansing functions related to public health and safety which included litter bin emptying, removal of side waste from domestic properties, removal of fly-tipping and some litter picking. This did result in some build-up of litter and detritus over the summer so there has been a focus on catching-up with mechanical sweeping and litter-picking since shielding staff returned in August 2020 (although staffing levels have and continue to be unpredictable due to the impact of Covid-19 and isolating staff).

As the second lockdown was entered, the service has been prioritising mechanical sweeping in order to manage and remove autumn leaf-fall. Normal levels of litter picking and mechanical sweeping have not yet fully resumed, but the service is able to respond to problem areas quickly and effectively. One of the strengths of zonal working is that team leaders and charge hands know the hot spots in their area and also carry out their own subjective assessments of street cleanliness and task resources accordingly. This has been supported by

enforcement officers undertaking local environmental audits as well as regular contact with members via e-mail and Skype.

3.6 ***Elections and Regulatory***

3.6.1 Members' attention is drawn to the following performance area:

a) Parking Functions

The service has 3 main areas of responsibility:

- Parking administration including permit schemes;
- Enforcement of parking and bus lane restrictions; and
- Managing the council's on and off street parking operation.

Parking administration including Permit schemes:

- In Leeds there are currently 133 Resident Permit areas. Each resident in a zone is entitled to a permit for each vehicle registered to the address plus a transferable permit for visitors. Residents' permits are free. They are issued for 3 years and renewed on a cycle so the administration work is evened out throughout the year.
- The Council runs a permit scheme for ULEV (ultra-low emission vehicles) which gives free parking in all the Council's spaces. There are currently 1239 permits. There are also 12 charging points at Woodhouse Lane Car Park which are free to use.
- The service also runs chargeable permit schemes for businesses who need to access residents' zones and for essential workers such as health visitors. These are £80 a year reduced to £60 for charities. There are 3,782 of these permits.
- The service has been offering free parking for front line staff dealing with Covid-19 in partnership with the local NHS. At present 530 permits have been supplied, mainly for use at Woodhouse Lane Car Park. The government has offered partial funding for these permits.
- The volume of telephone calls and correspondence is closely related to the issue of penalties. Due to lockdown the numbers have reduced significantly as below :

	Q1	As % of 19/20	Q2	As % of 19/20
Telephone	4494	30%	7017	61%
Correspondence	1620	19%	5926	64%

Enforcement of parking and bus lane restrictions:

- Parking enforcement was stopped altogether on 22 March. Following complaints regarding unsafe parking patrols were resumed in the City centre from 1st May. Bus Lane enforcement did not restart until 24 June. The number of offences has dropped significantly as a result :

	Q1	As % of 19/20	Q2	As % of 19/20
Parking	1670	7%	14288	63%
Bus Lane	403	3%	6599	65%

- Widespread roadworks in the City Centre during this period have meant that a number of bus lane cameras are not operational as the road network is changed to improve bus journey times. When the works are complete the bus routes and the camera network will be different and the effect on the number of bus lane offences is not known.
- The first red route in Leeds has been introduced outside Leeds Bradford Airport and is being enforced with fixed cameras. A red route is a “no stopping” offence meaning that drop off, loading etc. is not allowed. The number of offences in Q1 & 2 is 1,464 which compares with 3,427 last year.
- The team has had an unprecedented rise in the number of complaints regarding parking at schools since pupils returned. More pupils are being driven to school, perhaps due to parental concerns about Covid-19, and there are more people at home during the day than previously, meaning that their cars are still in situ and therefore there is less capacity for parking. Officers are deployed every school day but do not have the capacity to cover the number of requests.
- The cumulative financial effect is estimated at £1.1 m for parking and £330,000 for bus lane enforcement. The Council have applied to the government scheme for Covid-19 related losses which offers a rebate of just over 70% so the expected shortfall is about £500,000 for enforcement revenue in 2020/21.

Managing the council's on and off street parking operation:

- The Council controls 2,407 on street pay parking spaces and 2,373 spaces in car parks with budgeted revenue of £8.8m. This is split between cash payment in parking machines and card payment through the mobile phone payment system. The phone system is increasingly popular and now accounts for 57% of revenue, up from 51% in 2018/19.
- During lockdown parking was completely free up to 4 July. From 4 July – 1 September a reduced rate was offered on the cashless parking system whilst the machines continued to charge the standard price. A review of the reduced rates showed that many customers preferred to continue using the machine even when it was much more expensive, £2.90 per hour rather than £1. Therefore it was decided to end the promotional rate from 1 September.
- There has been a temporary loss of capacity in the City Centre due to extensive roadworks which have affected pay and display spaces. There will also be a permanent loss of capacity due to the sale of car parks for building development and the changes required for the City Centre park.
- The shortfall in revenue at Q2 is £3.4 m and the estimate for the whole year is £5.8m. If the claim to the government Covid-19 scheme is agreed the shortfall will be £1.7m. Together with enforcement revenue this gives a likely budget pressure of £2.2m for parking as a whole.

3.7 Parks and Countryside

3.7.1 Members' attention is drawn to the following performance areas:

a) Grounds Maintenance

The main focus of this work has been to prioritise larger areas of grass situated within residential areas in order that, during the pandemic, these areas can be used for exercise and recreation. Limits have been applied on staff numbers in vehicles alongside reduced resources due to staff being required to isolate or shield to largely suspend strimming operations. Strimming work is being picked up during the mowing closedown period to restore sites to expected standards.

b) Parks and Green Spaces

During the pandemic period there has been a significant increase in usage as people were taking exercise and recreation locally. This has led to an increase in maintenance pressures, particularly around litter management at the same time as resource pressures were experienced. During this reporting period government restrictions on playgrounds and related recreational facilities were eased or amended resulting in a phased reopening following the introduction of suitable sanitisation approaches. A safer spaces audit has been undertaken and signage introduced in line with government guidance.

4 Business Continuity Plans

4.1 There are 13 business continuity plans falling within the remit of the Board, of which 5 are currently awaiting their annual update; these are:

- Forestry
- Estates
- Waste Management
- Leeds Housing Options Service
- Housing Leeds

For further details of any of these plans, you can contact Emma Kamillo-Price in the Intelligence & Policy service – emma.kamillo@leeds.gov.uk.

5 Corporate Considerations

5.1 Consultation and Engagement

5.1.1 This is an information report and as such does not need to be consulted on with the public. However all performance information is published on the council's website and is available to the public.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 This is an information report and not a decision so it is not necessary to conduct an equality impact assessment. However, some of the data provided will link to wider

issues of equality and diversity, and cohesion and integration, and there may be occasions when Scrutiny Board members will want to look more closely at these issues, and may request further information to inform their investigations.

5.3 Council Priorities and the Best Council Plan

5.3.1 This report provides an update on progress in delivering the council priorities in line with the Best Council Plan.

5.3.2 Climate Emergency

The council declared a climate emergency in March 2019 with the stated ambition of working to achieve net zero carbon emissions by 2030 for the city. Parts of the above performance information are linked to actions taking place to address climate emergency and will feed into an assessment of how on track the council is in achieving the target. Services will provide updates to the Board on specific work they are carrying out with regard to this priority.

5.4 Resources, procurement and value for money

5.4.1 There are no specific resource implications from this report, although some performance indicators relate to financial and other value for money aspects.

5.5 Legal Implications, Access to Information and Call In

5.5.1 All performance information is publicly available and is published on the council website. This report is an information update providing Scrutiny with a summary of performance for the strategic priorities within its remit and as such is not subject to call in.

5.6 Risk Management

5.6.1 There is a comprehensive risk management process in the council to monitor and manage key risks. The council's most significant risks are available and can be accessed via the council's website.

6 Conclusions

6.1 This report provides a summary of performance against the strategic priorities for the council and city related to the Environment, Housing and Communities Scrutiny Board.

7 Recommendations

7.1 Members are recommended to:

- Note the Quarter 2 performance information in this report and Appendices 1 – 3 and the issues which have been highlighted and consider if they wish to undertake further scrutiny work to support improvement over the coming year in any of these areas.

8 Background documents¹

8.1 Best Council Plan 2020 to 2025

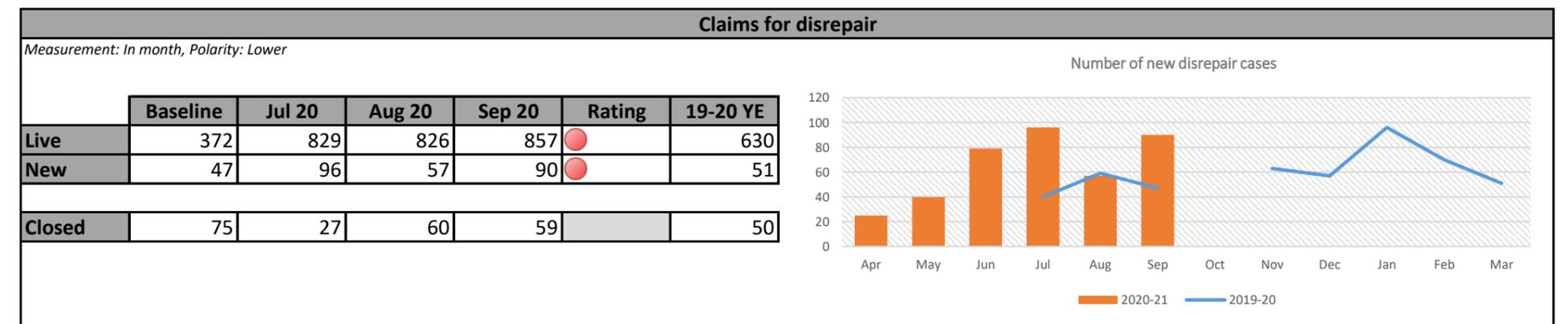
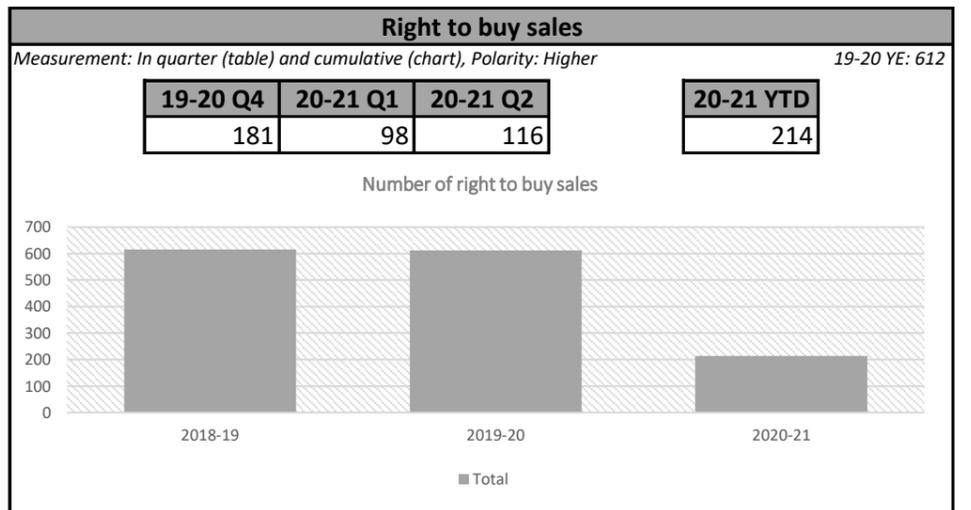
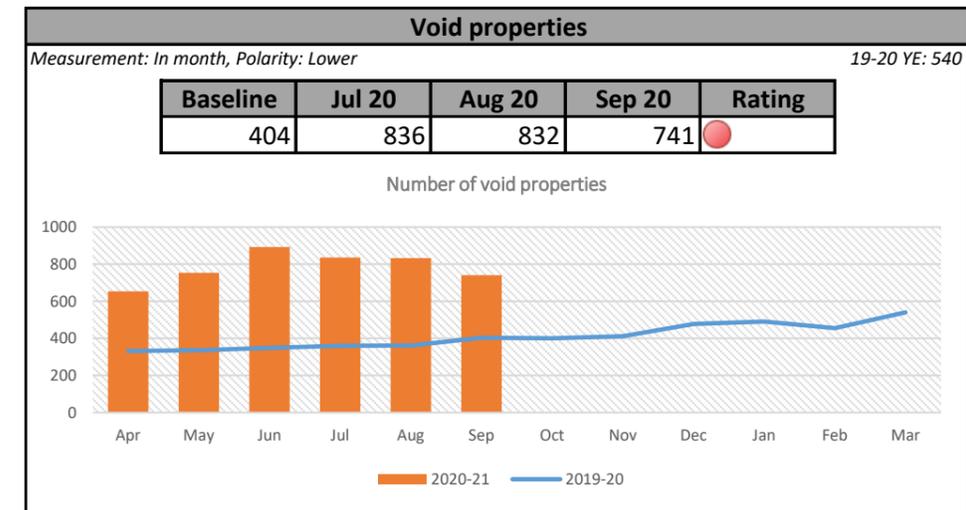
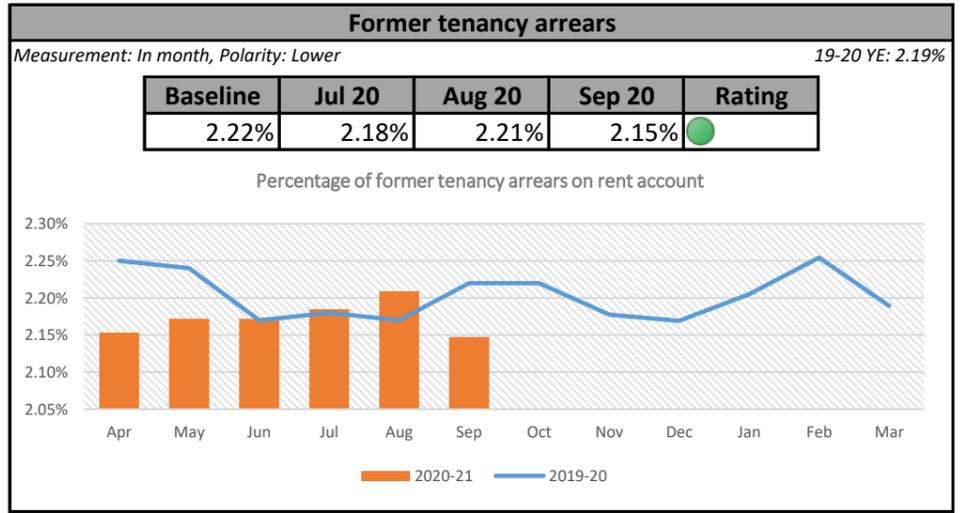
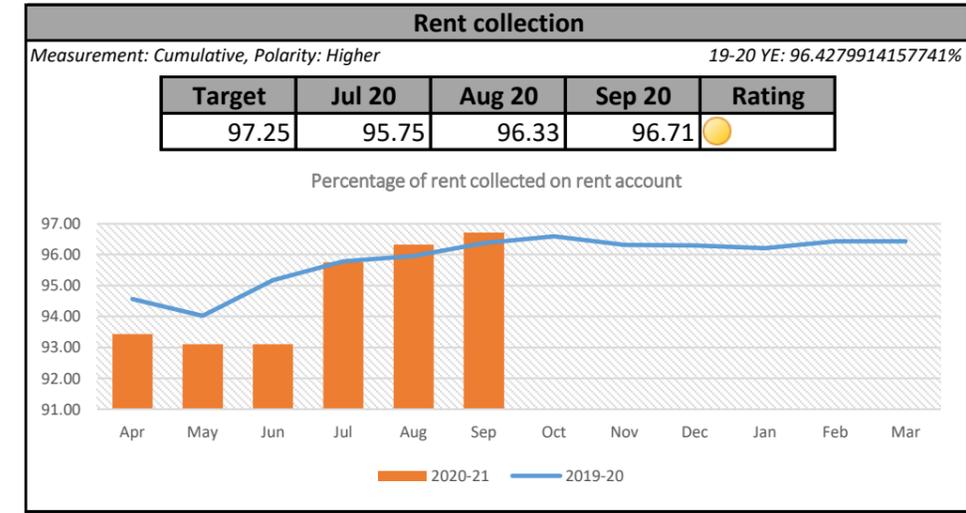
¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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APPENDIX 1 - HOUSING DASHBOARD (SEPTEMBER 2020)

HRA BUSINESS PLAN

Target references target set for service or contractor. Baseline references same position in previous financial year.



HOUSING STRATEGY

Target references target set for service or contractor. Baseline references same position in previous financial year.

Long term (6+ months) empty properties all sectors

Measurement: In month, Polarity: Lower 19-20 YE: 3545

Target	Jul 20	Aug 20	Sep 20	Rating
3777	4078	4112	4178	●

Number of long term (6+ months) empty properties all sectors

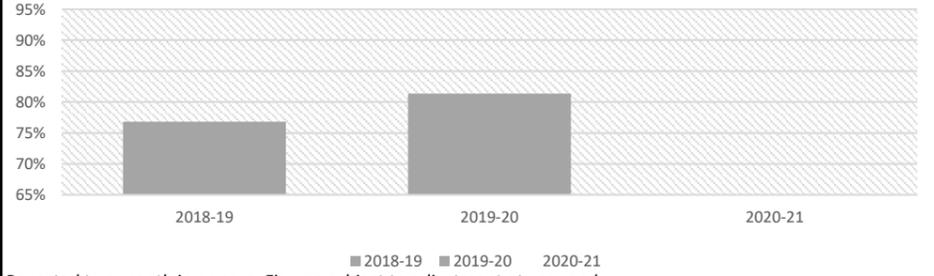


Housing Association nominations

Measurement: In quarter (table) and cumulative (chart), Polarity: Higher 19-20 YE: 81.4%

Baseline	19-20 Q4	20-21 Q1	20-21 Q2	Rating
73.0%	80.0%	92.0%	80.0%	●

% of successful Housing Association Nominations



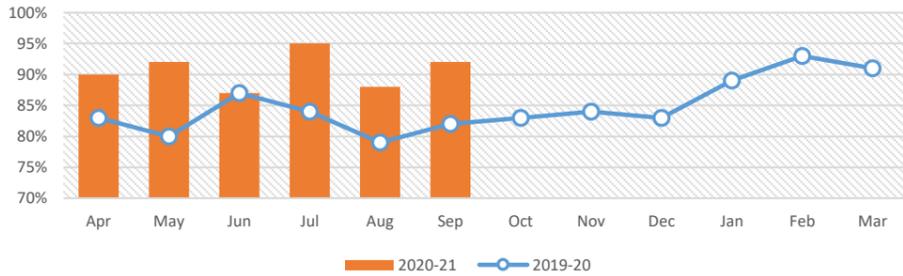
Reported two month in arrears. Figures subject to adjustment at year end.

Homeless preventions

Measurement: In month, Polarity: Higher 19-20 YE: 91%

Baseline	Jul 20	Aug 20	Sep 20	Rating
82%	95%	88%	92%	●

Percentage of homeless preventions

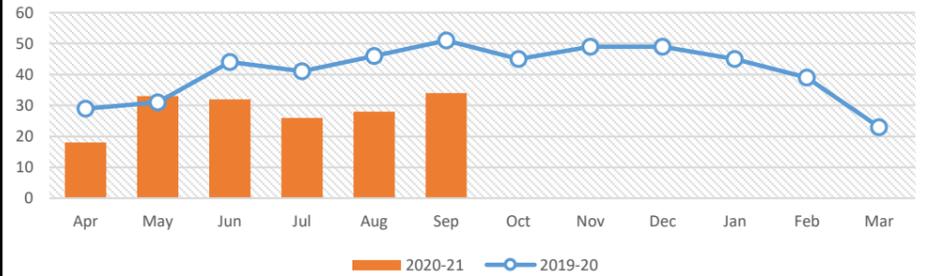


Temporary accommodation

Measurement: In month, Polarity: Lower 19-20 YE: 23

Baseline	Jul 20	Aug 20	Sep 20	Rating
51	26	28	34	●

Number of temporary accommodation reliefs



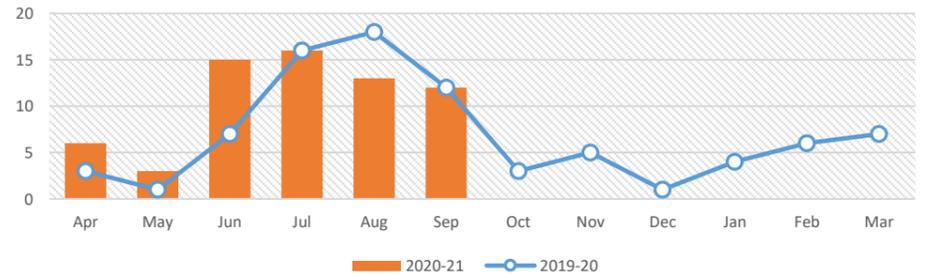
Unauthorised encampments

Measurement: In month, Polarity: Lower

19-20 YE: 7

	Baseline	Jul 20	Aug 20	Sep 20	Rating
Council Owned Land	11	12	11	12	●
Privately Owned Land	1	4	2	0	●
Total	12	16	13	12	●

Number of total unauthorised encampments



HOUSING CONSUMER STANDARDS

Target references target set for service or contractor. Baseline references same position in previous financial year.

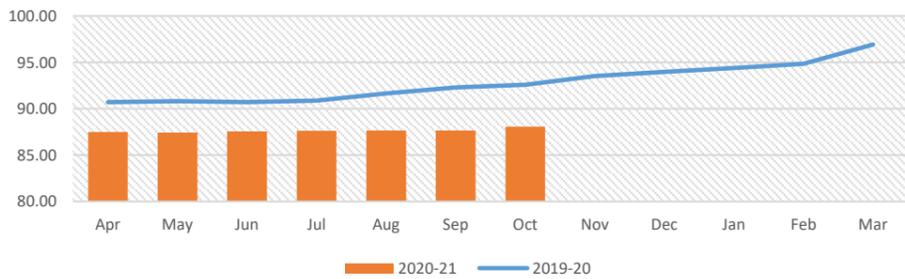
HOME STANDARD

Properties meeting the Decency Standard

Measurement: In month, Polarity: Higher 19-20 YE: 96.92%

Baseline	Jul 20	Aug 20	Sep 20	Rating
92.30%	87.62%	87.64%	87.64%	●

Percentage of properties meeting decency standard

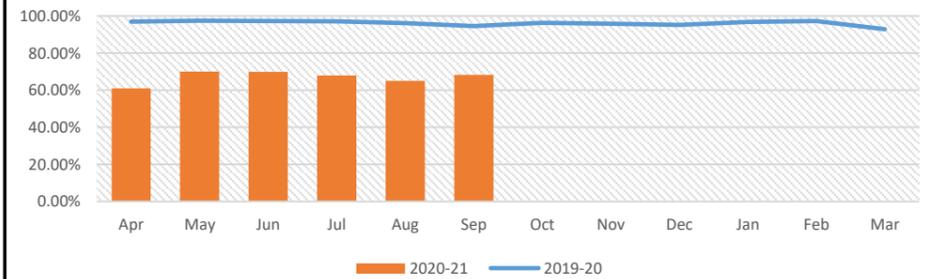


Responsive repairs completed within timescales

Measurement: In month, Polarity: Higher 19-20 YE: 92.84%

	Target	Jul 20	Aug 20	Sep 20	Rating
Percentage	99.00%	67.97%	65.04%	68.21%	●
Total jobs		11329	12237	14218	
Jobs completed		7700	7959	9698	

Percentage of responsive repairs completed within timescales



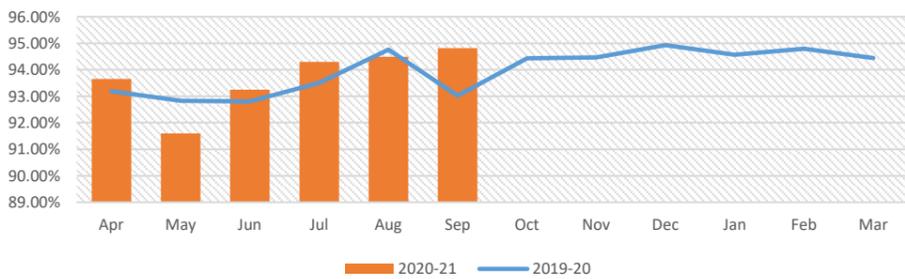
Excludes adaptations

Responsive repairs completed right first time

Measurement: In month, Polarity: Higher 19-20 YE: 94.44%

	Target	Jul 20	Aug 20	Sep 20	Rating
Percentage	90.50%	94.29%	94.48%	94.82%	●
Total jobs		4450	4786	6366	
Jobs completed		4196	4522	6036	

Percentage of responsive repairs completed right first time



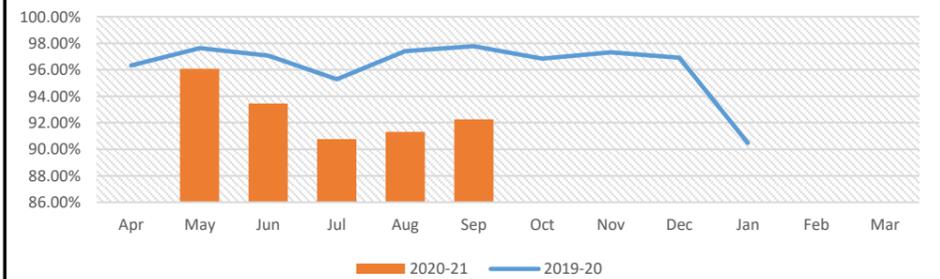
Excludes adaptations

Satisfaction with responsive repairs completed

Measurement: In month, Polarity: Higher 19-20 YE: 90.91%

	Target	Jul 20	Aug 20	Sep 20	Rating
Percentage	90.00%	90.77%	91.32%	92.27%	●
Total surveys		379	265	401	
Positive responses		344	242	370	

Percentage satisfied responses for responsive repairs completed



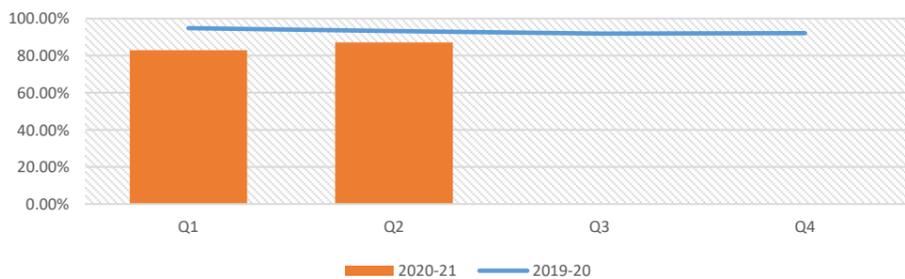
Excludes BITMO and adaptations

Satisfaction with capital works completed

Measurement: In quarter, Polarity: Higher 19-20 YE: 92.12%

	Target	19-20 Q4	20-21 Q1	20-21 Q2	Rating
Percentage	90.00%	92.12%	82.99%	87.10%	●
Total surveys		457	147	186	
Positive responses		421	122	162	

Percentage satisfied responses for capital works completed

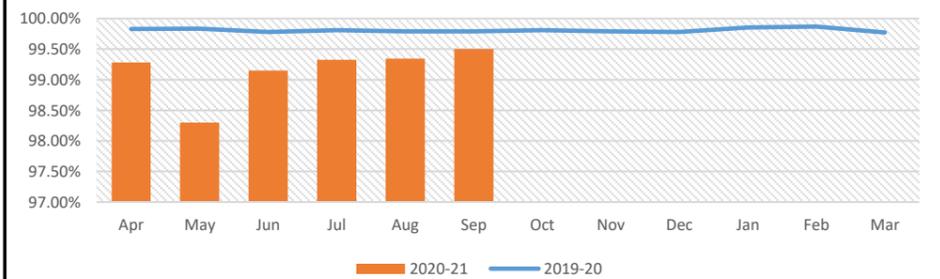


Gas services completed on time

Measurement: In month Polarity: Higher 19-20 YE: 99.77%

	Target	Jul 20	Aug 20	Sep 20	Rating
Percentage	99.78%	99.32%	99.34%	99.50%	●
Dwellings with gas		43893	43896	43899	
Dw. with valid cert.		43596	43608	43680	

Percentage of gas services completed on time



TENANCY STANDARD

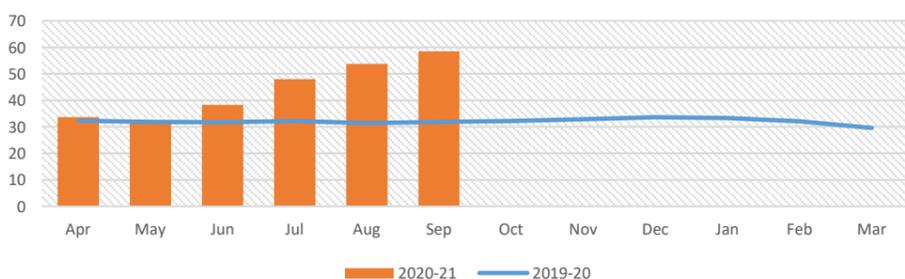
Satisfaction with advice and guidance whilst moving home indicator is being developed and will be reported under the tenancy standard

Average relet times

Measurement: In month Polarity: Lower 19-20 YE: 29.6

Target	Jul 20	Aug 20	Sep 20	Rating
30.00	48.00	53.81	58.53	●

Average days taken to relet empty properties

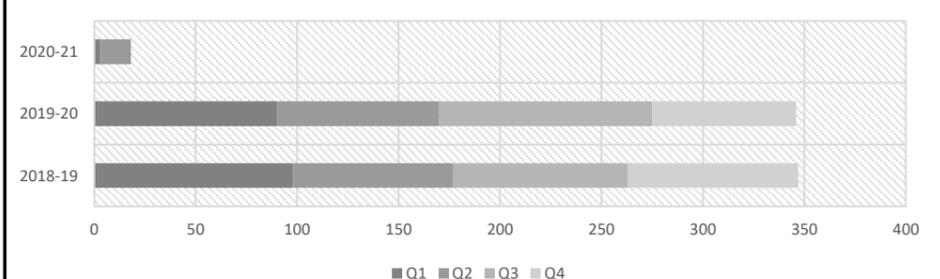


Mutual exchanges

Measurement: In quarter and cumulative, Polarity: Higher 20-21 YE: 18

19-20 Q4	20-21 Q1	20-21 Q2	20-21 YTD
71	3	15	18

Number of mutual exchanges (latest month reported in current year)



TENANT INVOLVEMENT AND EMPOWERMENT STANDARD

Complaints responded to within timescale

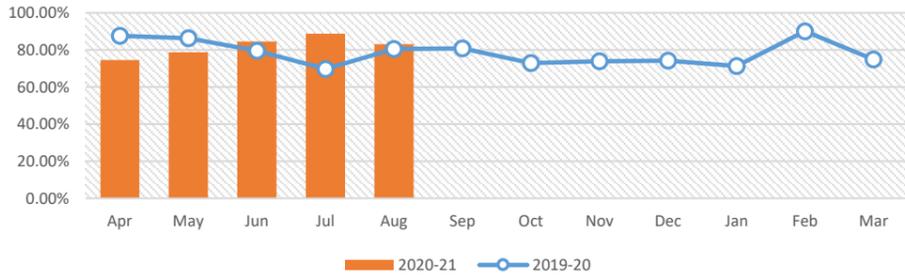
Measurement: In month, Polarity: Higher 19-20 YE: 74.85%

	Target	Jul 20	Aug 20	Sep 20	Rating
Complaints received		134	130	155	
Responded to on time		119	108	128	
Stage 1	95.00%	88.81%	83.08%	82.60%	●

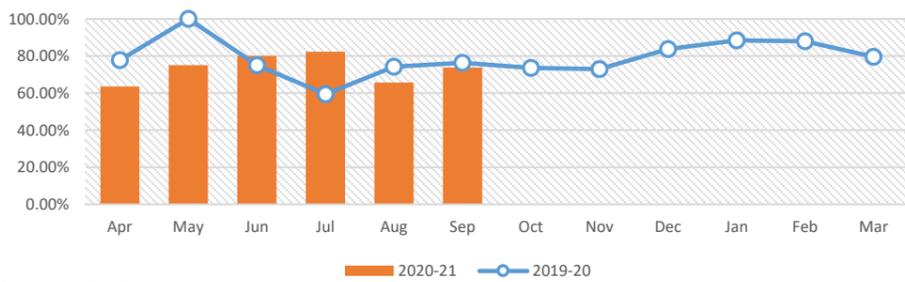
19-20 YE: 79.49%

Complaints received		17	32	19	
Responded to on time		14	21	14	
Stage 2	95.00%	82.35%	65.63%	73.70%	●

Percentage of stage 1 complaints responded to within timescale



Percentage of stage 2 complaints responded to within timescale



Excludes BITMO

Calls answered at the contact centre

Measurement: In month, Polarity: Higher 19-20 YE: 94.00%

	Target	Jul 20	Aug 20	Sep 20	Rating
Calls received		6218	5908	6124	
Calls answered		5894	5430	5565	
Housing Line	90.00%	95.00%	92.00%	91.00%	●

19-20 YE: 96.00%

Calls received		9813	9237	11585	
Calls answered		9538	8839	10866	
Repairs Line	90.00%	97.00%	96.00%	94.00%	●

Percentage of calls answered on the housing line



Percentage of calls answered on the repairs line



APPENDIX 2 – Safer Leeds Performance Information (latest available 2020)

Performance area	Performance Reports / Data	BCP Priority?	Summary comments drawing out performance issues for noting/discussion												
Community Safety	Safer Leeds Executive Board Indicator. Police & Crime Commissioner Reporting.	BCP 57 Percentage of Leeds residents who say they feel safe in their local area	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">People in Leeds are safe and feel safe in their homes, in the streets, and the places they go (Safer Leeds strategic outcome).</th> <th style="text-align: center;">Apr-19 to Mar-20</th> <th style="text-align: center;">Change</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">↔</td> <td>Respondents 'feel safe' in the local area</td> <td style="text-align: center;">84%</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">↔</td> <td>Respondents agree the CSP does a fair/good/excellent job</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">1%</td> </tr> </tbody> </table> <p>Key Issues:</p> <ul style="list-style-type: none"> • 84% of respondents felt 'safe' or 'very safe' in their local area. 80% of those surveyed agreed that their Community Safety Partnership (CSP) does a fair / good / or excellent job. 5,618 surveys were completed by Leeds residents in the period. • Leeds responses were compared with responses from other West Yorkshire districts. Leeds feedback was the second most positive within West Yorkshire Police force, (West Yorkshire responses at district level ranged from 77% to 86%). • Leeds responses to the Your View survey are provided by the Office of the Police and Crime Commissioner. The Your View survey was suspended in March 2020. The Your View survey recommenced in October 2020; results are anticipated in January 2021. 	People in Leeds are safe and feel safe in their homes, in the streets, and the places they go (Safer Leeds strategic outcome).		Apr-19 to Mar-20	Change	↔	Respondents 'feel safe' in the local area	84%	3%	↔	Respondents agree the CSP does a fair/good/excellent job	80%	1%
People in Leeds are safe and feel safe in their homes, in the streets, and the places they go (Safer Leeds strategic outcome).		Apr-19 to Mar-20	Change												
↔	Respondents 'feel safe' in the local area	84%	3%												
↔	Respondents agree the CSP does a fair/good/excellent job	80%	1%												

APPENDIX 2 – Safer Leeds Performance Information (latest available 2019)

Performance area	Performance Reports / Data	BCP Priority?	Summary comments drawing out performance issues for noting/discussion																				
Domestic Violence and Abuse	Safer Leeds Executive Board Indicator. DVA Board Accountability Indicator. DVA Breakthrough Project	BCP 54 Self-reporting of domestic violence and abuse incidents	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Focus upon Safeguarding (Safer Leeds Key Performance Indicator)</th> <th style="text-align: center;">Oct-19 to Sep-20</th> <th style="text-align: center;">Change</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">↔</td> <td>Domestic incidents</td> <td style="text-align: center;">22,061</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: center;">↔</td> <td>Domestic incidents which are victim self-reported (count)</td> <td style="text-align: center;">6,915</td> <td style="text-align: center;">-1%</td> </tr> <tr> <td style="text-align: center;">↔</td> <td>Domestic incidents which are victim self-reported (rate)</td> <td style="text-align: center;">31%</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: center;">↔</td> <td>High risk domestic incidents (DASH) with repeat victims</td> <td style="text-align: center;">1,540</td> <td style="text-align: center;">4%</td> </tr> </tbody> </table> <p>Key Issues:</p> <ul style="list-style-type: none"> • 22,061 domestic incidents were reported to the Police in 12 months, 12 month volume was stable. • The victim self-reporting rate is a Safer Leeds indication of victim confidence to report Domestic Violence and Abuse. 31% of 22,061 domestic incidents were self-reported to end of September 2020. • 1,540 domestic incidents were reported with a high risk DASH assessment, and a repeat victim flag. 12 month volume has increased by 4%. 	Focus upon Safeguarding (Safer Leeds Key Performance Indicator)		Oct-19 to Sep-20	Change	↔	Domestic incidents	22,061	0%	↔	Domestic incidents which are victim self-reported (count)	6,915	-1%	↔	Domestic incidents which are victim self-reported (rate)	31%	0%	↔	High risk domestic incidents (DASH) with repeat victims	1,540	4%
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Anti-social Behaviour	Safer Leeds Executive Board Indicator. Police & Crime Commissioner Reporting.	BCP 58 Number of reported anti-social behaviour / nuisance incidents	<table border="1"> <thead> <tr> <th colspan="2">Focus upon Anti-social Behaviour (Safer Leeds Key Performance Indicator)</th> <th>Oct-19 to Sep-20</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>↑</td> <td>Police reported ASB incidents (count)</td> <td>17,684</td> <td>12%</td> </tr> <tr> <td>↑</td> <td><i>Youth related</i></td> <td>5,495</td> <td>7%</td> </tr> <tr> <td>↑</td> <td><i>Neighbour related</i></td> <td>3,077</td> <td>15%</td> </tr> <tr> <td>↑</td> <td><i>Adult nuisance – non alcohol</i></td> <td>3,072</td> <td>10%</td> </tr> <tr> <td>↑</td> <td>Leeds Anti-social Behaviour team closed caseload</td> <td>2,261</td> <td>24%</td> </tr> <tr> <td>↑</td> <td><i>Noise</i></td> <td>780</td> <td>22%</td> </tr> <tr> <td>↑</td> <td><i>Threats / Actual Violence</i></td> <td>291</td> <td>23%</td> </tr> <tr> <td>↓</td> <td><i>Rowdy Behaviour</i></td> <td>198</td> <td>-17%</td> </tr> </tbody> </table> <p>Key Issues:</p> <ul style="list-style-type: none"> • 17,684 incidents of ASB were recorded by Police in Leeds; this has increased by 12%. Anti-social behaviour is typically seasonal, for example on-street youth nuisance can increase during school holidays, and neighbour related noise nuisance can be more notable during the summer months. • The Safer Leeds partnership has successfully implemented enforcement powers as part of the wider response to nuisance motorcycles, and nuisance fireworks in Leeds. There is a suggestion that legislation introduced in response to the pandemic has heightened an awareness of / willingness to report anti-social behaviour issues in communities. • Leeds City Council works with partners in Leeds, including West Yorkshire Police, to resolve anti-social behaviour at the earliest opportunity. 2,261 ASB cases were closed (resolved) by the multi-agency Leeds Anti-social Behaviour team. 	Focus upon Anti-social Behaviour (Safer Leeds Key Performance Indicator)		Oct-19 to Sep-20	Change	↑	Police reported ASB incidents (count)	17,684	12%	↑	<i>Youth related</i>	5,495	7%	↑	<i>Neighbour related</i>	3,077	15%	↑	<i>Adult nuisance – non alcohol</i>	3,072	10%	↑	Leeds Anti-social Behaviour team closed caseload	2,261	24%	↑	<i>Noise</i>	780	22%	↑	<i>Threats / Actual Violence</i>	291	23%	↓	<i>Rowdy Behaviour</i>	198	-17%
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Hate Crime	Safer Leeds Executive Board Indicator. Strategic Hate Crime Board Indicator.	BCP 59 Number of reported hate incidents	<table border="1" data-bbox="831 344 2107 711"> <thead> <tr> <th colspan="2" data-bbox="831 344 1794 416">Focus upon Hate Crime (Safer Leeds Key Performance Indicator)</th> <th data-bbox="1794 344 1962 416">Oct-19 to Sep-20</th> <th data-bbox="1962 344 2107 416">Change</th> </tr> </thead> <tbody> <tr> <td data-bbox="831 416 920 456">↔</td> <td data-bbox="920 416 1794 456">Police reported Hate incidents</td> <td data-bbox="1794 416 1962 456">3,052</td> <td data-bbox="1962 416 2107 456">-6%</td> </tr> <tr> <td data-bbox="831 456 920 496">↓</td> <td data-bbox="920 456 1794 496"><i>Race Hate Incidents</i></td> <td data-bbox="1794 456 1962 496">2,162</td> <td data-bbox="1962 456 2107 496">-6%</td> </tr> <tr> <td data-bbox="831 496 920 536">↑</td> <td data-bbox="920 496 1794 536"><i>Sexual Orientation Hate Incidents</i></td> <td data-bbox="1794 496 1962 536">388</td> <td data-bbox="1962 496 2107 536">6%</td> </tr> <tr> <td data-bbox="831 536 920 576">↓</td> <td data-bbox="920 536 1794 576"><i>Disability Hate Incidents</i></td> <td data-bbox="1794 536 1962 576">299</td> <td data-bbox="1962 536 2107 576">-12%</td> </tr> <tr> <td data-bbox="831 576 920 616">↓</td> <td data-bbox="920 576 1794 616"><i>Faith Hate Incidents</i></td> <td data-bbox="1794 576 1962 616">149</td> <td data-bbox="1962 576 2107 616">-26%</td> </tr> <tr> <td data-bbox="831 616 920 655">↓</td> <td data-bbox="920 616 1794 655"><i>Transphobic Hate Incidents</i></td> <td data-bbox="1794 616 1962 655">83</td> <td data-bbox="1962 616 2107 655">-28%</td> </tr> <tr> <td data-bbox="831 655 920 711">↓</td> <td data-bbox="920 655 1794 711">Racially / Religiously aggravated offences (count)</td> <td data-bbox="1794 655 1962 711">1,764*</td> <td data-bbox="1962 655 2107 711">-8%</td> </tr> </tbody> </table> <p data-bbox="1962 711 2107 743" style="text-align: right;">*July 2020</p> <p data-bbox="831 751 999 783">Key Issues:</p> <ul data-bbox="875 831 2096 1310" style="list-style-type: none"> • The volume of Police reported hate incidents has reduced (6% reduction in 12 months). The majority of reported hate incidents refer to harassment, verbal or written abuse. The volume of on-street Race Hate Incidents reported to the Police correlates with footfall, and has decreased. There is suggestion of an increase in Hate Incidents that are neighbour related. • 1,764 Racially or Religiously aggravated offences were recorded in Leeds within 12 months, reflecting a commitment to robustly challenge hate in Leeds. • Leeds Civic Hall, Leeds Town Hall and the city's museum building were all illuminated on Tuesday 2 June, in memory of George Floyd and in solidarity with all those across the world who are struggling against racism or any other forms of prejudice. 	Focus upon Hate Crime (Safer Leeds Key Performance Indicator)		Oct-19 to Sep-20	Change	↔	Police reported Hate incidents	3,052	-6%	↓	<i>Race Hate Incidents</i>	2,162	-6%	↑	<i>Sexual Orientation Hate Incidents</i>	388	6%	↓	<i>Disability Hate Incidents</i>	299	-12%	↓	<i>Faith Hate Incidents</i>	149	-26%	↓	<i>Transphobic Hate Incidents</i>	83	-28%	↓	Racially / Religiously aggravated offences (count)	1,764*	-8%
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APPENDIX 3 – Waste & Environment Performance Information (Latest available 2020-21)

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Tonnage to
Landfill
(domestic
waste only)

Monthly trend
report

Latest Available Data – Verification by the Environment Agency to follow after year end.

	Apr	May	Jun
2020/21 Monthly Target (t)	741.12	2,395.62	822.25
2020/21 YTD Target (cumulative) (t)	741.12	3,136.73	3,958.98
2020/21 YTD Target (cumulative) %	2.71%	5.19%	4.41%
2020/21 Monthly Achieved (t)	45.88	388.29	801.55
2020/21 YTD Achieved (cumulative) (t)	45.88	434.17	1,235.71
2020/21 YTD Achieved (cumulative) %	0.22%	0.92%	1.55%
2019/20 Achieved (cumulative)	540.13	1,039.22	1,471.12
2019/20 Achieved (cumulative)	2.03%	1.89%	1.79%

	Jan	Feb	Mar	19/20 Total
2019/20 Monthly Target (t)	678.67	555.57	623.28	10,045.00
2019/20 YTD Target (cumulative) (t)	8,866.14	9,421.72	10,045.00	10,045.00
2019/20 YTD Target (cumulative) %	3.30%	3.25%	3.18%	3.18%
2019/20 Monthly Achieved (t)	432.55	363.99	365.93	5,092.59
2019/20 YTD Achieved (cumulative) (t)	4,362.68	4,726.66	5,092.59	5,092.59
2019/20 YTD Achieved (cumulative) %	1.68%	1.69%	1.68%	1.68%
2018/19 Achieved (cumulative)	4,924.96	5,248.20	5,637.39	5,637.39
2018/19 Achieved (cumulative)	1.92%	1.90%	1.87%	1.87%

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Report author: Angela Brogden
Tel: 0113 37 88661

Report of the Head of Democratic Services

Report to Scrutiny Board (Environment, Housing and Communities)

Date: 14 January 2021

Subject: Initial Budget Proposals for 2021/2022

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Environment, Housing and Communities) with the Executive Board’s initial budget proposals for 2021/22 for consideration, review and comment on matters and proposals relating to service areas that fall within the Scrutiny Board’s remit. Other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.
- 1.2 The Executive Board’s initial budget proposals report for 2021/22, considered at its meeting on 16 December 2020, is attached to this report. The Executive Board’s report sets out the initial budget proposals for 2021/22, within the context of the Medium Term Financial Strategy approved by Executive Board in September 2020, the Spending Review 2020, and proposed budget savings reports received at Executive Board in September, October and November, which had stemmed from the ‘Financial Challenge’ programme to contribute towards bridging the estimated budget gap for 2021/22.
- 1.3 While consultation with all Scrutiny Boards has already been undertaken in relation to the proposed budget savings proposals that were approved by Executive Board in September, October and November (see section 4.1 below), the attached report presents details of a further £5.2m of potential savings that were approved by Executive Board during its meeting on 16 December 2020 and subsequently submitted for wider consultation with stakeholders, including Scrutiny.

2. Background information

- 2.1 A range of background information is set out in the attached Executive Board report that provides the context in which the Initial Budget Proposals for 2021/22 have been prepared.

3. Main issues

- 3.1 In accordance with the Council's Budget and Policy Framework, the Chief Officer – Financial Services submitted the attached report to the Executive Board setting out the Initial Budget Proposals for 2021/22, as well as providing an update on the provisional budgets for 2022/23 and 2023/24.
- 3.2 The Executive Board has thus far approved three sets of savings proposals for 2021/22 through its September, October and November 2020 meetings. Combined with £0.3m savings resulting from a review of the capital programme and a reduction of 50 full-time equivalent (FTE) posts through a review of the Housing Revenue Account (both considered at September's Executive Board), these total £58.2m, with an anticipated reduction in the workforce of 816.5 FTEs.
- 3.3 During its meeting on 16 December 2020, the Executive Board also approved a further £5.2m potential savings, with an anticipated reduction in the workforce of 97.5 FTE budgeted posts. These are set out in Appendix 4 of the attached report.
- 3.4 Taken together with the £58.2m proposals previously approved, the total savings proposals identified so far come to £63.4m (rounded). The total anticipated reduction in the workforce is 914 FTEs. However, in terms of achieving a balanced position for the 2021/22 budget proposals, the Scrutiny Board is asked to note that a further £5.3m of proposals are also expected to be brought to February's Executive Board, along with the Council's Budget Report. Once available, should Scrutiny Members wish to review and provide feedback to the Executive Board on these additional proposals then special arrangements can also be put in place to facilitate this ahead of the Executive Board's February meeting.
- 3.5 The initial budget proposals for 2021/22, as set out in the attached report, are submitted to Scrutiny for consideration, review and comment; and the Scrutiny Board (Environment, Housing and Communities) is asked to consider matters and proposals relating to service areas that fall within its remit. Other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.
- 3.6 While consultation with all Scrutiny Boards has already been undertaken in relation to the proposed budget savings proposals that were approved by Executive Board in September, October and November - with initial feedback being reported back to Executive Board in December (see section 4.1 below) - any additional comments or recommendations made by the Scrutiny Board during today's meeting will inform a further 'phase 2' composite report by Scrutiny to be submitted to the Executive Board for consideration at its meeting in February 2021; prior to submission of the proposed budget to full Council on 26 February 2021

3.7 Relevant Executive Members and senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Scrutiny Boards have already considered savings proposals relevant to their remits at two stages: they have reviewed proposals for September's Executive Board through both working groups and their public Scrutiny meetings in October; whilst proposals for October's and November's Executive Boards have been considered at working group meetings of each Board in November. However, it is noted that this consultation process took place before the Chancellor announced the details of his 2021/22 Spending Review.

4.1.2 A composite report summarising Scrutiny feedback across all working group and public sessions during this first phase of consultation was presented to the Executive Board in December 2020 for consideration. This is set out in Appendix 3 of the attached report.

4.1.3 Any additional comments or recommendations made by the Scrutiny Board during today's meeting will inform a further 'phase 2' composite report by Scrutiny to be submitted to the Executive Board for consideration at its meeting in February 2021; prior to submission of the proposed budget to full Council on 26 February 2021

4.1.4 The attached Executive Board also states that, where required, further meaningful consultation and engagement has been and will be carried out with staff, trade unions, service users and the public as appropriate on the 'service review' savings proposals. Though some proposals will require a more lengthy engagement exercise, it is anticipated that the vast majority will have closed in time for the outcomes to inform the council's decision-making and be incorporated into February's Budget.

4.2 Equality and diversity / cohesion and integration

4.2.1 The Equality Act 2010 requires the Council to have "due regard" to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay due regard be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show due regard.

4.2.2 The proposals within the attached Executive Board report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the 2021/22 Revenue Budget and Council Tax report which will be considered by Executive Board and subsequently by Full Council in February 2021.

4.2.3 Fuller details are provided in the attached Executive Board report.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Best Council Plan sets out the Council's ambitions and priorities. The Plan's development and implementation continues to inform, and is informed by, the Authority's funding envelope and by staffing and other resources. The current Plan is therefore aligned with both the Council's Medium Term Financial Strategy and its annual budget.

Climate Emergency

- 4.3.2 Should any specific service and budget proposals that emerge through the development of the Council's 2021/22 Budget create potential climate emergency issues or opportunities, these will be addressed in the final Budget reports to Executive Board and Full Council in February 2021.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are detailed in the main body of the attached Executive Board report.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The attached Executive Board report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the approved initial budget proposals are submitted to Scrutiny for review and consideration. The outcome of the Boards review, through a collated Scrutiny Board report, will be presented to the February 2021 meeting of Executive Board at which proposals for the 2021/22 budget will be considered prior to submission to Full Council on 24 February 2021.

- 4.5.2 Fuller legal implications associated with the proposals presented are detailed in the attached Executive Board report.

4.6 Risk management

- 4.6.1 The Council's current and future financial position is subject to a number of risk management processes. Not addressing the financial pressures in a sustainable way, in that the Council cannot balance its Revenue Budget, is identified as one of the Council's corporate risks, as is the Council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy. Both these risks are subject to regular review and reporting.
- 4.6.2 Failure to address these issues will ultimately require the Council to consider even more difficult decisions that will have a far greater impact on front-line services including those that support the most vulnerable and thus on our Best Council Plan ambition to tackle poverty and reduce inequalities.
- 4.6.3 Financial management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This risk-based approach will continue to be included in the in-year financial reports presented to Executive Board.

4.6.4 In addition, risks identified in relation to specific proposals and their management will be reported to relevant members and officers as required. Specific risks relating to some of the assumptions contained within the initial budget proposals are detailed in the attached Executive Board report.

5. Conclusions

5.1 In accordance with the Council's Budget and Policy Framework, the Chief Officer – Financial Services submitted the attached report to the Executive Board on 16 December 2020 setting out the Initial Budget Proposals for 2021/22, as well as providing an update on the provisional budgets for 2022/23 and 2023/24.

5.2 The Executive Board had previously approved three sets of savings proposals for 2021/22 through its September, October and November 2020 meetings which were subsequently submitted to Scrutiny for consultation. A composite report summarising Scrutiny feedback during this initial phase of consultation was presented to the Executive Board as part of its December 2020 meeting. However, the Executive Board has now approved a further £5.2m potential savings, with an anticipated reduction in the workforce of 97.5 FTE budgeted posts. These are set out in Appendix 4 of the attached report. In terms of achieving a balanced position for the 2021/22 budget proposals, the Scrutiny Board is also asked to note that a further £5.3m of proposals is expected to be brought to February's Executive Board, along with the Council's Budget Report.

5.3 As such, any additional comments or recommendations made by the Scrutiny Board during today's meeting will inform a further 'phase 2' composite report by Scrutiny to be submitted to the Executive Board for consideration at its meeting in February 2021; prior to submission of the proposed budget to full Council on 26 February 2021.

6. Recommendations

6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and identifies any specific comments and/or recommendations for consideration by Executive Board as it prepares its final proposals for consideration by full Council in February 2021.

7. Background documents¹

7.1 None

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

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**Report of the Chief Officer – Financial Services
Report to Executive Board
Date: 16th December 2020**

**Subject: Proposed Budget for 2021/22 and Provisional Budgets for 2022/23
and 2023/24**

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Will the decision be open for call-in? Recommendations 16.1 and 16.5 are eligible for call in; 16.2, 16.3 and 16.4 are not eligible.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary

1. Main issues

- The purpose of this report is to both set out the Council's proposed budget for 2021/22 and to note the provisional budgets for 2022/23 and 2023/24.
- Following on from reports considered by this Board at its September, October and November meetings, this report also presents a series of proposals to contribute to the council achieving a balanced budget for 2021/22 and, where appropriate, seeks to begin meaningful consultation with staff, trade unions, service users and the public as required. These include a set of organisation design proposals to realign some services differently within the current directorate structure, aimed at: maximising capacity and avoiding duplication; supporting more collaborative working; driving a more digital approach with increased automation and self-service functionality where appropriate; whilst also delivering financial savings. (Further information is provided at Appendix 4 with a supporting report at Annexe 4.2.)

- These budget proposals support the Council's Best City/Best Council ambitions, policies and priorities aimed at tackling poverty and reducing inequalities as set out in the Best Council Plan.
- These budget proposals are set within the context of the 2021/22 – 2025/26 Medium Term Financial Strategy, which was approved by the Executive Board on the 24th September 2020, and which continues the journey that commenced in 2019 whereby the Council's revenue budget becomes more financially robust, resilient and sustainable by moving away from the use of one-off sources of funding such as capital receipts and reserves to fund recurring expenditure.
- The Chancellor of the Exchequer announced the Spending Review 2020 on 25th November 2020. Contrary to previous announcements about this Spending Review, it is for one year only, covering 2021/22. Whilst the Spending Review came later than hoped, our assumptions that there would be little change to general funding allocations seem to be correct. However, within these funding announcements some sources of funding are changed. Our assumption had been that Adult Social Care funding would be £10.1m roll forward grant and an additional £6.5m of funding in 2021/22. This has been replaced by new funding of £4.1m and the ability to raise an Adult Social Care precept through Council Tax of £9.9m, thus increasing the amount of local funding used to fund Adult Social Care. There have also been some one-off funding allocations specific to the current economic situation due to COVID-19. We await further detail at the provisional Settlement expected mid-December. The consequence of a one year spending review is the uncertainty of future funding for Local Government which makes financial planning difficult. The next step of the Government's budget setting process will be the provisional Settlement, expected in in mid-December.
- The current financial climate for local government continues to present significant risks to the Council's priorities and ambitions and this report has been prepared against a background of uncertainty with regard to the Government's spending plans from April 2022. The Council continues to make every effort possible to protect the front line delivery of services and to avoid large scale compulsory redundancies. It is clear from the size of the estimated budget gap for the period 2021/22 to 2025/26, detailed in the Medium Term Financial Strategy report received at Executive Board in September 2020, that the position continues to be extremely challenging, especially when account is taken of the ongoing financial impact of COVID. It will therefore be increasingly difficult to maintain current levels of service provision without significant changes in the way the Council operates.
- The forecast position for the financial period to March 2024, as referenced in this report, recognises the requirement to make the Council's budget more financially resilient and sustainable whilst providing increased resources to support demand led services within the Council.

- The headlines from the 2021/22 proposed budget when compared to the 2020/21 budget, are as follows:
 - An increase in the Settlement Funding Assessment (SFA) of £0.2m (0.1%)
 - Spending Review 2020 announced a core council tax increase of 1.99% and an option to increase the Adult Social Care precept of 2.99%. Despite these increases, we project a reduction in local funding of £1.9m following a reduction in the council tax base, mainly due to the increased cost of Local Council Tax Support, and the deficit from 2020/21 that will have to be funded in 2021/22.
 - Business rates has gone down due to a contraction of the tax base in 2020/21, a projected increase in empty rates and the requirement for bad debt provisions in 2021/22, a lack of growth in 2021/22, and a persistent increase in small business rates relief. Taken together with the deficit from 2020/21 that will have to be funded in 2021/22, the net impact of business rates retention on the 2021/22 general fund is £28.7m.
 - Resources receivable from SFA, council tax and business rates have decreased due to the impact that COVID-19 has had on growth in those bases. Pay, price and demand pressures mean that the Council will need to deliver £94.5m of savings by March 2022. This position includes a contribution of £1.9m to General Reserves as part of measures to ensure the Council's longer term financial sustainability.
 - To date this gap has been addressed through directorate and corporate savings of £66.7m, £20.1m from asset sales and £2.4m through Treasury Management savings. In terms of achieving a balanced position for the 2021/22 budget, a further £5.3m of proposals will be brought to February's Executive Board, along with the Council's Budget Report.
 - A decrease in the Council's net revenue budget of £106.1m to £419.6m. However, during 2020/21 Government announced additional grant funding for local authorities in response to the impact of COVID-19 on council tax and business rates. Grant of £83.2m will be carried forward into 2021/22 to part-fund the deficit position on the Collection Fund, reducing the financial impact of COVID-19 on the 2021/22 budget. Taking account of this additional grant, the resulting comparison with the 2020/21 budget would be an adjusted net revenue budget reduction of £22.9m.
- As set out at Table 13 of this report, the Medium Term Financial Strategy received by this Board in September identified an estimated budget gap of £118.8m. Since that report, there has been a net increase in assumed funding of £11.1m and a net reduction in budget pressures of £16.5m, both largely as a result of measures announced by Government at Spending

Review 2020. The September position also included £3.3m of savings previously agreed and reported as part of the 2020/21 budget process. Together these summarise the movement from the gap reported in September to the £94.5m of savings the Council is now required to deliver by March 2022.

- As referenced above, the Council Tax section of this proposed budget includes a 3% increase in the Adult Social Care precept, in line with the Spending Review 2020 announcements. Should this proposed increase be reduced below the anticipated precept amount, any shortfall will require identification of proposals to balance this reduction. This could include using one-off funding from the Adults and Health reserve.
- In respect of the Housing Revenue Account, the return to the Government's formula of annual rent increases being no greater than CPI+1% from April 2020 will see rents for all tenants increase by 1.5% in 2021/22 whilst garage rental rates will increase by RPI of 1.1%.
- The North and West Yorkshire Business Rates Pool, of which Leeds City Council is a member, concludes on the 31st March 2021. After the one year Spending Round announced on 4th September 2019, it became clear that 75% Business Rates Retention nationally would be delayed; we currently await further information as to when this will be introduced. As such, pools returned to 50% retention in 2020/21, and we expect will continue under these rules for at least another year. Leeds City Council have submitted an application on behalf of the following authorities to form a pool operating under the national 50% scheme in 2021/22: Bradford, Calderdale, Harrogate, Kirklees, Leeds, Wakefield, and York. The advantage of forming a business rate pool is the retention of levy payments within the region that would otherwise have to be made to Central Government. This proposed budget report recognises that Leeds City Council will be required to make a levy payment in 2021/22 to either the new Leeds City Region Business Rates Pool or to Government, depending on the outcome of this application.
- From 1st April 2013 to 31st March 2018 Leeds City Council charged a 50% council tax premium on empty dwellings unoccupied for more than two years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 permitted councils to increase this premium incrementally from 1st April 2019. In January 2019 Full Council agreed to increase the long term empty premium from 50% to 100%. In January 2020 Full Council agreed to increase the long term empty premium for properties that have been empty for at least five years to 200% from 1st April 2020. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 also permits councils to raise the premium to 300% for dwellings that have been empty for at least 10 years from 1st April 2021. The proposal to implement this additional premium will be decided by Full Council in January 2021. In addition to this, the decisions made to date do not provide for any exclusions or any scope for discretion in this matter. Recommendations have been made that certain exclusions should apply

and that Leeds City Council officers should be able to exercise their discretion for both the historic increases and also the potential increase of 300%. Should this be approved a policy will be prepared to identify the appropriate exclusions. The estimated Council Tax base used for the proposed budget does not currently assume either of these proposals, though we project them to have minimal net financial impact.

- In the Autumn Budget 2018 the Chancellor announced new business rates reliefs for small retail businesses with a rateable value of less than £51,000, who were to receive a one third reduction in their business rates liability for the two years 2019/20 and 2020/21. In the following Autumn Budget 2019 the Chancellor announced that he was going to increase the reduction for these small retailers from 33.3% to 50% and the Council's final budget for 2020/21 reflected this increase. However on 24th March 2020, following the announcement of the first coronavirus lockdown this scheme was superceded by 100% relief for all retail, leisure and childcare establishments, with no upper limit on individual properties' rateable value or State Aid caps. The 100% relief will last until 31st March 2021. These proposed budget proposals assume that in 2021/22 the 100% unlimited relief scheme will cease and be replaced by the previous 50% scheme for small retailers only, that local newspaper offices will continue to receive a £1,500 reduction for a further year and public lavatories will, by statute, receive 100% business rates relief. Local authorities will be compensated in full by Government for any resultant loss of income.
- In the Spring Budget 2017 the Chancellor announced a four year funding scheme for billing authorities to offer discretionary relief to businesses most impacted by the 2017 Business Rates Revaluation. Billing authorities were obliged to design their own local discount schemes, with Executive Board approving the proposed scheme for Leeds in June 2017. 2020/21 was the final year in which funding was be made available, with the Council able to distribute just under £0.05m in reliefs to businesses and the full cost being met by Government grant. These proposals reflect the fact that the Council will no longer be able to offer businesses further reliefs relating to the adverse effects of the 2017 Revaluation in the city.
- COVID-19 has fundamentally affected the way the Council works. Whilst the impact of COVID-19 has been to reduce the level of resources available to the Council it has also provided the opportunity to consider how its business and services should operate in the future and this is reflected in a number of the budget savings proposals that have been received at Executive Board.
- As referenced above, the Medium Term Financial Strategy received at Executive Board in September identified an estimated budget gap of £118.8m. In response to this financial position the Council established a 'Financial Challenge' programme of service reviews to identify savings that would contribute towards closing the estimated 2021/22 gap. In September, October and November this Board received budget savings proposals reports which reduced the estimated budget gap down to £60.6m.

- In terms of achieving a balanced position for the 2021/22 budget proposals, a further £5.3m of proposals will be brought to February's Executive Board, along with the Council's Budget Report.

2. Best Council Plan Implications

- The Best Council Plan is the Council's strategic plan which sets out its ambitions, outcomes and priorities for the City of Leeds and for the Local Authority. The City ambitions as set out in the Best Council Plan are that the Council, working in partnership, will continue to tackle poverty and inequalities through a combination of strengthening the economy and doing this in a way that is compassionate and caring. Three pillars underpin this vision and these are inclusive growth, health and wellbeing and the climate change emergency which aims to embed sustainability across the Council's decision making. The Authority's internal "Best Council" focus remains on becoming a more efficient, enterprising and healthy organisation.
- The Best Council Plan 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. This is the primary purpose of the Medium Term Financial Strategy which then provides the framework for the determination of Council's annual revenue budget for which the initial proposals for 2021/22 are contained in this report.

3. Resource Implications

- The financial position as set out in the Medium Term Financial Strategy which was received at September's Executive Board identified an estimated budget gap of £166.3m for the period 2020/21 – 2025/26. Of this estimated gap £163.3m related to 2021/22- 2023/24. This reported position took account of the estimated level of resources available to the Council whilst at the same time reflecting the ongoing impact of COVID-19. In addition it reflected the requirement to make the Council's revenue budget more financially resilient and sustainable over the medium term whilst at the same time recognising increased demand pressures for the services that we deliver.
- Within the Medium Term Financial Strategy a gap of £118.8m was identified for 2021/22 and budget savings proposals to address this position and ultimately to deliver a balanced budget position are contained within this proposed budget report.
- The provisional budgets for 2022/23 and 2023/24 have been updated and the estimated budget gaps are £55.7m and £32.4m for the respective years.

Recommendations

- With regard to the savings proposals presented at Appendix 4, Executive Board is requested to:
 - Note the financial position for 2021/22 outlined in this paper and that further savings are required to deliver a balanced budget position;
 - Note the 'Business as Usual' savings 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);
 - Agree the recommendations in the 'Service Review' proposals at Annexe 4.2 and that consultation commences. And to note that decisions to give effect to them shall be taken by the relevant Director or Chief Officer, following the consultation period, in accordance with the Officer delegation scheme (Executive functions) save where the Leader, relevant portfolio holder or Director considers that the matter should be referred to Executive Board for consideration.
- Executive Board is asked to agree to consultation on the proposed budget for 2021/22. This includes the proposed increases in core Council Tax and the Adult Social Care precept. Further to this, that these budget proposal are submitted to Scrutiny and for wider consultation with stakeholders.
- Executive Board is asked to note the provisional budget position for 2022/23 and 2023/24 and to note that savings proposals to address the updated estimated budget gaps of £55.7m and £32.4m for 2022/23 and 2023/24 respectively will be reported to future meetings of this Board.
- Executive Board is asked to note that the proposal to approve the implementation of an additional Council Tax premium on any dwelling where the empty period is at least ten years, from 200% to 300% premium, will be considered by Full Council in January 2021.
- Executive Board is recommended to approve that, should the application to form a new Leeds City Region Business Rates Pool be successful, Leeds City Council becomes a member of the proposed Pool and acts as lead authority for it. The establishment of this new Pool will be dependent upon none of the other proposed member authorities choosing to withdraw within the statutory period after designation.

1. Purpose of report

- 1.1 This report details the proposed budget for 2021/22, set within the context of the Medium Term Financial Strategy approved by Executive Board in September 2020, the Spending Review 2020, and proposed budget savings reports, received at Executive Board in September, October and November, that contribute towards bridging the estimated budget gap for 2021/22.
- 1.2 Subject to the approval of the Executive Board, this proposed budget for 2021/22 will be submitted to the respective Scrutiny Boards for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 10th February 2021. These budget proposals will also be made available to other stakeholders as part of a wider and continuing process of engagement and consultation.
- 1.3 This report also provides an update on the provisional budgets for 2022/23 and 2023/24 and the Executive Board are asked to note these revised positions.
- 1.4 In accordance with the Council's budget and policy framework, decisions as to the Council's budget are reserved to Full Council. As such, the recommendations in paragraphs 16.2 to 16.4 are not subject to call-in as the budget is a matter that will ultimately be determined by Full Council.
- 1.5 However the recommendations in paragraph 16.1, regarding new savings proposals and paragraph 16.5, regarding the Council's participation in the 2021/22 50% Business Rates Pool are decisions of the Executive Board and as such are subject to call-in.

2. The national context and Spending Review 2020

- 2.1. The socio-economic conditions and the policy drivers that shape our Medium Term Financial Strategy and the proposed budget have clearly been affected by COVID-19 which continues to have a major impact at all levels, international, national and local. It has also severely impacted the Council's operating environment both in terms of the demand for services and our financial framework.
- 2.2. COVID-19 has fundamentally affected the way in which the Council works. Elements of this change which relate directly to crisis response will, in time, revert largely back to normal. However, an event of this magnitude undoubtedly means the Council will need to consider closely how its business and services should operate in the future. Measures introduced nationally to combat the virus have had direct and indirect negative impacts on Council finances which will need to be managed over future years. There remains potential longstanding impact on Council income if behaviour, working practices and spending patterns in the city continue to change and this will need to be monitored and managed moving forward.

- 2.3. Beyond the pressures of COVID-19, the economic context in which public spending must be considered continues to be dominated by the debate concerning the impact of Britain exiting the EU with or without a trade deal and the strength and resilience of the national economy. On 31st January 2020 the UK left the EU, and at the end of December 2020 the transition period will come to an end. While throughout this time Leeds has been preparing to take advantage of the opportunities the EU exit presents, it is important to recognise the potential impact the loss of European Structural and Investment Funds (ESIF) could have. The Government has previously committed to introduce the UK Shared Prosperity Fund (UKSPF) from 2021 to replace ESIF, but full details about the fund and how it will operate have not yet been published. On trade, we await the outcome of ongoing negotiations about the future UK/EU relationship as the transition period comes to an end in December 2020. There continues to be significant uncertainty about the shape of any trade agreement which may be reached, and the potential for an exit on World Trade Organisation (WTO) terms remains possible. The Council has been closely monitoring developments over recent years, ensuring it is as prepared as possible to respond to all potential exit scenarios. This places Leeds in a strong position to grasp any opportunities presented by EU exit, but it will not be possible to anticipate what all impacts of the final exit terms may be. Therefore the Council will need to remain ready to respond in an agile way as the situation develops.
- 2.4. As a part of the Comprehensive Spending Review process the Government asks for representations to inform policy development and these representations should contain policy suggestions which should explain the desired outcome, policy rationale, costs, benefits and deliverability of proposals. The outcome of the Comprehensive Spending Review was due to be incorporated into the Chancellor's Autumn budget speech, setting out the Government's spending plans for the forthcoming three financial years. However, this multi-year review was postponed due to the Coronavirus pandemic. We anticipate that any multi-year review in the future will need to take into account the nature of Brexit and set out further plans for long-term reform.
- 2.5. As such, the Chancellor of the Exchequer, Rishi Sunak, delivered his most recent Budget statement on Wednesday 11th March 2020 and announced the results of the Government's Spending Review on 25th November. This covered the financial year 2021/22 only.
- 2.6. The headline announcements in the Spending Review 2020 are as follows:
- Local government's Core Spending Power (CSP) will increase by £2.1bn (4.5%) in 2021/22. We await further details at the Provisional Settlement.
 - 2% increase in "core" Council Tax plus a further 3% increase in the Adult Social Care precept. The impact on the Leeds budget is an increase of £6.5m for the core increase, plus £9.8m for the ASC precept. This is further discussed at paragraph 4.6.

- Additional £300m social care grant funding: The Leeds share of this could be in the region of £4.2m. In addition to this there will be a roll forward of the 2020/21 £1bn social care grant, the Leeds share of which is included in the proposed budget assumptions.
- £200m for indexation: for Revenue Support Grant (RSG) and the effect of cap compensation on business rates income and baselines, included in the proposed budget for Leeds' business rates.
- £3bn additional funding for COVID-19 pressures to include:
 - £670m to fund additional council tax support claimants. We await further details at the provisional settlement before identifying the Leeds share of this.
 - £762m to fund 75% of "irrecoverable loss of council tax and business rates revenues in 2020-21". The Leeds share of this is expected to be approximately £9.7m in each of the following years: 2021/22, 2022/23, 2023/24. This is included in these budget proposals.
 - £1.55bn for additional expenditure pressures. The Leeds share of this could be in the region of £24.3m and is expected to be used to offset additional pressures. Further information will be received at the Provisional Settlement.
 - Sales, fees and charges (SFC) compensation scheme will be extended into the first 3 months of 2021/22. We expect this to be net neutral to the Authority.
- Public sector pay "pause", however public sector workers earning less than £24,000 to receive a minimum £250 increase. It is projected that this would make an additional £3.4m of funding available for Leeds City Council. This is included in these proposals.

As referenced above, we expect further detail and local authority allocations at the Provisional Local Government Settlement in mid-December.

- 2.7. As such this proposed budget is based on the announcements made during the Spring 2020 Budget, subsequent Government announcements relating to future years funding, and assumptions made following the publication of the Spending Review 2020.
- 2.8. At the time of the Spending Review 2020, the Office for Budget Responsibility (OBR) also published its independent economic and fiscal forecasts. Due to the huge uncertainty surrounding the course of the pandemic and the impact on the economy and public finances, the OBR have forecast three scenarios; the Central forecast, Upside and Downside. All three assume a smooth transition to a free-trade agreement with the EU. The following statistical forecasts are based on the Central forecast:

- Following the first wave of infections the UK experienced slow economic recovery. The latest resurgence of infections prompted the re-imposition of a national lockdown. In the UK economy GDP is set to fall by 11% in 2020.
- The OBR then predicts that the economy will recover by 5.5% in 2021, 6.6% in 2022 and 2.3% in 2023. By 2025 the economy is predicted to remain 3% smaller than previously expected.
- Public sector net borrowing is set to rise to £393.5bn in 2020/21. Borrowing is then projected to fall fairly quickly to £164.2bn in 2021/22 and £104.6bn in 2022/23, then levelling off at around this level in subsequent years until the end of this Parliament.
- In 2020/21 Public Sector Current Expenditure (PSCE) is projected to rise sharply to £1,028.9bn, this includes £83.4bn on virus-related income support schemes. In the following years it is forecast to reduce to £892.8bn in 2021/22 and £863.8bn in 2022/23.

2.9. Average earnings grew by 2.9% in 2019. Projected growth falls to 1.2% in 2020, but is then expected to rise by 2.1% in 2021, 2.0% in 2022 and 2.4% in 2023.

2.10. CPI inflation is projected to fall from 1.8% last year to 0.8% in 2020. It is then forecast to rise slightly to 1.2% and 1.6% respectively in 2021 and 2022.

2.11. As referenced above, these forecasts were based on there being a smooth transition to a free-trade agreement with the EU in the new year, and the OBR has previously stated that “a disorderly [Brexit] could have severe short-term implications for the economy, the exchange rate, asset prices and the public finances”¹. It is within this economic context that the proposed budget for 2021/22 needs to be considered.

2.12. The latest Indices of Multiple Deprivation (IMD) were released in September 2019 following the previous 2015 update. The IMD is the official measure of relative deprivation in England and ranks each Lower Super Output Area (LSOA: a small area with a population of around 1,500 people) from the most deprived (1) to least deprived (32,844). The ranking is based on 39 separate indicators organised across seven distinct domains of deprivation, which are combined and weighted to calculate the overall IMD. With a range of resources and analysis on the IMD publicly available on the Leeds Observatory [here](#), key headlines for Leeds include:

- 24% of Leeds’ LSOAs fall within the most deprived 10% nationally, compared with 22% in 2015 which highlights some increase in relative deprivation.

¹ OBR, Economic and Fiscal Outlook – October 2018, p7, para 1.12

- Leeds ranks 33 out of 317 (where 1 is most deprived and 317 is least deprived) local authorities when looking at proportions of LSOAs in the most deprived 10% nationally.
 - The most deprived areas are concentrated in the inner east and inner south of the city.
 - 12 LSOAs in Leeds have been ranked in the most deprived 1% nationally compared to 16 in 2015.
- 2.13. In December 2017, the Government launched its Fair Funding Review of Local Government finance, to refresh the methodology on which local authority needs and resources are assessed and levels of government funding are determined. Government previously indicated that Spending Review 2020, which was expected in the Autumn, would allocate funding to local government for the three year period 2021/22 – 2023/24. The Fair Funding Review and Business Rates Retention Reform were initially then intended to follow on from this three year settlement. However, in addition to the delay to the anticipated three-year settlement, Government has since announced that the Business Rates Revaluation, which would have revalued every business property in the country, will now not take place until 2023/24. Such a Revaluation requires significant further adjustments to be made to the Business Rates Retention Scheme and this, in conjunction with the disruption caused by the ongoing Coronavirus crisis, leads to the assumptions reflected in this report that the new Fair Funding formula and reform to Business Rates Retention will now also be delayed until the Revaluation is completed in April 2023.
- 2.14. In the context of budget setting and financial planning the increase in relative deprivation shown in the IMD 2019 is significant as deprivation will be reflected to a greater or lesser extent in the Fair Funding formula being developed. Consultation regarding the new funding formula and the extent to which deprivation will be reflected is ongoing. These budget proposals do not currently assume any impact of the increase in relative deprivation as sufficient detail is not yet known.
- 2.15. At a local and regional level 2021 is likely to see some major changes. Following the agreement of a devolution deal for West Yorkshire in March 2020, the region is expected to hold its first mayoral election in May 2021. Devolution will result in a new working relationship between the Council, the West Yorkshire Combined Authority (WYCA) and a new elected mayor, alongside significant levels of additional funding for the region to match its ambition. Funding will in the first instance be devolved to WYCA, but the Council may need to think differently about the way in which services are organised, funded and delivered as regional collaboration continues to be strengthened over the coming years.

- 3. Developing the 2021/22 Budget and Medium Term Financial Strategy with the Best Council Plan.**
- 3.1. Between the 2010/11 and 2020/21 budgets, the Council's core funding from Government has reduced by around £263m. Additionally the Council has faced significant demand-led cost pressures, especially within Adult Social Care and Children's Services. To date, the Council has responded successfully to the challenge since 2010 through a combination of stimulating good economic growth, creatively managing demand for services, increasing traded and commercial income, growing council tax from new properties and a significant programme of organisational efficiencies, including reducing staffing levels since 2010/11 by over 2,300 FTEs.
- 3.2. Through targeting resources into preventative services the Council has ensured that the implications of demand and demographic pressures that have resulted in significant cost pressures in other local authorities have been contained within Leeds. This is reflected in service areas such as the number of people registered in Temporary Accommodation where Leeds benchmarks favourably against most Core Cities and our Regional and Statistical neighbours.
- 3.3. The Best Council Plan is the Council's strategic plan which sets out its ambitions, outcomes and priorities for the City of Leeds and for the Local Authority. The "Best City" and "Best Council" ambitions set the strategic context for the Medium Term Financial Strategy 2021/22 – 2025/26 which was approved at September's Executive Board. The Best Council Plan 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 policies against financial constraints. To enable the achievement of the Council's ambitions the Council has developed its Medium Term Financial Strategy to cover five years to direct the resources of the Council to the priorities identified in the Best Council Plan and it is within this financial framework that the annual budget is developed.
- 3.4. Inevitably, managing the £263m reduction in Government funding, combined with increasing cost pressures, has meant that the Council has had to make some difficult decisions around the level and quality of services that it delivers.
- 3.5. Looking ahead, and as detailed in the Council's Medium Term Financial Strategy, the Council is facing an estimated budget gap of £166.3m for the period up to and including 2025/26 and of this gap £118.76m relates to 2021/22. The financial challenge now facing the Council is to manage these pressures alongside the significant impact brought upon by the current COVID-19 situation. The needs of the communities serviced by Leeds City Council have already increased and will continue to do so, and the various funding streams that support local government are effected by the longer term economic scarring as a result of the virus.

3.6. In recognition of the financial challenge the Council has embarked on a programme of service reviews which, combined with business as usual savings, contribute towards closing the estimated revenue budget gap and enable the Authority to present a balanced budget position in 2021/22. As detailed in the Council's Medium Term Financial Strategy, it is becoming increasingly difficult over the coming years to identify further financial savings without significant changes in what the Council does and how it does it. This impacts upon the delivery of the Council's ambitions as detailed in the Best Council plan and will have significant implications for directly provided services and those commissioned by the Local Authority, impacting upon staff, partners and service users. In order to deliver the Council's ambitions of tackling poverty and reducing inequalities, consideration may have to be given to stopping, delivering differently or charging for those services that are no longer affordable and are a lesser priority than others. This will be achieved through a continuing process of policy and service reviews across the Council's functions and ongoing consultation and engagement.

4. **Estimating the Net Revenue Budget for 2021/22**

4.1. **Settlement Funding Assessment – increase of £0.2m**

4.1.1. Settlement Funding Assessment is essentially the aggregate of core government grant and business rate baseline funding for a local authority.

4.1.2. The current financial year, 2020/21, is a one-year settlement period. During 2020/21 councils expected to be notified of a three-year Spending Review covering 2021/22-2023/24. However, due to increased pressures caused by the Covid-19 crisis, a one-year Spending Review was announced on 25th November 2020, with a multi-year Spending Review anticipated in the future.

4.1.3. Table 1 below sets out the Council's estimated Settlement Funding Assessment for 2021/22, which is based on an assessment of what the Council may expect to receive from the Spending Review 2020. This represents a small increase of £0.2m compared to 2020/21 which is equivalent to a 0.1% increase. This reflects the annual increase in the CPI in September 2020 which has been applied to the Revenue Support Grant (RSG), but is not applied to the Business Rates Baseline. The total, national, change in SFA between 2020/21 and 2021/22 will not be known until the publication of the Provisional Financial Settlement but, based on the above assumption, it is estimated to be in the order of a £8.9m increase across England.

Table 1 – Settlement Funding Assessment

	2020/21 £m	2021/22 £m	Change £m %	
Revenue Support Grant	28.2	28.4	0.2	
Business Rates Baseline Funding	158.4	158.4	0.0	
Settlement Funding Assessment	186.6	186.8	0.2	0.1

- 4.1.4. The business rates element of the Settlement Funding Assessment is determined by taking the 2020/21 baseline business rates amount and uplifting it by the same percentage increase as the small business rates multiplier, which the Government announced would be frozen in 2021/22. This is then reduced by the tariff the authority has to pay to Government because it is assessed as collecting more business rates than it requires for its spending needs, known as its baseline funding level. The tariff is also increased by the increase in the multiplier from its 2020/21 amount. Local authorities will receive full compensation for the freezing of the business rates baseline and the tariff in 2021/22.

Table 2 - Breakdown of the Settlement Funding Assessment

	2020/21 £m	2021/22 £m	Change £m
Settlement Funding Assessment	186.65	186.80	0.16
Which includes:			
Council tax freeze grant 2011/12	6.64	6.64	0.00
Council tax freeze grant 2013/14	2.77	2.77	0.00
Early intervention grant	13.73	13.73	0.00
Preventing homelessness	0.86	0.86	0.00
Lead local flood authority grant	0.24	0.24	0.00
Learning disability & health reform grant	11.46	11.46	0.00
Local welfare provision	2.59	2.59	0.00
Care act funding	6.62	6.62	0.00
Sustainable drainage systems	0.02	0.02	0.00
Carbon monoxide & fire alarm grant	0.00	0.00	0.00

- 4.1.5. In addition to general grant, there are a number of other funding streams that make up the Settlement Funding Assessment. It is currently assumed that these will roll forward at 2020/21 levels. If necessary this assumption will be updated following publication of the Provisional Financial Settlement. These funding streams include early intervention, homelessness prevention, lead local flood authorities and learning disability & health reform funding.

4.2. Business Rate Retention

- 4.2.1. Leeds has the most diverse of all the UK's main employment centres and has seen the fastest rate of private sector jobs growth of any UK city in recent years. Yet this apparent growth in the economy has not translated into business rate growth; in fact the income from business rates available

to the Council declined from 2015/16 to 2017/18, only returning to 2014/15 levels in 2018/19 with the introduction of the 100% retention pilot. The effect of the present coronavirus crisis has reversed this growth again with in-year income levels from the Business Rates Retention Scheme (i.e. excluding the exceptional effect of the Collection Fund deficit from 2020/21) expected to decline back below 2015/16 levels in 2021/22 and not to recover to budgeted 2020/21 levels until 2023/24.

- 4.2.2. The total projected rateable value of businesses in Leeds is £912.3m which would generate gross business rates income of £455.2m. It is not projected that there will be any business rates growth in 2021/22. As shown in Table 3, the impact of a range of business rate reliefs (see paragraph 4.3 below) and statutory adjustments reduces this to a net income figure of £336.7m.
- 4.2.3. Under the projected 50% Business Rates Retention (BRR) scheme, Leeds City Council's share of this income is £165.0m (49%). The Authority then pays a tariff of £14.4m to Government because Leeds is assessed to generate more business rates income than it needs.
- 4.2.4. Leeds must also meet its share of the business rates deficit created in 2020/21, which totals £109.0m. The unusually large deficit from 2020/21 comprises of a number of components. The first is the part of the deficit generated by the unprecedented level of reliefs introduced by the Government as a response to the COVID-19 lockdown for which the Council receives full compensation (see paragraph 5.4.7 below). The Council will hold the funding it receives in excess of expectations in the 2020/21 budget in its General Fund reserves to meet this part of the deficit in 2021/22. The second part of the deficit are losses generated by other issues arising from the coronavirus crisis, such as delayed development leading to a reduction in the tax base in the city, an increased demand for Empty Rate Relief and increased levels of bad debt. Initially the Government announced they would require billing authorities to spread the cost of this part of the deficit, or, as termed in law, 'the exceptional balance' over three years and Regulations have been made defining what costs can be spread. The exceptional balance in Leeds is projected to be £26.69m and it is therefore possible to credit an adjustment of £17.79m to the calculation of income available to the proposed budget. This leaves net income of £59.5m which contributes to the Council's net revenue budget.
- 4.2.5. Subsequently, at the Spending Review 2020, the Government announced that 'irrecoverable losses' caused by shortfalls in business rates and council tax income, which have to be met from council's budgets in 2021/22 and subsequent years, would be compensated for at 75%. As yet there is no definition of irrecoverable losses. It is assumed in this proposed budget that the 'exceptional balance' will be classed as irrecoverable losses and the compensation will be spread over three years also. As a result it is estimated Leeds will receive a general fund grant of £6.67m in 2021/22, however, as a general fund grant, this compensation will not affect Leeds' net revenue budget. The total estimated compensation that Leeds will

receive over the three years that the exceptional balance will have to be paid back to the collection fund is estimated to be £20.0m.

Table 3 – Rateable Value in Leeds and Business Rates Income Generated

	£
Rateable Value in Leeds projected to 31 March 2021	912.27
multiplied by business rates multiplier	0.499
Gross business rates based on projected rateable value	455.22
Estimated Growth	0.00
equals gross business rates to be collected in Leeds	455.22
less: -	
Mandatory Reliefs	-78.89
Discretionary Reliefs	-9.37
Transitional Adjustments (year 4)	0.00
equals net business rates paid by ratepayers	366.96
less adjustments for: -	
Bad debts and appeals	-26.34
Cost of collection	-1.26
Projected Enterprise Zone and renewable energy projects yield	-2.66
Transitional Adjustments repaid to Government	0.00
equals non-domestic rating income in Leeds	336.69
Split into shares: -	
Leeds City Council (49%)	164.98
<i>West Yorkshire Fire Authority (1%)</i>	<i>3.37</i>
<i>Central Government (50%)</i>	<i>168.35</i>
less deductions from operation of business rates retention scheme: -	
Leeds City Council's tariff from Local Government Finance Settlement	-14.36
Leeds City Council's share of deficit from 2020-21	-108.96
Adjustment for spreading the 'exceptional deficit' over 3 years	17.79
Leeds City Council 's 2021-22 income from business rates	59.45

- 4.2.6. As shown above, business rates income is shared between local and central government. Under the 50% Business Rates Retention scheme local authorities experiencing business rates growth are able to retain 49% of that growth locally, but also bear 49% of the risk if business rates fall or fail to keep pace with inflation, although a safety-net mechanism is in place to limit losses in year.
- 4.2.7. In particular, BRR exposes local authorities to risk from reductions in rateable values. The system allows appeals if ratepayers think rateable values have been wrongly assessed or that local circumstances have changed. One major issue is that successful appeals are usually backdated to the start of the relevant valuation list, which means that for every £1 of rateable value lost on the 2010 list growth of £6 would be necessary to fund the cost. At the end of October 2020 there were around 800 outstanding appeals against the 2010 ratings list in Leeds.
- 4.2.8. Until the beginning of 2020/21 and the introduction of nationwide restrictions across the UK, the 2017 ratings list was proving to be less susceptible to challenge than the previous 2010 list. The 2010 list was based on rental values in 2008, just before the 'financial & economic crisis' but came into effect after that crisis, when property values had greatly

reduced. Appeals submitted against the new 2017 list can only be backdated to 1st April 2017, and, together with the impact of the new 'check, challenge, appeal' appeals process, which was also introduced on 1st April 2017, had appeared to reduce business rate appeals and volatility going forward. However, following the introduction of national restrictions in response to the coronavirus crisis, the number of checks submitted to the Valuation Office Agency, the first stage in the new appeals system, rose from an average of 150 per month to, during the months of May, June and July 2020, over 1,000 per month. The check stage has strict deadlines and most of these checks were determined without a reduction to rateable value, however a significant number (357 by the end of October 2020) have returned to the system as challenges, the second stage of the new appeals process, and cite the first day of the lockdown as the date from which they seek a reduction. It is unclear how successful these challenges will be. It is also too early in the process to ascertain whether these challenges will eventually become appeals, before the Valuation Tribunal the final stage of the appeals process.

- 4.2.9. Since 2013/14 the total amount repaid by way of business rate appeals is £168.9m, at a cost to the Council's general fund of £88.4m. The provision for business rate appeals within the collection fund has been reviewed and recalculated to recognise new appeals and the settlement of existing appeals, and the 2021/22 proposed budget provides for an additional £5.5m contribution from the general fund to fund this provision.

4.3. **Small Business Rates Relief and other mandatory reliefs**

- 4.3.1. From April 2017, Government increased the rateable value threshold for small businesses from £6,000 to £12,000 and the threshold above which businesses pay the higher national business rates multiplier from £18,000 to £51,000. As a result an additional 3,300 small businesses in Leeds immediately paid no business rates at all. Even before the introduction of 100% relief for businesses across the leisure, retail and childcare sectors, in total almost 12,600, about 30%, of business properties in Leeds paid no business rates in 2020/21. Of these businesses just over 9,600 receive 100% Small Business Rates Relief. Whilst Small Business Rates Relief and other threshold changes reduce the business rates income available to Leeds, the Authority recovers 69.1% of the cost of the relief through Government grant. A fixed grant of £0.8m is paid by the Government for the changes to the multiplier threshold and a further £8.7m is recovered through the ratepayers in more valuable properties who still pay rates based on the higher business rates multiplier. The overall proportion any individual authority recovers depends on the mix of large and small businesses in that area.
- 4.3.2. Unlike Small Business Rates Relief, in 2021/22 Leeds will bear 49% of the cost of other mandatory business rate reliefs such as mandatory charity relief and empty rate relief, but has no control over entitlement and no powers to deal with their use in business rates avoidance. Costs of mandatory reliefs have increased significantly since the introduction of

BRR, further reducing Leeds’s retained business rates income: in real terms mandatory charity relief alone has increased by almost 30%, from approximately £22.6m in 2012/13 to a projected £28.2m in 2020/21 costing the Council an estimated £2.7m more in lost income under 49% retention in 2020/21.

4.3.3. In the Autumn Budget 2018 the Chancellor announced new business rates reliefs for small retail businesses, particularly focussing on the High Street. Eligible businesses with a rateable value of less than £51,000 were to receive a reduction in their liability for business rates of a third in 2019/20 and 2020/21. However in the Autumn Budget 2019 the Chancellor announced that small retail businesses would see this relief increased from one third to one half of their business rates liability in 2020/21 and Leeds City Council prepared its Budget accordingly. After the Council’s 2020/21 Budget was adopted and following the announcement of the national lockdown in response to the COVID-19 outbreak in the UK in March 2020, it was announced that all leisure, retail and childcare businesses would receive 100% relief against their business rates. It is assumed in these proposals that the expanded 100% reliefs will not be continued into 2021/22, although the 50% relief for retail establishments with a rateable value of less than £51,000 will continue into 2021/22 and Local Authorities will be fully compensated for the cost. It is also assumed that local newspaper offices will continue to receive a £1,500 reduction for a further year and that public lavatories will receive a new statutory 100% relief against business rates. Local authorities receive a government grant to compensate them for any resultant loss of income. The Government has stated in the 2020 Spending Review that it was considering the future of business rates reliefs and how they could be used to ‘best meet the evolving challenges presented by COVID-19’ and would outline plans in the New Year.

4.4. **Business Rate Retention and the Proposed Budget**

4.4.1. In terms of the proposals in this proposed budget, it is estimated that the local share of business rates funding in 2021/22 will be £165.0m, as set out in Table 3 above. As per Table 4 below, the proposed budget recognises business rate decline below the baseline of £7.81m, a decrease of £18.69m from the 2020/21 budget. This is a significant decline in the city’s locally generated revenue below the baseline (4.7%) largely caused by the COVID-19. The elements of this decline are set out in paragraphs below.

Table 4 – Business Rates, Estimated Growth/(Decline) to the Baseline

	2020/21	2021/22	Change
	£m	£m	£m
Business rates local share	183.66	164.98	(18.69)
Less: business rates baseline	172.79	172.79	0.00
Growth above baseline	10.87	(7.81)	(18.69)

4.4.2. Table 5 sets out the main changes in business rates income that results in this £18.7m decline in growth above the baseline. The single largest element (£-10.8m) is the decline in the tax base that has occurred since the 2020/21 budget caused mainly by the postponement or cancelling of development in the city which normally replaces buildings that are taken out of rating. An increase in the requirement for provisions for bad debt (£4.5m) in 2021/22 is also assumed in anticipation of the financial difficulties businesses will have in the wake of the public health crisis. It is expected that this cost will gradually improve in the subsequent four years back to more normal levels. An increase in demand for Empty Rate Relief (£3.6m) is also assumed as buildings become empty more often during an economic crisis. It is also expected that this cost will improve in the subsequent four years. Since the 2020/21 budget an increase in applications for Small Business Rates Relief (£1.3m) has also been noted as this relief was a condition for certain kinds of support for businesses during the national restrictions. As universal reliefs were offered to businesses in 2020/21 the Council saw a reduction in demand for other specific reliefs that explain most of the other changes in the tax base (£1.5m) that marginally net off the changes in growth above baseline between the budgets of 2020/21 and 2021/22.

4.4.3. It is not expected that the tax base will start to grow again until 2022/23, when it is hoped development will start again slowly and increase in pace slowly during the subsequent three years returning to almost normal levels in 2025/26.

Table 5 – Changes in Growth above the baseline between the 2020/21 and 2021/22 Budgets and subsequently

	2021/22	2022/23	2023/24	2024/25	2025/26
	Indicative	Indicative	Indicative	Indicative	Indicative
Leeds share of growth above the baseline	49%	49%	74%	74%	74%
Growth above baseline assumed previous year (£m)	10.9	-7.8	-6.8	-4.4	1.4
Adjustment due to introduction of 75% retention	0.0	0.0	-3.5	0.0	0.0
Reduction in current taxbase in 2020/21 (£m)	-10.8	0.0	0.0	0.0	0.0
Change in cost of bad debt provisions (£m)	-4.5	1.1	1.7	1.8	1.8
Change in cost of empty rate relief (£m)	-3.6	-0.7	2.5	1.2	0.9
Change in cost of Small Business Rates Relief (£m)	-1.3	0.0	0.0	0.0	0.0
In-year growth of business rates yield (£m)	0.0	0.6	1.9	2.9	4.0
Other changes in the tax base (£m)	1.5	-0.1	-0.2	-0.1	0.0
Growth above baseline assumed current year (£m)	-7.8	-6.8	-4.4	1.4	8.1

4.4.4. The £165.0m local share of business rates funding is then reduced by a £14.4m tariff payment and £109.0m deficit on the collection fund to reduce the funding available to the Council to £41.7m. However the Government has instructed local authorities that the portion of the deficit that has been created by factors other than the reliefs provided by Government to businesses in the retail, leisure and childcare sectors must be spread over three years. Therefore a credit of £17.8m is assumed to be applied to the 2021/22 budget to give the £59.4m estimated business rates funding shown in Table 6 below.

4.4.5. Comparing the £59.4m of business rates funding against the £158.4m business rates baseline (Government's assessment of what it expects a local authority to collect before any local growth is taken into account) produces a deficit of £99.0m which is a £104.3m net deterioration against the budgeted surplus in the 2020/21 financial year. This is a dramatic deterioration compared to the 2020/21 budget, however contained within this £104.6m is a net increase of £79.9m in reliefs provided to businesses covered by the Government's financial assistance to the retail, leisure and childcare sectors, for which the Council received compensation in 2020/21. Once this is netted off against a loss of £4.3m in reduced compensation for historic capping of the Small Business Rates multiplier, it is proposed a reserve of £75.6m be created from the additional funding to help meet the cost of the deficit brought forward to 2021/22. Applying this reserve to the General Fund means that the net impact of business rates retention on the General Fund in 2021/22 will be a reduction in income of £28.7m.

Table 6 – Business Rates Retention 2020/21 & 2021/22

	2020/21 £m	2021/22 £m
Business rates baseline (including tariff)	158.4	158.4
Projected growth above the baseline to March	8.3	(7.8)
Estimated growth in the year	2.5	0.0
Total estimated growth	10.9	(7.8)
Estimated provision for appeals	(5.9)	(5.5)
Additional cost of transitional arrangements and provision for bad debts	0.4	(9.2)
Expanded Retail, Leisure and Childcare Reliefs		(79.9)
Decline in taxbase/increase in Empty Rate Relief and SBRR		(14.4)
Estimated total year-end Collection Fund deficit (Leeds Share)	(5.5)	(109.0)
Adjustment for spreading of deficit over 3 years		17.8
Estimated Business Rates Funding	163.8	59.4
Increase/(reduction) against the Business Rates baseline	5.3	(99.0)
Business Rates Retention - Impact on General Fund Income		(104.3)
Application of the reserve of the additional funding for 2020/21 reliefs		75.6
Net impact of Business Rates Retention on the 2021/22 General Fund		(28.7)

4.4.6. In 2020/21 the Council is a member of the North & West Yorkshire Business Rates Pool, with 50% business rates retention. The Council has submitted an application on behalf of Leeds City Region Authorities to form a 50% retention Business Rates Pool in 2021/22, with a view to retaining levy payments in the region that would otherwise be paid to central government. Leeds City Council expect to hear whether this application is successful at the provisional Local Government Financial Settlement. Paragraph 4.5 of this proposed budget report gives more detail on 50% retention and pooling in the region.

- 4.5. Leeds City Region application to pool 50% Business Rate Retention**
- 4.5.1. In December 2019, Government announced that a joint North and West Yorkshire Business Rates Pool application to pool 50% Business Rates Retention in 2020/21 had been successful. The North and West Yorkshire Pool (NWX Pool) was established on the 1st April 2020.
- 4.5.2. North and West Yorkshire had previously successfully applied to pilot 75% Business Rates Retention in 2019/20. This was for one year only and during the announcement of the Spending Review 2019, the Chancellor of the Exchequer clarified that the introduction of 75% Business Rates Retention nationally would be delayed by a year to 2021/22. We now assume this will be delayed further to 2023/24.
- 4.5.3. Following this announcement authorities in North and West Yorkshire decided to remain in a pooling relationship (albeit with one less member) and have continued to work together in 2020/21. However, the onset of the current Covid-19 has significantly affected the business rates of the Pool members and the decision has been taken to revoke this Pool from 31st March 2021.
- 4.5.4. Following discussions within Leeds City Region authorities, the following have agreed to submit an application for a business rates pool in 2021/22: Bradford, Calderdale, Harrogate, Kirklees, Leeds, Wakefield and York. Due to the legislation surrounding the designation of business rates pools, this process included requesting the revocation of the existing 2020/21 North and West Yorkshire Pool and the designation of a new Leeds City Region Pool for 2021/22. This application was submitted on the 22nd October 2020 and we expect to be informed as to whether it has been successful at the provisional financial settlement.
- 4.5.5. Under the 50% scheme the advantage of forming a business rate pool will only be the retention of levy payments within the region that would otherwise have to be made to central government. Whilst this is significantly below the financial gain from 75% retention, we estimate the gains to the region would be around £4.8 million if such a pool was granted. Leeds City Council's financial commitment would be in the region of £2.1m, whether as a levy to the Pool or to Central Government. This proposed budget recognises that Leeds City Council will be required to make a levy payment in 2021/22.
- 4.5.6. The application itself is not binding. Any member of the proposed pilot Pool will still be able to withdraw during the statutory 28 day window after Government designates the new pilot Pool, as set out in the Local Government Finance Act 2012. It must be noted however that, should any member withdraw, not only would the pilot Pool be revoked but there would be no opportunity to fall back on existing pooling arrangements.
- 4.5.7. This report asks Executive Board to agree that, should the application for a business rates pool at 50% retention be successful, Leeds should become

a member of this new Business Rates Pool and should act as lead authority for it. Notwithstanding this decision, the continuation of the Pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation.

4.6. Council Tax

4.6.1. The 2020/21 budget was supported by a 3.99% increase in the level of council tax, 2% of which was attributable to the adult social care precept. Leeds council tax remains the 2nd lowest of the English core cities and mid-point of the West Yorkshire districts, as detailed in Table 7.

4.6.2. Government provided funding for the on-going effect of previous council tax freezes up to 2015/16. The Council accepted council tax freeze grant for the years 2011/12 to 2013/14. As a result government funding of £9.4m was built into the Council's 2015/16 Settlement Funding Assessment, which persists into the projected 2021/22 Settlement Funding Assessment, as shown in Table 2 above.

Table 7 – 2020/21 Council Tax Levels (Figures include Police and Fire Precepts)

Core Cities	Band D £:p	West Yorkshire Districts	Band D £:p
Nottingham	2,118.99	Kirklees	1,831.95
Bristol	2,061.03	Calderdale	1,810.51
Liverpool	2,027.27	Leeds	1,711.15
Newcastle	1,929.24	Wakefield	1,701.82
Sheffield	1,826.47	Bradford	1,690.01
Manchester	1,724.71		
Leeds	1,711.15		
Birmingham	1,660.31		

4.6.3. The 2021/22 proposed budget recognises a projected loss of £8.2m (5,676 band D equivalent properties) due to both reductions in tax-base growth during the 2020/21 financial year and an increase in the number of Council Tax Support claimants. It also recognises a significant increase in the deficit on the collection fund of £10.0m. The £10.0m is made up of a budgeted £1.6m collection fund deficit in 2020/21 increasing to an estimated deficit on the collection fund of £11.5m in 2021/22. The £11.5m estimated deficit on the collection fund being the 2020/21 projected deficit of £19.5m, partly offset by the adjustment spreading this over three years £8.0m.

4.6.4. Under section 11B of the Local Government Finance Act 1992, from 1st April 2013 to 31st March 2019 Leeds City Council charged a 50% council tax premium on empty dwellings that have been unoccupied for more than

two years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, which received Royal Assent on 1st November 2018, permitted councils to increase this premium on dwellings unoccupied for more than two years to 100% from 1st April 2019 and 200% from 1st April 2020 where the Act permitted that from this date the maximum premium is 200% in respect of any dwelling where the empty period is at least 5 years. Leeds City Council have previously agreed to increase the empty homes premium to 100% in 2019 for properties unoccupied for 2 years or more and 200% in 2020 for properties unoccupied for 5 years or more. Additionally, from 2021 the maximum premium is 300% in respect of any dwelling where the empty period is at least 10 years.

- 4.6.5. A final decision on whether to implement the third year of this additional premium, specifically, to charge a 300% premium on any dwelling where the empty period is at least 10 years, will be made by Full Council as part of their decision on the Council Tax base in January 2021. In addition to this, the decisions made to date do not provide for any exclusions or any scope for discretion in this matter. Proposals have been made that certain exclusions should apply and that Leeds City Council officers should be able to exercise their discretion both for both the historic EHP increases and also the potential increase of 300%. A policy will be prepared to ensure consistency of approach. The estimated Council Tax base used for these initial budget proposals does not currently assume either of these of these future proposals. Together, we assess the financial implications of the two proposals to be minimal.
- 4.6.6. Following an increase in 2019/20 Government maintained the limit of council tax increases at up to but not including 4% in 2020/21, above which a Local Authority must seek approval through a local referendum. This included the Adult Social Care precept increase. Whilst the referendum ceiling for 2021/22 has yet to be formally published, the Chancellor announced at the Spending Review 2020 that the core increase would be up to 2%. This is reflected in the proposed budget. It is therefore assumed that core council tax is increased by 1.99%, although a final decision on this matter will be taken by Full Council.
- 4.6.7. The Local Government Finance Settlement 2020/21 included an Adult Social Care (ASC) precept of 2% on top of the core principle. At the Spending Review 2020 the Chancellor also announced that authorities would be able to increase their ASC precept by up to 3%. In respect of the proposed budget for 2021/22, the proposal is that there will be an increase of 2.99%. However, as discussed at paragraph 4.7 below, other options for the ASC precept increase have been explored. As with the core increase, a final decision on this will be taken by Full Council.
- 4.6.8. The impact of the proposed core and ASC increases on the Leeds share of the Council Tax charge by band is as shown at Table 8. The Leeds Council Tax charge will be presented to the Full Council for approval in February 2021.

Table 8 – Proposed 2021/22 Leeds Council Tax

BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
1014.19	1183.23	1352.26	1521.29	1859.35	2197.42	2535.48	3042.58

- 4.6.9. Table 9 sets out the estimated total council tax income in 2021/22; recognising the £8.2m estimated decrease in the council tax base, a general £6.5m increase in the council tax rate, and a £9.8m increase due to the ASC precept. Table 9 also recognises the additional £19.5m estimated deficit on the collection fund part-offset by an £8.0m adjustment to spread the Council Tax deficit over three years.

Table 9 – Estimated Council Tax Income in 2021/22

	2020/21	2021/22
	Baseline	Forecast
	£m	£m
Previous year council tax funding	316.8	333.7
Change in tax base - increase / (decrease)	4.4	(8.2)
Increase in council tax level	6.4	6.5
Adult Social Care precept	6.4	9.8
Council Tax Funding before surplus/(deficit)	334.1	341.8
Surplus/(Deficit) 2018/19	(1.1)	
Surplus/(Deficit) 2019/20	(1.6)	(1.6)
Surplus/(Deficit) 2020/21		(19.5)
Council Tax Adjustment for spreading over three years		8.0
Change in collection fund contribution - increase/(decrease)	(0.4)	(10.0)
Total - Council Tax Funding	333.7	331.8
Decrease from previous year		(1.9)

- 4.6.10. In 2020/21 the Government awarded a Hardship Fund to Billing Authorities on the basis of their share of the national caseload of working age Local Council Tax Support (LCTS) claimants, to support authorities to reduce the council tax burden for those in receipt of LCTS. The Council received £8.9m in April 2020, paid as Section 31 grant, which will be held in reserves and used to meet the element of the Council Tax deficit carried forward into 2021/22 which relates to Council tax income losses arising from reducing

the amount of Council Tax payable by LCTS recipients in 2020/21. Some of this funding is applicable to the amounts precepted by the Police and Fire Authorities. The Leeds share of this income is £7.6m.

- 4.6.11. Applying the value of this Hardship Fund to the projected deficit of £19.5m reduces this deficit to £11.9m. As with Business Rates, Government are allowing Billing Authorities to spread the deficit amount carried forward to 2021/22 over three years. This proposed budget reflects these adjustments.
- 4.6.12. Spending Review 2020 includes £762m to fund 75% of “irrecoverable loss of council tax and business rates revenues in 2020-21”. It is assumed in this proposed budget this will be paid to the Council over the same three years that the deficit on the collection fund has to be repaid. The Leeds Council Tax element of that is forecast to be £3.0m per year, making a total estimated amount of funding over the 3 years £9.0m. This funding will be receivable in Section 31 grants and will not impact the Collection Fund. It will, instead, be an adjustment to the General Fund. It is estimated this will leave £8.5m unfunded in 2021/22 which will need to be met from the 2021/22 budget.
- 4.6.13. In total the level of Council Tax receivable by the Council in 2021/22 will decrease by £1.9m when compared to that receivable in 2020/21.
- 4.6.14. The Settlement Funding Assessment includes an element to compensate parish and town councils for losses to their council tax bases arising as a result of local council tax support (LCTS). As this amount is not separately identifiable it is proposed, as in previous years, that LCTS grant should be pro-rated in line with the assumptions for Leeds’s overall change in the Settlement Funding Assessment, an increase of 0.1% for 2021/22 from £65.7k to £65.8k.

4.7. **Adult Social Care Precept**

- 4.7.1. At the Spending Review 2020, the Chancellor announced that authorities could increase the Adult Social Care precept by up to 3%. Further clarification from MHCLG confirms that this ASC precept increase could be spread over two years, 2020/21 and 2021/22, should authorities wish to do so.
- 4.7.2. The proposed budget for 2021/22 includes the Adult Social Care precept at 2.99% in 2021/22 with no increase anticipated in the following year.
- 4.7.3. However, the impact of spreading the increase across two years is explored in Table 10 below. Any move away from utilising the full 2.99% in 2021/22 would lead to a budget gap in 2021/22. Should this become the proposal, the Authority would use the Adults and Health reserve to re-balance the Council’s position in 2021/22 and further savings would have to be investigated to replace this one-off use of reserves. Full Council will formally approve any such increase for Leeds in February 2021.

- 4.7.4. A proposal to reduce the 2021/22 ASC precept and introduce a balancing increase in the following year, would reduce 2021/22 income streams as shown in Table 10 below. In 2022/23 income streams would improve to approximately the same levels that would be achieved if the full increase was applied in year 2021/22.
- 4.7.5. Table 10 also shows the impact of no ASC precept in either 2021/22 or 2022/23. As shown on the table, this would lead to a shortfall of around £9.8m. Further to this, as no balancing ASC precept increase is included in 2022/23, the contribution of Council Tax to the Net Revenue Charge continues to be eroded, by over £10m.
- 4.7.6. As noted above, the proposed budget includes an Adult Social Care precept increase of 2.99%, rounded to 3%. As outlined at Table 10, a move to reduce this proposed increase in 2021/22 would lead to a shortfall in the proposed budget position. Whilst the shortfall could be balanced through the use of the Adults and Health reserve, it should be noted that this would be a one-off use of reserves, thus reducing the amount of available reserve in future years.

Table 10 – Impact of change to existing proposal to increase ASC precept by 3.0%

Contribution of Council Tax to Net Revenue Charge based on:	2021/22 £m	2022/23 £m	Variance to 2021/22 budget proposals* £m
Full 3% precept applied in 2021/22 (as proposed in 2021/22 budget proposals)	331.82	358.06	0.00
Precept applied 2% in 2021/22 and 1% in 2022/23	328.55	358.11	3.27
Precept applied 1.5% in 2021/22 and 1.5% in 2022/23	326.93	358.15	4.89
Precept applied 1% in 2021/22 and 2% in 2022/23	325.28	358.11	6.54
No ASC precept applied in 2021/22 or in 2022/23	322.02	347.73	9.79

* Variance to be funded from A&H reserve

4.8. The Net Revenue Budget 2021/22

- 4.8.1. After taking into account the anticipated changes to the Settlement Funding Assessment, business rates and council tax, the Council's overall net revenue budget is anticipated to decrease by £106.1m or 20.2% from £525.7m to £419.6m, as detailed in Table 11 below and at Appendix 1. This includes significant increases in the business rates and Council tax deficits, £103.4m and £17.9m respectively, and also recognises the new government legislation allowing local authorities to spread the 2020/21 deficits in these areas over three years.

Table 11 – Estimated Net Revenue Budget 2021/22 compared to the 2020/21 Net Revenue Budget

	2020/21 £m	2021/22 £m	Change £m
Revenue Support Grant	28.2	28.4	0.2
Business Rates Baseline	158.4	158.4	0.0
Settlement Funding Assessment	186.6	186.8	0.2
Business Rates Growth	10.9	(7.8)	(18.7)
Business Rates Deficit	(5.5)	(109.0)	(103.4)
Business Rates Adjustment for spreading over three years	0.0	17.8	17.8
Council Tax (incl. Adult Social Care Precept)	335.3	343.4	8.1
Council Tax Deficit	(1.6)	(19.5)	(17.9)
Council Tax Adjustment for spreading over three years	0.0	8.0	8.0
Net Revenue Budget	525.7	419.6	(106.1)

- 4.8.2. Table 12 analyses this £106.1m estimated decrease in the net revenue budget between the Settlement Funding Assessment and locally determined funding sources.

Table 12 – Decrease in the Funding Envelope

Funding Envelope	2021/22 £m
Government Funding	
Settlement Funding Assessment	0.16
Sub-total Government Funding	0.16
Locally Determined Funding	
Council Tax (incl tax base growth)	(1.90)
Business Rates	(104.33)
Sub-total Locally Determined Funding	(106.22)
Increase/(decrease) in the Net Revenue Budget	(106.07)

- 4.8.3. The estimated decrease in the net revenue budget is largely offset by an increase in section 31 grants that will be received in the general fund. Due to the current COVID-19 situation, local authorities have noted decreases in both council tax and business rates income collected, and forecast further losses by year end. In Leeds we project this will lead to a deficit on the collection fund of £128.5m for council tax and business rates together. During 2020/21 Government announced a series of support grants for local authorities, specifically for business rates and council tax we will receive £83.2m in year, which will be taken forward into 2021/22 to part-fund the deficit position on the collection fund and reduce the impact of this on the net revenue budget. This is further referenced at paragraph 5.5.10.

5. The Proposed Budget 2021/22

- 5.1. This section provides an overview of the changes in funding, primarily specific grants (paragraph 5.5), and cost increases (paragraphs 6.1 to 6.21) which the Council is facing in 2021/22 and concludes with savings proposals (paragraphs 7.1 to 7.9) which contribute towards balancing the 2021/22 budget to the estimated available resources. Table 13 provides a high level of summary of these changes.
- 5.2. There are four categories of savings shown in Table 13:
- existing savings which are the later year effects of proposals already agreed, already included in the September Medium Term Financial Strategy,
 - further savings identified by directorates which have already been agreed by Executive Board at its meetings in September, October and November 2020 and approved for consultation,
 - additional directorate savings proposals included in this report and therefore not yet approved for consultation, and
 - further savings identified corporately.

Changes since the Medium Term Financial Strategy

- 5.3. Table 13 also shows the movement between the estimated budget gap of £118.8m for 2021/22 reported in the Medium Term Financial Strategy and the proposed budget position for 2021/22 contained in this report. Whilst Sections 5 to 7 below provide detail regarding the proposed budget position, any significant changes from the position shown in the MTFS are also referenced.
- 5.4. Each category of savings is discussed separately at paragraph 7 of this report. It is important to note that some of these savings proposals will impact on the funding assumptions and cost increases discussed in paragraphs 5 and 6. To preserve the scale of the savings identified these have not been netted off against any related funding changes or cost pressures in this report. They will, however be netted off appropriately in the final Budget report presented to this Board in February 2021. Where this treatment has a significant impact on the figures discussed in paragraphs 5 and 6 this has been explained in the narrative.

Table 13 Summary of Changes in Funding, Cost Increases and Savings Proposals in the proposed Budget 2021/22 and comparison with the position at the Medium Term Financial Strategy

	MTFS	Changes since MTFS	Proposed Budget 21/22
Funding	£m	£m	£m
Reduction in Net Revenue Charge	116.2	(10.1)	106.1
Change in contribution to/(from) General Reserve	9.0	1.9	10.9
Change in contribution to/(from) Earmarked Reserves	3.0	13.5	16.5
COVID-19 Grants	(88.5)	5.3	(83.2)
Increases in Other Specific Grant	(16.7)	(11.8)	(28.5)
Fall Out of Other Specific Grant	2.7	0.0	2.7
Other Non-Collection Fund Business Rates Movements	(0.8)	(9.9)	(10.7)
	24.9	(11.1)	13.8
Pressures			
Pay Inflation	10.1	(6.8)	3.3
General Inflation	11.4	0.1	11.5
New ELI scheme	6.3	0.5	6.8
COVID	17.3	(8.1)	9.1
Other incl. Debt	52.1	(2.1)	49.9
	97.2	(16.5)	80.7
Total Funding and Cost Pressures	122.1	(27.6)	94.5
Existing Actions to Reduce the Budget Gap	£m	£m	£m
Business As Usual	(2.6)	0.0	(2.6)
Service Delivery	(0.0)	0.0	(0.0)
Workforce	(0.5)	0.0	(0.5)
Service Delivery/Workforce	(0.2)	0.0	(0.2)
Total Existing Savings	(3.3)	0.0	(3.3)
Gap Remaining After Existing Savings	118.8	(27.6)	91.1
Additional Directorate Savings 2020			
September - November 2020			
Business As Usual	0.0	(43.5)	(43.5)
Service Reviews	0.0	(14.7)	(14.7)
December 2020			
Business As Usual	0.0	(2.9)	(2.9)
Service Reviews	0.0	(0.2)	(0.2)
Total Additional Savings	0.0	(61.3)	(61.3)
Gap Remaining After Additional Directorate Savings	118.8	(88.9)	29.8
Additional Corporate Savings 2020			
Business As Usual - Asset Sales	0.0	(20.1)	(20.1)
Business As Usual - Treasury Management Savings	0.0	(2.4)	(2.4)
Service Reviews - Organisational Change	0.0	(2.1)	(2.1)
Total Additional Savings	0.0	(24.5)	(24.5)
Gap Remaining After Additional Corporate Savings	118.8	(113.5)	5.3

- 5.5. **Decreases/(Increases) in Funding**
- 5.5.1. Changes in both the Settlement Funding Assessment (SFA) of (£0.2m increase) and local funding (£106.2m reduction), a net reduction of £106.1m, are detailed in sections 4.1.3, 4.4.5 and 4.6.9 respectively.
- 5.5.2. **Specific Grant Funding Changes – Adults and Health (£4.2m).** The final 2020/21 Local Government Finance Settlement confirmed Government's intention to protect all social care grants that had been receivable in 2019/20, with an additional injection of £1 billion of new Social Care grant funding in 2020/21 for adults and children's services. Leeds received £14.0m of this, using £7.5m within Adult Social Care and the balance within Children's Social Care. The roll forward of these grants was confirmed in the 2020 Spending review.
- 5.5.3. In addition the Spending review announced additional Social Care funding of £300m nationally, of which we estimate a Leeds allocation of £4.2m. Further, as discussed at paragraph 4.6.7, the Spending Review confirmed that authorities will be permitted to raise an Adult Social Care precept in 2021/22. This continues the trend in recent years whereby social care provision is increasingly funded by local taxation. The Spending Review indicated that in the longer term the Government is committed to sustainable improvement of the adult social care system, and will bring forward proposals next year.
- 5.5.4. **Specific Grant Funding Changes – Children and Families Directorate (£0.0m).** As discussed at paragraph 5.4.2, the final 2020/21 Local Government Finance Settlement confirmed the Government's intention to protect all social care grants receivable in 2019/20, with an additional injection of £1 billion of new Social Care grant funding. Of the £14m received by Leeds, £6.5m was used within Children's Social Care and the remainder in Adult Social Care. The proposed budget assumes continuation of all existing Children's Social Care grants, including the new 2020/21 Social Care grant allocation, the School Improvement Monitoring and Brokerage Grant and the Troubled Families Programme: Earned Autonomy grant. If the assumed levels of grant funding are not realised, the directorate will be required to reduce their expenditure budget accordingly. No increase in grant funding is assumed.
- 5.5.5. **Specific Grant Funding Changes – Communities and Environment £0.2m.** The Housing Benefit and Local Council Tax Support Administration Subsidy grants are anticipated to continue to reduce by £0.2m in 2021/22 and by a further £1.3m over the life of the Medium Term Financial Strategy, reflecting the continuing reductions in the national quantum of funding allocated to Local Authorities. This is an indicative assessment at this stage as the final allocations for 2021/22 will not be made until late 2020/early 2021. No other grant funding changes are assumed.

- 5.5.6. **Specific Grant Funding Changes – New Homes Bonus £2.5m**
Government introduced the New Homes Bonus in 2011 to encourage housing growth: initially councils received grant for six years for each net additional property added to the tax base each year. This grant is funded by top slicing Revenue Support Grant. In 2016/17 Government made some changes, including gradually reducing the number of years ‘legacy payments’ are receivable from six to four years and imposing a 0.4% growth baseline on new allocations before any Bonus is paid. In the Technical Consultation for the 2020/21 Local Government Finance Settlement, published in September 2019, the Government proposed that new allocations earned in 2019/20 and paid in 2020/21 would be paid in the first year but not for the following three years as would normally be the case and that there would be a consultation on the future of New Homes Bonus in the Summer of 2020. Leeds accounts for the receipt of this grant in the year in which the housing growth has taken place and therefore it was expected that in 2020/21 the element earned in 2019/20 would drop out, along with the element earned in 2016/17 which comes to the end of its legacy payments. It was also expected that no new allocation for 2020/21 could be earned in that year and the Council budgeted accordingly. However in the Spending Review 2020 the Government announced that a new allocation could be earned for 2020/21, although like 2019/20 this would not give rise to any further legacy payments. It has been estimated that this will result in a £2.2m surplus for New Homes Bonus in 2020/21. The Government also confirmed that the Government is seeking to abolish the scheme and will consult on its replacement in the summer of 2021. The uncertainty around the future of any new scheme carries the potential that the Council could experience a £2.2m deficit in 2021/22 and therefore it is proposed that the surplus from 2020/21 be held in reserve to meet any shortfall in 2021/22.
- 5.5.7. **Specific Grant Funding Changes –COVID-19 Grant (£24.3m).** At Spending Review 2020, Government announced £1.55bn of funding for additional COVID related expenditure pressures in 2021/22. The Leeds share of this is estimated to be in the region of £24.3m and is expected to be used to offset additional expenditure pressures as they occur. Further information will be received at the provisional settlement.
- 5.5.8. **Specific Grant Funding Changes – Collection Fund COVID-19 Grants (£83.2m).** Section 31 grant funding of £75.6m will be held in a reserve by the Council and carried forward to be applied to the Business Rates deficit in 2021/22. Likewise, Council Tax Hardship Grant funding of £7.6m will be held in reserves and used to meet the element of the Council Tax deficit carried forward into 2021/22 which relates to Council tax income losses arising from reducing the amount of Council Tax payable by LCTS recipients in 2020/21, as discussed at paragraph 4.6.10. It has been assumed that these are both one-off grants.

5.5.9. Other Non-Collection Fund Business Rates and Council Tax Movements – (£10.7m)

Section 31 grants are allocated to local authorities to compensate them for changes made by Government to the business rates system. An authority's allocation depends on the level of business rates yield in that authority's area, the extent to which it awards certain reliefs mandated by Government and its share of any losses resulting from these. In 2020/21 the Government introduced 100% relief from business rates for businesses in the retail, leisure and childcare sectors.

This proposed budget assumes this will not continue into 2021/22 and there will be a return to 50% business rates relief for small retail businesses with a rateable value of less than £51,000, as was assumed at the time of the 2020/21 budget. It is also assumed that the £1,500 relief for local newspapers will continue into 2021/22. Consequently it is assumed that local authorities will receive full compensation in the form of section 31 grant for the cost incurred in providing these reliefs. It is also assumed that the Government will continue to compensate local authorities for the loss of retained business rate income they have experienced because of historic caps applied to Small Business Rates Multiplier and that the multiplier will be frozen at the 2020/21 rate in 2021/22. It is estimated therefore that in total section 31 grants will increase by £1.0m in 2021/22 compared to the 2020/21 budget.

5.5.10. In addition to these movements in section 31 grants the Council will have to pay a levy on any growth in the total of retained business rates income and section 31 income either to the Leeds City Region Business Rates Pool or to the Government. Current estimates are that the Council will have to pay a levy payment of £2.1m in 2021/22, a reduction of £0.09m due to lower levels of estimated growth, although this assumes there will be an adjustment to the levy calculation for the 'gains' to the authority of spreading the unfunded deficit over three years. It is uncertain whether this adjustment will have to be made.

5.5.11. At the Spending Review 2020 the Chancellor announced that £762m was to be used to provide support to local authorities for 'irrecoverable losses' in business rates and council tax income experienced in 2020/21 that authorities would have to repay to the collection fund in 2021/22 and subsequent years. There was, however, no definition of 'irrecoverable losses', which will not be fully clarified until the 2021/22 Provisional Financial Settlement. The proposed budget includes an assumption that the Government will therefore provide a grant to fund 75% of the deficit generated in 2020/21 that is not funded through other sources such as the funding for COVID-19 reliefs and the council tax hardship funding. It is assumed that the Government will also spread this funding over the three years that this portion of the deficit on the collection fund has to be repaid. Current forecasts indicate that Leeds can expect £29.0m over the three years 2021/22 to 2023/24, with £9.7m being received in 2021/22, including £6.7m for the unfunded deficit generated by business rates in 2020/21 (see

section 4.2.5 above) and £3.0m for the unfunded council tax deficit (see section 4.6.12 above).

- 5.6. **Changes in contributions to/(from) the General Reserve** – the movement of £10.9m in the use of the General Reserve reflects the fallout of the £9m contribution from the Reserve to the Revenue Budget in 2020/21 and a planned contribution of £1.9m to the reserve.
- 5.7. **Changes in contributions to/(from) Earmarked Reserves** – the £16.5m change in the use of earmarked reserves largely reflects increased General Fund pressures as a consequence of the fallout of contributions from reserves in earlier years including use of Adults & Health reserves to support Post-16 provision (£2.0m), use of Better Care Fund reserves (£0.5m) and use of other Adults and Health reserves (£1.1m) which included their use to fund National Living Wage increases. There is also fallout of use of Wellbeing Reserve (£0.2m), Waste Management Reserve (£0.4m) and contributions from general balances (£0.5m) and use of contributions from the reserve to fund Schools PFI payments (£0.25m). These increased pressures are netted down by further use of the Invest to Save reserve to fund the Channel Shift programme in Revenues & Benefits (£0.05m), £0.2m in respect of Schools premature retirement costs and £2.2m fallout of the increased budget required in 2020/21 to contribute to the Insurance Reserve.
- 5.8. As detailed in paragraph 5.4.7 the Council estimates an allocation of £24.3m from the new COVID expenditure grant announced at Spending Review 2020. £8.1m of this allocation has been applied to estimated spending pressures identified in this proposed budget. The remaining £16.1m will be held in reserves and applied to any pressures arising which exceed this initial estimate. Further, the Spending Review indicated that overall additional Social Care Funding would be £2.7m lower than assumed in the Medium Term Strategy. Whilst this will be confirmed at the Provisional Settlement, the Provisional Budget assumes a release of (£2.7m) from Adults and Health reserves to fund this gap.
- 5.9. Use of Section 106 balances – Section 106 agreements (based on that section of the 1990 Town and Country Planning Act) are private agreements made between local authorities and developers and can be attached to a planning permission. Through this mechanism contributions can be sought for costs associated with providing community and social infrastructure, the need for which has arisen as a consequence of a new development taking place. Subject to satisfying any legal requirements contained in the agreement, e.g. clawback, Section 106 balances have been used to support the revenue budget. The 2021/22 provisional budget provides for fall out of previous use of £0.5m of balances, included in the overall £16.5m movement in Earmarked Reserves.

6. Projected Cost Increases

- 6.1. Table 14 below summarises the projected cost increases in the 2021/22 proposed budget.

Table 14 Cost Increases 2021/22

	2021/22
	£m
Pay - Leeds City Council	4.4
Employer's LGPS contribution	0.0
Fall-out of capitalised pension costs	(1.1)
Capitalised Pension Costs (New ELI scheme)	6.8
Wage costs - commissioned services	6.9
Inflation: General	3.5
Inflation: Electricity and Gas Tariffs	1.1
Demand and demography - Adult Social Care	7.2
Demand and demography - Children Looked After	2.2
Demand and demography - Other	0.2
Income pressures	0.5
COVID Pressures	9.1
Transforming Care Programme	1.5
Housing Benefit Overpayment income	0.6
CPM Maintenance	0.6
Town Hall Closure	0.5
Other Pressures/Savings	2.0
Debt - external interest / Minimum Revenue Provision	34.6
Cost Increases	80.7

- 6.2. **Pay Inflation** - the proposed budget allows for £4.4m of pay inflation in 2021/22. This reflects the announcement of a public sector pay freeze by Government at Spending Review 2020. The increase provides for two elements: £3.4m for the 0.75% in year pay increase in 2020/21 which had not been provided for in the 2020/21 base budget and 1.0m to provide a minimum pay increase of £250 in 2021/22 for all staff earning less than £24,000 as announced at the Spending Review. The details of this measure have not yet been published so the budget provided is subject to review, however the minimum £250 increase provides for a minimum pay rate of £9.56 in 2021/22, 6p above the recently announced Real Living Wage rate of £9.50. This pay inflation figure does not reflect the salary savings arising as a consequence of the new ELI scheme – these savings are captured in the Savings Proposals at section 7 of this report and detailed at Appendix 2.
- 6.3. **Employers Local Government Pensions Contributions** - The most recent actuarial valuation took place in November 2019 and this showed that the West Yorkshire Pension Fund is in a surplus position. As a result of this position, the Council was notified that the employer's contribution would reduce from 16.2% to 15.9% from the 1st April 2020 and remain unchanged for three years. The Medium Term Financial Strategy reflected

concerns that the current COVID-19 pandemic may impact the Pension Fund adversely both by affecting return on investments and by changing the profile of membership of the Fund, assuming a short term increase in the employer's contribution to 16.1% in 2021/22, falling to 16% in 2022/23 and returning to 15.9% in 2023/24. However, at the time of writing these concerns have not yet materialised so the additional costs resulting from this assumed increase have been reversed, and no increase is shown in the proposed budget. We will have an updated position from the Pension Fund prior to the Executive Board meeting in February 2021.

- 6.4. The fall out of **capitalised pension costs** associated with staff who have left the Council under the Early Leaver's Initiative (ELI) to date will save an estimated £1.1m in 2021/22.
- 6.5. The Council relaunched its ELI scheme and a range of other voluntary options to reduce the wage bill in July 2020. It is assumed that all affected staff will exit the authority on or before 31st March 2020. As such any associated severance costs will be met in 2020/21. However, provision of £6.8m has been made in 2021/22 to meet the pension strain costs associated with those staff leaving on an early retirement basis. The associated salary savings are captured in the savings proposals at Section 7 of this report and detailed at Appendix 2.
- 6.6. **National Living Wage for commissioned services and the Ethical Care Charter** - in respect of services commissioned from external providers by both Adults and Health, and Children and Families directorates, provision of £6.9m has been included in this proposed budget. This is consistent with the national minimum wage assumptions for 2021/22. Elements of the Ethical Care Charter, particularly in respect of better terms and conditions including improved rates of pay for care staff, were implemented in 2019/20 and the provision required in 2021/22 continues to consolidate this position. Section 7 of this report references a range of directorate savings proposals, detailed at Appendix 2, which includes a proposal to reduce this provision in respect of the Ethical Care Charter by £0.7m, already supported by this Board. The directorate saving is not recognised in this section of the report to avoid any double-counting. The net position will be presented in the Budget Report to be received by this Board in February 2021.
- 6.7. The increased costs associated both with paying our staff the Real Living Wage and ensuring that the services we commission pay their staff the national minimum wage has been resourced by the Council without the receipt of any additional funding from the Government.
- 6.8. The proposed budget allows for **net price inflation** of £3.5m. It provides inflation where there is a contractual commitment but anticipates that the majority of other spending budgets are cash limited. An inflationary uplift on fees and charges is assumed where they can be borne by the market. Specific energy increases for **gas and electricity** of £1.1m have been incorporated into these proposals: work continues to estimate the impact of

planned asset rationalisation and new ways of working on energy budgets and any changes will be incorporated into the final Budget report.

- 6.9. The initial budget proposals recognise the increasing **demography** and consequential **demand pressures** for services in Adults and Health and Children and Families. Within Adults and Health, the population growth forecast assumes a steady increase from 2019 in the number of people aged 85-89 between 2020 and 2025. These increases of 2.8%, 2.7%, 1.8%, 2.6% and 1.3% respectively result in additional costs for domiciliary care and care home placements. In addition, the Medium Term Financial Strategy reflects the anticipated impact of increasing cash personal budgets through to 2025. The Learning Disability demography is expected to grow by 2.3% (based on ONS data) over the period. It should be noted that the high cost increase in this area of service is primarily a combination of increasingly complex (and costly) packages for those entering adult care, as well as meeting the costs of the increasing need for existing clients whose packages may last a lifetime. A sum of £7.2m has been built into this proposed budget for 2021/22 to deal with this demand and demographic growth.
- 6.10. Children and Families continues to face **demographic and demand pressures** reflecting relatively high birth rates (particularly within the most deprived clusters within the city), increasing inward migration into the city (particularly from BME groups from outside the UK), the increasing population of children & young people with special and very complex needs, greater awareness of the risks of child sexual exploitation, growing expectations of families and carers in terms of services offered and changes in Government legislation, including 'staying put' arrangements that enable young people to remain with their carers up to the age of 21. Consequently, the proposed budget for 2021/22 provides £2.2m for the projected growth in the 0-19 year old population and the impact that this will have on both the Children Looked After budget and transport costs.
- 6.11. Based on **demand pressures** due to assumed housing growth, provision of £0.2m has been made for the increased disposal costs of waste to the Recycling and Energy Recovery Facility (RERF).
- 6.12. The proposed budget includes £0.5m for a number of **income variations**. Specifically £0.3m provides for a reduction in car parking income resulting from a reduction in car parking spaces in the city centre; a reduction of £0.15m reflects a shortfall in Apprentice Levy income and court fee income is projected to fall by £0.05m as a result of fewer prosecutions for non-payment of council tax.
- 6.13. Whilst the Council's 2020/21 budget has borne the brunt of the **COVID-19 pandemic**, the proposed budget for 2021/22 makes provision for a continued impact on both the Council's expenditure and loss of income into 2021/22, estimated at £9.1m, of which £2.3m relates to additional costs, mainly:
- £0.6m for increased CLA external placements,

- £0.3m to reflect assumed increase in levels of waste,
- £0.3m additional PPE and cleaning costs,
- £0.5m impact on LBS costs as a consequence of continued social distancing
- £0.4m continued impact on delivery of planned savings.

A further £6.8m of COVID-19 pressures relate to estimated income losses, largely:

- £2.1m relating to Sport and Arts and Heritage,
- £0.2m planning income
- £1.7m relating to commercial and Markets rents and advertising income
- £1.1m loss of car parking income
- £0.4m loss of income at attractions,
- £0.4m relating to cafes, shops and events, licencing and bereavement services,
- £0.3m impact on Parks operations income charged to capital schemes and the HRA,
- £0.3m court fee losses reflecting the backlog in cases.

- 6.14. As discussed in paragraph 5.7, Government has provided additional funding to meet **COVID pressures** in 2021/22. £8.1m of this funding will be applied to these estimated pressures and the balance of funding will be held in reserve to meet any pressures exceeding these estimates.
- 6.15. Section 7 of this report sets out a range of directorate savings proposals, which includes a proposal to reduce this provision by £1m, approved at the November meeting of this Board. The proposed directorate savings are not recognised in this section of the report to avoid any double-counting, and the net position will be presented in the Budget Report to be received by this Board in February 2021.
- 6.16. **Transforming Care** is a national NHS England programme designed to place people with learning difficulties and autism, currently based in a hospital setting, into the community with the right support and close to home. The net impact of this programme is anticipated to be £1.5m in 2021/22.
- 6.17. In recent years there has been a decline in the average value of **Housing Benefit overpayments** which the Council can recover and this is expected to be further impacted upon by the rollout of Universal Credit which is now live in Leeds. The net impact on the 2021/22 budget is estimated to be £0.6m.
- 6.18. Over the past few years, the **CPM maintenance** budget has overspent significantly and there has been a reliance on additional capitalisation to balance the budget. The proposal is to add £0.6m to the revenue budget to bring some stability to the revenue budget and to more accurately reflect the costs required to maintain the Council's assets. The revised budget will

be in the region of £5.6m. This will be kept under review as part of the Estate rationalisation programme. The Council has over 700 operational assets requiring maintenance, this portfolio is being reviewed as part of the Estate rationalisation programme.

- 6.19. The **Town Hall** is due to close for refurbishment from the second half of the 2021/22 financial year with an estimated net loss of income of £0.5m.
- 6.20. This proposed budget provides for a £34.6m increase in the cost of debt. Changes approved at Full Council in 2017 to previous years **Minimum Revenue Provision Policy (MRP)**, based on the fact that MRP had been overprovided for between 2008/09 and 2014/15, enabled the Council to benefit from reduced MRP payments for the three years 2017/18 to 2019/20. However from 2020/21 this position started to unwind and MRP will increase by £31.3m in 2021/22. Other Debt variations total £3.3m, and include a £5.1m increase in general debt costs and a £1.4m increase in respect of PFI lifecycle costs. However this position is netted down by £3.1m of Treasury management savings. An additional £2.4m of Treasury Management savings are included in the Corporate Savings at Section 7 and the net position will be presented in the Budget Report to be received by this Board in February 2021.
- 6.21. **Other Pressures and Savings** Other net budget pressures of £2.0m have been identified for 2021/22. These include:
- An additional £0.4m is provided for delivery of the Council's Waste Strategy and to support implementation of the waste review;
 - A combination of Microsoft encouraging organisations to move to cloud based services and the end of a three year price fix on all Microsoft product licences will require an additional payment to Microsoft of £0.3m in 2021/22;
 - £0.2m is provided for the revenue costs associated with the Flood Alleviation Scheme;
 - £0.2m is provided for the revenue costs of additional grounds maintenance associated with new capital schemes;
 - £0.2m contribution to Leeds 2023;
 - Additional resources of £0.1m will provide for additional security and cleaning in the Markets;
 - £0.1m contribution to the rent costs of the Coroners Court;
 - £0.1m for the continuation of the Mobile Refresh programme;
 - The net effect of other pressures across all Directorates is £0.4m.

7. The Budget Gap – Savings Options

Table 15 Budget Gap And Savings Options

	Proposed Budget 21/22
Total Funding and Cost Pressures	94.5
Existing Actions to Reduce the Budget Gap	£m
Business As Usual	(2.6)
Service Delivery	(0.0)
Workforce	(0.5)
Service Delivery/Workforce	(0.2)
Total Existing Savings	(3.3)
Gap Remaining After Existing Savings	91.1
Additional Directorate Savings 2020	
September - November 2020	
Business As Usual	(43.5)
Service Reviews	(14.7)
December 2020	
Business As Usual	(2.9)
Service Reviews	(0.2)
Total Additional Savings	(61.3)
Gap Remaining After Additional Directorate Savings	29.8
Additional Corporate Savings 2020	
Business As Usual - Asset Sales	(20.1)
Business As Usual - Treasury Management Savings	(2.4)
Service Reviews - Organisational Change	(2.1)
Total Additional Savings	(24.5)
Gap Remaining After Additional Corporate Savings	5.3

- 7.1. The proposed budget notes a number of savings proposals which have been previously agreed and reported as part of the 2020/21 budget process. These savings total £3.3m in 2021/22, of which £2.6m of proposals are categorised as Business as Usual and have no impact on service delivery or on the Workforce. Savings proposals totalling £0.7m are considered to have service delivery or workforce implications. In all cases these are the later year impacts of proposals that were agreed as part of the 2019/20 savings review process, with the first year incorporated into the 2020/21 budget.

Bridging the Revised Gap – the Corporate & Directorate Savings Programme

- 7.2. The Medium Term Financial Strategy 2021/22 – 2025/26 approved at September's Executive Board reported an estimated budget of £118.8m for 2021/22. Of this £118.8m, £59.7m was due to pressures identified prior to the impact of COVID-19 with the balance of £59.1m resulting from the ongoing financial impact of COVID-19.
- 7.3. In response to this financial position, in the summer of 2020 the Council established a 'Financial Challenge' programme of service reviews to identify savings to contribute towards closing the estimated 2021/22 gap. The programme aims to protect services that support the most vulnerable whilst ensuring that the council becomes more financially resilient and sustainable for the future.
- 7.4. The reviews comprise several that are cross-council and others that relate to individual services; a small number of more complex reviews have received external, independent support.
- The cross-council reviews include those relating to activities that the council has been pursuing for some time, such as a review of business administration and mail and print expenditure reduction. More recently identified reviews include reducing the wage bill, estate rationalisation (building on the long-standing changing the workplace programme), procurement and customer contact.
 - In addition to the cross-council reviews, directorates have also carried out reviews of all services, working towards an indicative target saving of 10% of gross expenditure or 20% of net expenditure for each directorate.
- 7.5. The Financial Challenge programme is being carried out across all services with a cross-council 'Silver' group set up to provide support and ensure a co-ordinated, consistent approach. Directors have carried out peer reviews of each other's emerging proposals to provide additional high support and high challenge. Scrutiny Board working groups have also considered proposals relevant to their remits that have been put forward to September, October and November Executive Board meetings.
- 7.6. The outcome from the reviews has led to a set of savings proposals which are categorised as either 'Business as Usual' (BAU) or 'Service Review' proposals:
- BAU proposals are those that do not require consultation to implement: for example, they relate to improving the efficiency of the service, are cost reduction measures with no impact on service users or, where there are budgeted staffing reductions, these are anticipated to be met through deletion of vacant posts or voluntary means, as has been collectively agreed. Where voluntary measures have a modest and/or

residual impact on the workforce, local / BAU consultation would be expected.

- Service Review proposals (some cross-council, some service-specific) are those requiring consultation: for example, the way in which a service is delivered or the level of service provided is impacted and so meaningful consultation with service users is needed; and/or the proposal relates to a significant internal restructure, requiring consultation with trade unions and staff.

7.7. The Executive Board has thus far approved three sets of savings proposals for 2021/22 through its September, October and November 2020 meetings. Combined with £0.3m savings resulting from a review of the capital programme and a reduction of 50 full-time equivalent (FTE) posts through a review of the Housing Revenue Account (both considered at September's Executive Board), these total £58.2m, with an anticipated reduction in the workforce of 816.5 FTEs. The proposals have been consulted upon with Scrutiny Boards through their public meetings in October and a series of working group meetings throughout September, October and November. Further details on this Scrutiny Board consultation thus far are provided at section 14 of this report with a summary of Scrutiny Board comments included at Appendix 3.

7.8. A further £5.2m potential savings are presented for consideration today at Appendix 4 with an anticipated reduction in the workforce of 97.5 FTE budgeted posts. If today's proposals are approved, taken together with the £58.2m proposals previously approved, the total savings proposals identified so far come to £63.4m (rounded). The total anticipated reduction in the workforce is 914 FTEs. All efforts will be made to avoid compulsory redundancies.

7.9. Should these December proposals be approved, the total savings for 2021/22 approved by this Board since September are as follows:

Table 16: Summary of 2021/22 Revenue Budget Savings Proposals Sep to Dec Executive Board

2021/22 revenue savings	£'m	£'m
Capital programme review		
September Executive Board		-0.3
Savings proposals		
September Executive Board	-32.3	
October Executive Board	-7.9	
November Executive Board	-17.6	
December Executive Board	-5.2	
		-63.1 (rounded)
TOTAL		-63.4

- 7.10. Corporate savings of £24.5m have also been identified to meet the budget gap. These include the use of £20.1m of capital receipts realised through the sale of commercial assets and £2.4m of Treasury Management savings largely as a consequence of low interest rates. Savings of £2.1m realised through a programme of organisational change are detailed further at Appendix 4 and included within the £5.4m of potential savings presented for consideration today and in Table 16.

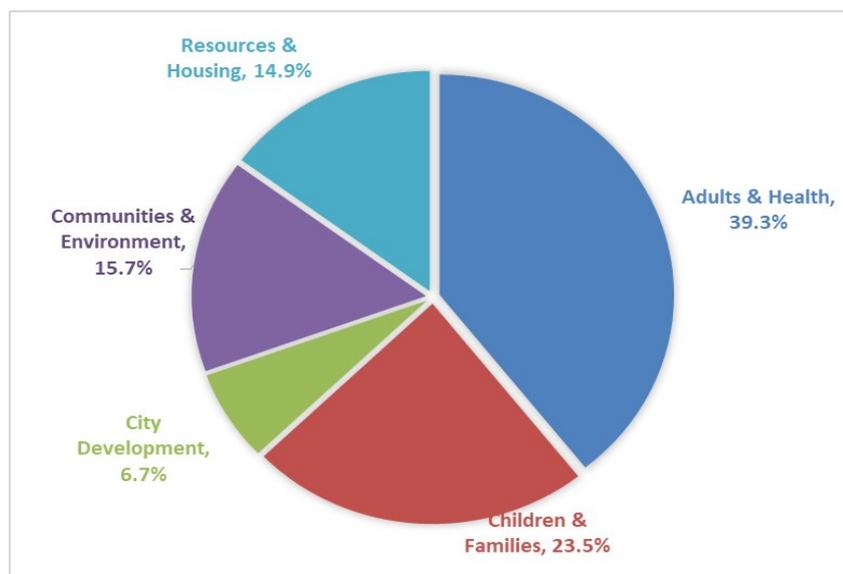
Table 17 Corporate Savings

Business As Usual - Asset Sales	(20.1)
Business As Usual - Treasury Management Savings	(2.4)
Service Reviews - Organisational Change	(2.1)
Total Additional Savings	(24.5)

Summary Budget By Directorate

- 7.10.1. The pie chart below shows the proposed share of net managed expenditure between directorates for 2021/22 based on this proposed budget.

7.10.2. **Share of Net Managed Expenditure 21/22 (Proposed Budget)**



- 7.10.3. It should be noted that these resource allocations may be subject to amendment as we move through the budget setting process. Net managed expenditure represents the budgets under the control of individual directorates and excludes items such as capital charges, pensions adjustments and allocation of support costs in directorate budgets.

8. Impact of proposals on employees

- 8.1. The Council has operated a voluntary retirement and severance scheme since 2010/11 which has already contributed significantly to the reduction in

the workforce since this time. Whilst there are other elements that will impact on the fluctuation of the workforce numbers such as natural attrition and turnover there has been an overall reduction of around 2,447 full time equivalents (fte's) or 3194 headcount up to the 30th November 2020.

- 8.2. The budget savings proposals detailed in this report (please refer to Appendix 4) result in an estimated potential reduction of **914** FTEs (this includes a potential reduction of **131** FTE posts through a review of the Housing Revenue Account). In the context of these proposed reductions we will be issuing a further section 188 in January 2021 in line with the budget settlement to ensure it reflects the budget settlement.
- 8.3. The Council remains committed to doing everything it can to try to avoid compulsory redundancies through natural turnover, continuing the voluntary early leaver scheme, staff flexibility, reviewing and reducing both agency and overtime spend and continuing the positive consultation and joint working with the trade unions.

9. **General Reserve**

- 9.1. Under the 2003 Local Government Act, the Council's Statutory Financial Officer is required to make a statement to Council on the adequacy of reserves as a part of the annual budget setting process. It is also good practice for the Authority to have a policy on the level of its general reserve and to ensure that it is monitored and maintained.
- 9.2. The purposes of the general reserve policy are to help longer-term financial stability and mitigate the potential impact of future events or developments which may cause financial difficulty.
- 9.3. The general reserve policy encompasses an assessment of financial risks both within the Medium Term Financial Strategy and also in the annual budget. These risks should include corporate/organisation wide risks and also specific risks within individual directorate and service budgets. This analysis of risks should identify areas of the budget which may be uncertain and a quantification of each "at risk" element. This will represent the scale of any potential overspend or income shortfall and will not necessarily represent the whole of a particular budget heading. Each assessed risk will then be rated and scored in terms of impact and probability.
- 9.4. The proposed budget for 2021/22 assumes a contribution of £1.9m to the general reserve and the level of general reserves at 31st March 2022, as set out in Table 18, is projected to be £28.6m.

Table 18 - General Reserve

General Reserve	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Brought Forward 1st April	31.6	26.7	28.6	28.6
Budgeted Contribution/(Use) in-year	(10.0)	1.9	0.0	3.0
Repayment of Treasury Management Savings	1.0	0.0	0.0	0.0
Additional Contribution in-year	4.1	0.0	0.0	0.0
Carried Forward 31st March	26.7	28.6	28.6	31.6

9.5. Whilst the Council maintains a robust approach towards its management of risk and especially in the determination of the level of reserves that it maintains, it is recognised that our reserves are lower than those of other local authorities of a similar size. However the Council has made provision over the life of the Medium Term Financial Strategy to address this position while having minimum impact on front line services.

9.6. Grant Thornton have recommended that the Council “should consider the adequacy of its reserves going forward and the appropriate level of balances which should be linked to the approved Medium Term Financial Strategy (MTFS) and which should be reviewed each year.” The current MTFS approved in September 2020 by the Board provides for a £3m annual contribution to the General Reserve from 2023/24 onwards. As a result the balance on the General Reserve is projected to be £37.6m by 2025/26.

9.7. As stated above, whilst the pressures faced by the Authority continue to make the current financial climate challenging, we will continue to keep the level of the Council’s reserves under review to ensure that they are adequate to meet identified risks.

10. **Provisional Revenue Budget 2022/23 and 2023/24**

10.1. At its meeting in September 2020 Executive Board received the updated Medium Term Financial Strategy and agreed the revisions to the Council’s forecast budget gap for 2021/22 to 2025/26. The reported forecast gap was £166.3 m of which £18.7m and £25.8m related to 2022/23 and 2023/24 respectively. The report received at Executive Board in September recognised that savings would be required to be identified in order that a balanced budget position could be delivered in 2022/23 and 2023/24.

10.2. In the context of the Spending Review on 25th November and other variations identified during the determination of the proposed budget for 2021/22 (and later year impact of 21/22 savings), the financial projections for 2022/23 and 2023/24 have been refreshed to reflect these latest assumptions. However it should be stressed that under the Council’s constitution the decision to set the annual council tax base and rate of council tax can only be taken by Full Council each year and therefore the provisional budgets for 2022/23 and 2023/24 are for information only and

the decisions will continue to be made as part of the Council's annual budget setting process.

- 10.3. Our assumption is that Government will postpone the move to 75% business rate retention until 2023/24, along with the business rates revaluation and reset. Given the uncertainty about how 75% retention will impact on local authority funding, the provisional budget for 2022/23 and 2023/24 assumes that any increases in business rates income are offset by a commensurate increase in the business rate tariff paid to the Government so that there is no baseline gain. Similarly the 2022/23 and 2023/24 projection assumes that the impact of any business rates reset and the implications of the outcome of the Government's Fair Funding review, which is now expected in April 2023, is revenue neutral upon the Council with any impacts being addressed through transitional arrangements. For calculating SFA no increases have been assumed for either 2022/23 or 2023/24.
- 10.4. In the determination of the revised financial projections for both 2022/23 and 2023/24 significant areas of uncertainty remain as to the Council's financial position in respect of both funding and spending assumptions, compounded by Brexit and the ongoing impact of COVID-19. Specifically the implications of the Government's future spending plans remain unclear: the implications of implementing 75% business rate retention nationally have yet to be finalised by Government; we anticipate the outcome of the Government's own Fair Funding review won't be known until 2023/24 at the earliest; and the future funding arrangements for social care remain unknown.
- 10.5. After taking account of the funding assumptions outlined in 10.2 to 10.4 above and the variation in pressures and savings that have been identified in the determination of the 2021/22 proposed budget proposals, the provisional positions for 2022/23 and 2023/24 are detailed in Table 19.
- 10.6. As can be seen in Table 19, the estimated budget gap has increased to £55.7m in 2022/23 and to £32.4m in 2023/24. The main changes since the Medium Term Financial Strategy are as follows:
- Changes to Funding: as explained in paragraph 5.8, the Authority is making a significant one off contribution to earmarked reserves in 2021/22 which is not repeated in 2022/23, saving £16.1m. Conversely, the fallout of one-off grants received from Government at Spending Review 2020 and changes in assumption regarding future funding for Adult Social Care result in a decrease in assumed available funding of £37m in 2022/23.
 - Revised Pressures: changes in pay and pensions assumptions in 2021/22, mainly reflecting the pay 'pause' announced by Government at the Spending Review 2020 result in increased pay pressures in 2022/23 of £3.1m. Changes in assumptions around the ongoing impact of COVID in later years reduces other pressures by £8.1m.

- Revised Savings: the changes largely reflect the later year impacts of the 2021/22 savings proposals approved by Executive Board, most significantly the fallout of the one off use of the £20.1m of income generated through asset sales.

Table 19 - Provisional Revenue Budget 2022/23 and 2023/24

	2022/23	2023/24
	£m	£m
MTFS September 2020	18.7	25.8
Changes to Funding		
Net Revenue Charge Assumptions	(1.3)	0.3
Contribution to General Reserve	(1.9)	0.0
Changes in Earmarked Reserves	(13.5)	2.1
Grants	36.8	9.1
	<u>20.1</u>	<u>11.5</u>
Revised Pressures		
Pay and Pensions	3.1	(1.7)
Capitalised Pensions (ELI)	2.3	(0.7)
Debt	(0.0)	(0.0)
Other	(7.2)	1.0
	<u>(1.9)</u>	<u>(1.4)</u>
Revised Savings		
Directorate Savings	(0.9)	(4.5)
Corporate Savings	19.7	1.0
	<u>18.7</u>	<u>(3.5)</u>
Revised Gap - Provisional Budget	<u>55.7</u>	<u>32.4</u>

10.7. The position set out above contains a number of assumptions, as set out in paragraphs 10.2, 10.3 and 10.4 for which updated information would alter the projected financial position and any such changes in these assumptions will be incorporated into an updated Medium Term Financial Strategy that will be presented to a future meeting of this Board.

11. Schools Budget

11.1. The Dedicated Schools Grant (DSG) for 2021/22 is funded in four separate blocks for early years, high needs, schools and central schools services.

11.2. A new National Funding Formula (NFF) was implemented from April 2018 for high needs, schools and central schools services. The schools formula was initially a “soft” formula to allow local authorities some limited flexibility and this remains the case for 2021/22.

- 11.3. The Early Years block will fund 15 hours per week of free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. There is an additional 15 hours per week provision for working families of 3 and 4 year old children. The funding hourly rate has not yet been confirmed for 2021/22, but in 2020/21 the hourly rates were £5.28 for 2 year olds and £4.89 for 3 and 4 year olds. The grant received will continue to be based on participation. The actual grant received during 2021/22 depends on pupil numbers in the 2021 and 2022 January censuses. The early years pupil premium is also included in this block and is payable to providers for eligible 3 and 4 year olds. The hourly rate for 2021/22 for this element has also not yet been announced but was £0.53 per hour for 2020/21. In addition, there is a Disability Access Fund which was £615 per eligible child per year in 2020/21. The grant value shown below is based on the actual pupil numbers in January 2020.
- 11.4. The High Needs Block supports places and top-up funding in special schools, resourced provision in mainstream schools and alternative provision; top-up funding for early years, primary, secondary, post-16 and out of authority provision; central SEN support and hospital & home education. An indicative allocation under the NFF calculation has been published though the final allocation will not be issued until December 2020. The value in table 17 is before any deductions are made by the Education and Skills Funding agency (ESFA) in respect of funding for academies, free schools and post 16 places. The High Needs Block is facing a number of financial pressures nationally and in recognition of this the national allocation has increased again for 2021/22. For Leeds the indicative allocation is an increase of £11.5m for 2021/22 although there is still a cap on gains within the national funding formula and this has been applied to the funding allocation to Leeds to the value of £3.9m. Despite the increase in funding for 2021/22 the anticipated increase in special school places and pupils eligible for additional top-up funding means that there is expected to be on going funding pressures for the High Needs Block which will need managing within the overall available funding. As part of managing the funding pressures it is proposed to transfer funding from the Schools Block as outlined below.
- 11.5. The Schools Block funds the delegated budgets of primary and secondary schools for pupils in reception to year 11. The grant for 2021/22 will be based on pupil numbers (including those in academies and free schools) as at October 2020. The pupil numbers from this census are not yet available. Schools have been consulted on options for the local formula in 2021/22 and on proposals to transfer funding to the High Needs Block. The results of the consultation have been presented to Schools Forum to enable further discussion with a final decision being made by the Director of Children and Families in early 2021. As part of the consultation a majority of schools which responded supported a proposal to transfer 0.5% (approximately £2.835m) from the Schools Block to the High Needs Block. At the Schools Forum meeting on the 19th November Schools Forum approved this transfer. The majority of schools who responded to the consultation also

supported a proposal for maintained schools to contribute funding of £150k towards severance costs. Schools Forum also approved this contribution.

- 11.6. As part of the NFF, the Central School Services block (CSSB) was created from the DSG funding that is held by the local authority for central services. This includes the funding which was previously delivered through the retained duties element of the ESG along with ongoing responsibilities and historic commitments. A draft allocation under the NFF calculation has been published, though the final allocation will not be issued until December 2020. The funding for the historic commitments element has been reduced by 20% in 2021/22. However, it is anticipated that due to the fall out of expenditure there will be enough funding available to meet commitments.
- 11.7. At the end of 2020/21 it is projected that there will be a deficit balance of £5.96m on DSG compared to a deficit balance of £3.23m at the end of 2019/20. The deficit balance will be carried forward into 2021/22 and proposals to address the deficit will need to be incorporated into the medium term financial plan for the High Needs Block and DSG funding. The conditions of grant for the Dedicated Schools Grant requires that any local authority with an overall deficit on its DSG account at the end of 2019/20 financial year must be able to present a plan to the DfE for managing their future DSG spend. Work is ongoing to produce a plan which will be regularly updated and presented to Schools Forum.
- 11.8. Funding for post-16 provision is allocated by the ESFA. Funding for high need post-16 pupils is no longer to be part of this grant and is now included in the DSG High Needs Block totals. Funding for 2021/22 will be based on 2020/21 lagged student numbers.
- 11.9. Pupil Premium grant is paid to schools and academies based on the number of eligible Reception to year 11 pupils on the school's roll in January each year. The rates for 2021/22 have not yet been confirmed but are expected to remain at: primary £1,345, secondary £955, for each pupil registered as eligible for free school meals (FSM) at any point in the last 6 years and £310 for children of service families. The pupil premium rate for children looked after and children who have ceased to be looked after by a local authority because of adoption, a special guardianship order, a child arrangements order or a residence order is also expected to remain the same at £2,345.
- 11.10. The Primary PE grant will be paid in the 2020/21 academic year to all primary schools at a rate of £16,000 plus £10 per pupil. It is expected that these rates will remain the same for 2021/22.
- 11.11. The Year 7 catch up grant has been discontinued in 2020/21, and the amount has been included within the Coronavirus catch up premium for 2020/21. For future years the introduction of the National Funding Formula provides for schools to attract low prior attainment funding for pupils in year

7 to 11 with lower attainment who need support to catch up. As a result, the year 7 catch up grant will no longer be made available.

- 11.12. A grant for the universal provision of free school meals for all pupils in reception, year 1 and year 2 was introduced in September 2014. Funding for the 2020/21 academic year is based on a rate of £2.34 per meal taken by eligible pupils, giving an annual value of £444.60. Data from the October and January censuses will be used to calculate the allocations for the academic year.
- 11.13. Funding for the additional teachers' pay costs from 1st September 2018 and September 2019 will now be paid to schools and high needs settings through the National Funding Formula (NFF) instead of being paid as separate grants. Only mainstream academies will continue to receive the teachers' pay grant for April to August 2021, as they will not receive their 2021/22 NFF allocations until September 2021.
- 11.14. A further grant in relation to additional costs incurred in respect of increases in the teacher's pension scheme from September 2019 will also now be paid to schools and high needs settings through the National Funding Formula (NFF) instead of being paid as separate grants. Only mainstream academies will continue to receive the teachers' pension grant for April to August 2021, as they will not receive their 2021/22 NFF allocations until September 2021.
- 11.15. The Government has announced £1 billion of funding to support children and young people to catch up following the disruption as a result of coronavirus (COVID-19). This is made up of 2 elements:
- A one-off universal £650 million catch-up premium for the 2020 to 2021 academic year. Schools allocations will be calculated on a per pupil basis with each mainstream school receiving £80 for each pupil in years reception to 11. Special, alternative provision and hospital schools will receive £240 per place.
 - A £350 million National Tutoring Programme (NTP) to provide additional, targeted support for those children and young people who need the most help. This element will not result in any additional funding for schools.

The amounts in Table 20 are the provisional allocations based on the October 2019 census. The final grant will be based on the October 2020 census.

11.16. Schools funding summary

Table 20 – the Estimated Schools Budget

	2020/21 Current £m	2021/22 Estimate £m	Change £m
DSG - Schools Block	551.64	590.21	38.57
DSG - Central Schools Services Block	5.07	4.90	-0.17
DSG - High Needs Block	85.88	97.34	11.46
DSG - Early Years Block	58.69	60.18	1.49
ESFA Post 16 Funding	27.22	28.22	1.00
Pupil Premium Grant	43.45	43.45	0.00
PE & Sports Grant	4.33	4.33	0.00
Year 7 Catch-up Grant	0.00	0.00	0.00
Universal Infant Free School Meals Grant	9.54	9.55	0.01
Teachers Pay Grant	7.40	1.32	-6.08
Teachers Pension Grant	21.04	3.78	-17.26
Coronavirus Catch Up Grant	5.54	3.96	-1.58
	<u>819.80</u>	<u>843.28</u>	<u>29.02</u>

12. Housing Revenue Account

12.1. The Housing Revenue Account (HRA) includes all expenditure and income incurred in managing the Council's housing stock and, in accordance with Government legislation, operates as a ring fenced account. The key movements in 2021/22 are detailed in Table 21 below.

Income

12.2. In 2019, the Government confirmed a return to allowing up to a CPI+1% rent increase for five years from 2020/21. An increase in accordance with the Government's rent formula of CPI (0.5% as at September 2020) +1% is therefore proposed. This overall 1.5% rise equates to approximately £3.1m in additional rental income.

12.3. A reduction in the qualifying period after which tenants are able to submit an application to purchase a council house through the Government's Right to Buy (RTB) legislation continues to sustain an increase in the number of sales with a subsequent reduction in the amount of rent receivable. Based on latest sales, a further 610 sales are forecast in 2021/22. The impact of these RTB sales, along with other stock reductions in year for demolitions, (partly offset by an anticipated additional 44 stock through the Right of First Refusal process, 84 new build and 21 off the shelf homes), will cost the

HRA around £2m in lost rental income in 2021/22. Therefore the total net expected increase in rental income is approximately £1.1m.

- 12.4. Tenants in multi storey flats and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts. It is proposed to increase these charges by an inflationary increase of RPI of 1.1%. In 2021/22 this will generate an additional £48k compared to 2020/21.
- 12.5. It is proposed to increase garage rental rates by RPI of 1.1%.
- 12.6. Currently tenants in sheltered accommodation receiving a support service are charged £14.71 per week for this service. This charge is eligible for Housing Benefit. In 2016/17 a nominal charge of £2 per week was introduced for those tenants who benefited from the service but did not pay. This was increased to £4 a week in 2017/18, £6 in 2018/19, £8 in 2019/20 and £10 in 2020/21 and it is proposed to continue to increase this charge by a further £2 per week in 2021/22 to £12 per week. A review of the Sheltered Charge has been undertaken for 2021/22 to take into account pay award and other cost changes. The sheltered charge full cost is £15.14 per week and is eligible for Housing Benefit.
- 12.7. It is also proposed to introduce a charge for Retirement Life schemes for the provision of additional services linked to communal areas e.g. heating, laundry facilities, furniture and carpets and for communal facilities where they are within a standalone community centre. This would generate £165k of additional income.
- 12.8. An analysis of the impact on tenants of increasing rents by 1.5% and implementing the proposed charges outlined above has been undertaken. These figures are based on average rents for different categories of tenants as individual levels will vary.
- 12.9. With a return to a rental increase of CPI+1, all tenants will pay more in 2021/22 than in 2020/21 as outlined in Table 21 below. The 2.23% of tenants whose average weekly increase is the highest relates to tenants who are self-payers in Sheltered Accommodation. These tenants would have faced between £3.07 and £4.54 per week average increase, however it is proposed to cap any overall increase to £3.25 per week

Table 21 – Average rental increase per week 2021/22

% of Tenants	Numbers of Tenants	Average Increase £/per week
89.27	48,667	1.01-1.20
8.50	4,634	1.21-1.99
2.23	1,216	3.07-3.25

These increases will be funded through Housing Benefit for eligible tenants

or tenants eligible for Universal Credit (UC) will receive payments for this increase. Approximately 42% of tenants are in receipt of Housing Benefit with a further 21% in receipt of UC, a total of 63%. For those in Sheltered Accommodation, this figure rises to 70%.

Expenditure

- 12.10. With total budgeted income only forecast to increase by around £1.0m, there is a need to review all lines of expenditure in the account to bring the budget into balance.
- 12.11. It is proposed to reduce the staffing budget by 81 FTE through a combination of staff reductions through the Council's ELI scheme, a review of long term budgeted vacant posts, and a review of staffing levels in light of the anticipated benefit realisation of the Housing Management ICT system and the continued stock reduction.
- 12.12. In line with the announcement in the Chancellor's Spending Review, the proposed staffing budget assumes a 'pay pause' for 2021/22. However, posts below a £24k salary are budgeted with a £250 increase. The impact of the additional 0.75% pay award for 2020-21 has been budgeted for.
- 12.13. A number of posts have been deleted as a result of both the Council wide Early Leavers Initiative and as a result of deleting vacant posts resulting in a net saving of £2.17m in staff costs after taking account of the pension strain associated with allowing employees to leave under ELI.
- 12.14. In addition, £0.73m has been saved by absorbing the work protocols of the Enhanced Income Team into the mainstream Housing Officer roles a year earlier than planned. As a number of vacant posts have been deleted, the current vacancy factor has been reduced from 6% to 5% at a cost of £0.3m. The overall year-to-year budget saving on employee costs is approximately £1.5m.
- 12.15. The repairs to dwellings budget has initially been increased in line with inflation, but adjusted to reflect an anticipated reduction of 1% in housing stock as a result of Right to Buy. The proposed budget for 2021/22 is therefore a £228k reduction to £44.9m.
- 12.16. A 25% reduction on the transport budget has been applied as increased home working is anticipated to lead to reduced travel costs.
- 12.17. The provision for doubtful debt budget is proposed to be increased by £207k to reflect the ongoing uncertainty in the economy which may impact on the level of tenant rent collected. This is to be kept under constant review.
- 12.18. The proposed management fee payable to Belle Isle Tenant Management Organisation (BITMO) is a reduction of £95k to £3.148m to reflect the

approach to changes within the staffing and repairs budgets within Housing Leeds as outlined above. The BITMO management fee is adjusted each year by an agreed formula.

- 12.19. The Council remains committed to prioritising resources to meet the capital investment strategy and to replace homes lost through Right to Buy by the planned investment in new homes. The costs associated with servicing the HRA's borrowing include the planned increase in borrowing to support the £337m Council's Housing Growth programme which will see 84 new build, 21 off the shelf and 44 homes through the Right of First refusal process delivered in 2021/22. However the overall cost of borrowing is anticipated to fall slightly as a result of lower interest costs.
- 12.20. Even though the net stock numbers are decreasing, the Council aims to maintain a consistent level of investment in the HRA capital programme. This will help ensure the overall condition of the stock is improved. The total draft capital programme for the HRA remains at around £80m in 2021/22. Most of the £80m is provided for by the revenue budget. The revenue contribution to the capital programme required in 2021/22 is £61.5m, an increase of £1m as the 2020/21 budget made greater use of carry forward of Major Repairs Reserve and other capital funding.
- 12.21. The 2020/21 revenue budget was also underpinned by the use of £1.19m of reserves. As these can only be used once, the budgets they supported are proposed to be funded by HRA base funding in 2021/22.
- 12.22. Provision will be made for costs and inflationary uplifts for the PFI contractor and contributions to the Private Finance Initiative sinking fund of an increase £0.516m within the agreed model.
- 12.23. A combination of efficiencies are proposed to balance the 2021/22 budget including reviewing the level of all line by line expenditure within the HRA of £250k.
- 12.24. It is proposed to reduce the Housing Advisory Panel budgets by 10% from £450k to £405k.

Table 22 – Housing Revenue Account Pressures and Savings

<u>HRA 2021/2022 Proposed Budget</u>	<u>£m</u>
Income	
Rental Increase - as per Formula (1.5%)	(3.11)
Reduction in rental income due to stock reduction	2.02
Increase in service charges (Includes £2/week Sheltered Support)	(0.44)
Review of staff charges to capital	0.38
External Income	0.20
Total	(0.95)
	<u>£m</u>
Expenditure	
Pay pressures (0.75% FYE + £250 less than £24k)	0.69
Price pressures (CPI) inc PFI contract	0.74
Staffing Restructure / ELI savings	(2.17)
Repairs (Stock adjustment)	(0.45)
Review of Running cost budgets	(0.25)
Change in provisions for Doubtful debt	0.21
Payments to BITMO	(0.09)
10% Reduction in HAP Budget	(0.05)
RCCO and Financing	1.13
One off use of Reserves 20/21	1.19
Total	0.95

13. Capital Programme

- 13.1. In recognising the financial challenges that the Council is facing the Council has undertaken a review of the capital programme. Committed schemes have progressed but further capital spending has been restricted to essential health and safety work, Covid-19 related spend and schemes where the Council has received external income/grants.
- 13.2. The review established a number of principles to determine which schemes should remain. These include:
- Statutory requirement
 - Health and Safety (Immediate)
 - Fully/part funded (where funding agreements are in place)
 - Income protection
 - Future cost savings
 - Impact upon Council staffing and its trading services (e.g. Leeds Building Services) and the impact on various partnership impacts (e.g. Norfolk Property Services).

The approach to reducing borrowing has sought to reprioritise existing schemes, slip schemes and replace borrowing with external funding sources where possible.

- 13.3. The Capital Programme review is proposing that £131.5m of schemes are either stopped, reduced or delayed. This is summarised as: £81.989m deletions; £30.021m of funding swaps; and £19.511m of rephasing. Table 23 below summarises the £112m of deletions and funding swap proposals by directorate.

Table 23 – Summary scheme deletions, swaps and rephasing

	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
Adults and Health	-0.4	0.2	0.2	-1.8	-1.8
Children and Families	-0.3	-1.5	-21.0	-1.2	-23.9
City Development	-28.5	-35.7	11.3	-4.2	-57.1
Communities and Environment	-1.0	-3.1	-0.7	-0.7	-5.6
Resources and Housing	-7.6	-7.3	-4.0	-3.1	-22.0
Strategic Accounts	-0.8	-0.9	-0.1	0.2	-1.5
Grand Total	-38.6	-48.3	-14.4	-10.7	-112.0

- 13.4. The implementation of the proposals outlined above have been factored into the following revised capital programme.

Table 24 - Revised Capital Programme

	2020.21	2021.22	2022.23	2023.24	2024.25
Annual Programmes	65.2	62.4	55.2	46.5	46
Major Programmes	408.5	444.7	339.2	217.7	79.4
	473.7	507.1	394.4	264.2	125.4

- 13.5. The revised programme results in forecast full year savings in 2024/25. Whilst there are significant reductions in forecast borrowing in 2020/21 and 2021/22 these have been largely offset by assumed treasury borrowing slippage when setting the treasury budget in February 2020. In addition the budgeted cost of debt for new expenditure is assumed at the half year point and MRP does not become applicable until the year after the asset becomes operational.
- 13.6. The proposed budget proposals provide for a £29.5m increase in the cost of debt and capital financing for 2021/22. This assumes that the remaining borrowing is taken at an average rate of 1.50% interest for the remainder of 2020/21 and at an average of 1.75% in 2021/22. Interest rate projections will be kept under review.
- 13.7. The strategy allows for capital investment in key annual programmes, major schemes that contribute to the Best Council Plan objectives and schemes

that generate income or reduce costs. Capital investment will continue to be subject to robust business cases being reviewed and approved prior to schemes approval.

- 13.8. The Council recovers VAT on expenditure (capital and revenue) relating to the Council's statutory functions and on activities which are charged for at the standard rate of VAT. VAT incurred on expenditure relating to activities which are charged for and which are exempt from VAT is only recoverable if the amount of such VAT does not exceed 5% of the Council's total VAT on expenditure in any one year. Examples of exempt activities are sport, culture, land & property transactions, and crematoria. If the Council's VAT on expenditure relating to its exempt activities exceeds the 5% limit, all VAT on expenditure attributable to exempt activities is irrecoverable. This would create an additional cost to the Council of at least £7m. In addition, the Council would have to bring into account a proportion of any VAT incurred in the prior 10 years which was attributable to exempt activities and recovered in full at the time. Future schemes will only be allowed to progress once the full impact of the VAT implication has been assessed.
- 13.9. A capital programme update report will be presented to the Executive Board in February 2021.

14. Corporate Considerations

14.1. Consultation and Engagement

- 14.1.1. The Authority's financial strategy is driven by its ambitions and priorities as set out in the Best Council Plan. The current Best Council Plan was approved by Council in February 2020 following consultation with members and officers throughout its development, with additional extensive stakeholder consultation carried out on the range of supporting plans and strategies. These arrangements will continue to inform further updates to the Best Council Plan.
- 14.1.2. The Council's Medium Term Financial Strategy 2021/22 – 2025/26, received at Executive Board in September 2020, was informed by the public consultation exercise carried out between January and February 2020 on the Authority's 2020/21 budget proposals. Whilst the consultation covered the key 2020/21 proposals, it also incorporated questions around the ongoing principles that underlie both the Best Council Plan and the Council's financial plans and was therefore relevant to the Medium Term Financial Strategy. This supplements the ongoing process of consultation through which residents are consulted on a variety of issues throughout the year.
- 14.1.3. The same approach taken in last year's public consultation on the authority's budget proposals will be adopted again this year for the 2021/22 Budget. Recognising both the difficulties of paper-based surveys during Covid-19 and that the proportion of offline survey responses to the council's

budget consultation have been declining year-on-year, this year's consultation will again be online only. This will be carried out with: the public via the council's website, social media and the Citizens' Panel; with staff through the intranet; and with stakeholders, including representatives from the Third Sector and the Business sector. The consultation will begin once this report is initially agreed by Executive Board and run for four weeks, with findings timetabled to report findings at the following meeting, prior to finalisation of the Budget.

- 14.1.4. With regard to the individual savings proposals approved by this Board at its September, October and November meetings and put forward in today's report, both senior members and staff have been engaged in their development. Trade unions have also been informed in headline terms of emerging proposals.
- 14.1.5. Where required, further meaningful consultation and engagement has been and will be carried out with staff, trade unions, service users and the public as appropriate on the 'service review' savings proposals. Though some proposals will require a more lengthy engagement exercise, it is anticipated that the vast majority will have closed in time for the outcomes to inform the council's decision-making and be incorporated into February's Budget.
- 14.1.6. Scrutiny Boards have considered savings proposals relevant to their remits at two stages: they have reviewed proposals for September's Executive Board through both working groups and their public Scrutiny meetings in October; whilst proposals for October's and November's Executive Boards have been considered at working group meetings of each Board in November. A composite report summarising Scrutiny feedback across all working group and public sessions is included at Appendix 3.
- 14.1.7. Subject to the approval of Executive Board, this report will be submitted to Scrutiny for their consideration and review at their January meetings with the outcome of their deliberations to be reported to the planned meeting of this Board on the 10th February 2021.

14.2. **Equality and diversity / cohesion and integration**

- 14.2.1. The Equality Act 2010 requires the Council to have "due regard" to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay due regard be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show due regard.
- 14.2.2. The Council is fully committed to ensuring that equality and diversity are given proper consideration when we develop policies and make decisions. In order to achieve this the council has an agreed process in place and has particularly promoted the importance of the process when taking forward key policy or budgetary changes. Equality impact assessments also ensure that we make well informed decisions based on robust evidence.

- 14.2.3. Equality impact screenings have been carried out on all 'service review' savings proposals previously approved by this Board for implementation /consultation at its September, October and November meetings and are included with the further service review proposals included in today's report
- 14.2.4. The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration (Appendix 5) and a full strategic analysis and assessment will be undertaken on the 2021/22 Revenue Budget and Council Tax report which will be considered by Executive Board and subsequently by Full Council in February 2021. Specific equality impact assessments will also be undertaken on all budget decisions identified as relevant to equality as they are considered during the decision-making process in 2021/22.

14.3. **Council policies and Best Council Plan**

- 14.3.1. The Best Council Plan sets out the Council's ambitions and priorities. The Plan's development and implementation continues to inform, and is informed by, the Authority's funding envelope and by staffing and other resources. The current Plan is therefore aligned with both the Council's Medium Term Financial Strategy and its annual budget.

Climate emergency

- 14.3.2. There are no implications for the climate emergency resulting from this report. Should any specific service and budget proposals that emerge through the development of the Council's 2021/22 Budget create potential climate emergency issues or opportunities, these will be addressed in the final Budget reports to Executive Board and Full Council in February 2021.

14.4. **Resources, procurement and value for money**

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

14.5. **Legal implications, access to information and call-in**

- 14.5.1. This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the proposed budget, once approved by the Board, will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2021 meeting of this Board at which proposals for the 2021/22 budget will be considered prior to submission to Full Council on the 24th February 2021.
- 14.5.2. The proposed budget will, if implemented, have implications for Council policy and governance and these are explained within the report. The budget is a key element of the Council's budget and policy framework, but many of the proposals will also be subject to separate consultation and

decision making processes, which will operate within their own defined timetables and be managed by individual directorates.

- 14.5.3. In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Full Council. As such, the recommendations at paragraphs 16.2, 16.3 and 16.4 are not subject to call in, as the budget is a matter that will ultimately be determined by Full Council.
- 14.5.4. However the recommendations in paragraph 16.1, regarding new savings proposals and paragraph 16.5, regarding the Council's participation in the 2021/22 50% Leeds City Region Business Rates Pool, are decisions of the Executive Board and as such are subject to call-in.
- 14.5.5. With regard to the individual savings proposals considered at the September, October and November meetings of this Executive Board and additional proposals put forward in today's report, decisions giving effect to the Business as Usual proposals included in this report can be taken by the relevant Director or Chief Officer in accordance with the Officer Scheme of delegation (Executive functions) and will be subject to the Executive and decision – making procedure rules. Notice of any decision which is “Key” will be published on the list of forthcoming decision not less than 28 clear calendar days in advance of the date of the proposed decision.
- 14.5.6. Decisions giving effect to the Service Reviews will be made following the outcome of consultation having regard to representations made. Decisions will be taken by the relevant Director or Chief Officer, 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.
- 14.6. **Risk management**
 - 14.6.1. The Council's current and future financial position is subject to a number of risk management processes. Not addressing the financial pressures in a sustainable way, in that the Council cannot balance its Revenue Budget, is identified as one of the Council's corporate risks, as is the Council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy. Both these risks are subject to regular review and reporting.
 - 14.6.2. Failure to address these issues will ultimately require the Council to consider even more difficult decisions that will have a far greater impact on front-line services including those that support the most vulnerable and thus on our Best Council Plan ambition to tackle poverty and reduce inequalities.
 - 14.6.3. Financial management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which

are subject to fluctuating demand, key income budgets, etc. This risk-based approach will continue to be included in the in-year financial reports brought to Executive Board.

- 14.6.4. In addition, risks identified in relation to specific proposals and their management will be reported to relevant members and officers as required. Specific risks relating to some of the assumptions contained within this proposed budget are identified below.
- 14.6.5. The impact of COVID-19 upon the Council's revenue budget in 2020/21 has been significant and after the receipt of financial support from the Government it has been necessary to utilise one off resources to deliver a balanced budget in the current financial year. However, as identified in the Financial Health reports and the Council's Medium Term Financial Strategy which have been received at this Board, there remains a risk that the ongoing impact of the COVID-19 pandemic is much worse than that assumed in the projected balanced position for 2020/21 and in the resource assumptions contained within this proposed budget for 2021/22. If a balanced budget position is not delivered in 2020/21 then the application of further one off resources will be required and this will have implications for budgeted assumptions in 2021/22 as well. Similarly if the effect of the pandemic upon resources available is worse in 2021/22 than assumed then there will be a requirement for contingency actions to be identified and implemented.
- 14.6.6. As detailed in this report the proposed budget for 2021/22 assumes the delivery of £89.2m of budget savings proposals, leaving a budget gap of £5.3m, and there is risk, given the scale of this savings programme, that there could be slippage in their delivery. Any slippage will require the identification and delivery of further revenue savings in order that a balanced budget can be delivered in 2021/22.
- 14.6.7. This report contains several budget saving proposals that will be subject to consultation. There remains a risk that there is slippage in the implementation of these proposals or that the assumptions contained in these proposals change as a result of the consultation exercises. This could lead to a variation in the assumed level of savings and the Council's ability to set a balanced budget for 2021/22.

Risks to Funding

- 14.6.8. The period covered by the Government's current Spending Review will end in March 2021. Whilst the Spending Review on the 25th November provided details of the Government's spending intentions for 2021/22 these have not yet been ratified by Government through the annual budget process.
- 14.6.9. Further to this, we await the Provisional Local Government Finance Settlement which is anticipated to be published in the week commencing the 14th December. Whilst the Spending Review 2020 provided details of the Government's spending plans for 2020/21 the Provisional Local Government Finance Settlement will confirm these details. There remains a risk that the more detailed funding assumptions contained in the Provisional

Settlement are different to the assumptions contained in the Spending Review and this could have implications for the level of resources available to the Council in 2021/22.

- 14.6.10. Under the Business Rates Retention Scheme the Council's local share of business rates is exposed to risks both from collection and from reductions in rateable values. Since 2013 two trends have become clear: firstly that there is a lag between gradual economic recovery and significant volumes of business new-builds in Leeds, with little growth in aggregate Rateable Value in Leeds until 2018/19, and secondly that business rates growth that does occur has been offset by successful appeals and other reductions to the rating list - either through closure or Valuation Office reviews.
- 14.6.11. The level of business rates appeals continues to be a risk. Whilst there is very limited scope for new appeals against the 2010 list and the Council has appropriate provision for these, there is very little information available on which to assess appeals against the 2017 list. Therefore income could be adversely affected both by appeals against the 2017 list and by business rate growth being less than assumed. This in turn would reduce the overall level of resources available to fund the services that the Council provides.
- 14.6.12. In 2021/22 Leeds has applied to be part of the Leeds City Region Business Rates Pool. As with previous years' Pools, there remains a risk that if a member authority becomes entitled to a safety net payment, because its retained income has fallen dramatically, then that safety net payment will no longer be received from the Government but will have to be met by other members of the Pool. This will represent a loss of income to the region.
- 14.6.13. The level of council tax collected could be affected by: the increase in the council tax base being less than assumed; collection rates being below budgeted assumptions; Council Tax Support claimant requirements being greater than budgeted; or a mixture of the above.
- 14.6.14. Business rates and Council Tax income continues to be a significant risk, however, any losses greater than those assumed in setting the budget will materialise through a Collection Fund and will not impact in the current year, although this will be an issue in future financial years.

Key risks to cost and income assumptions

- 14.6.15. Demographic and demand pressures, particularly in Adult Social Care and Children's Services, could be greater than anticipated and this will impact upon the assumptions made in the 2021/22 proposed budget.
- 14.6.16. The implementation of proposed savings and additional income realisation could be delayed. Equally, the level of savings generated and/or the level of additional income realised could be less than that assumed in this report.

- 14.6.17. Inflation including the pay award to lower paid employees, reflecting the assumed pay 'pause', could be higher than that assumed in this report. In addition this proposed budget makes a number of assumptions about the costs associated with managing the Council's debt. Whilst the Council has benefited from converting some of its shorter term borrowing into longer term borrowing at record low interest rates, it still has debt as short term rates which means that it is exposed to any upward movement in rates which would result in an increase in costs to the Council.
- 14.6.18. The Council's and City's economic and fiscal position is clearly impacted upon by the wider national economic context. The UK's withdrawal from the EU could potentially weaken the pound, increase inflation, reduce domestic and foreign direct investment and impact upon borrowing costs. Conversely the UK's exit from the EU could have the opposite effect upon the economy. What is also unclear is to what extent the UK's exit from the EU will impact upon the level of resources available to the Council and the level of demand for the services that it provides.
- 14.6.19. A full analysis of all budget risks will continue to be maintained and will be subject to monthly review as part of the in-year monitoring and management of the budget. Any significant and new risks and budget variations are contained in the in-year financial health reports submitted to the Executive Board.

15. Conclusions

- 15.1. The proposed budget for 2021/22 and the projected budgets for 2022/23 and 2023/24 need to be seen in the context of significant inherent uncertainty for the Council in respect of future funding and spending assumptions. Specifically the implications of the Government's future spending plans with regard to local government and other areas of the public sector after 2021/22 remain unknown and the level of resources available to the Council will be heavily influenced by the Government's response to the significant increase in borrowing that has been undertaken in response to the COVID-19 pandemic.
- 15.2. As a result of the pandemic the Council has incurred additional expenditure in 2020/21, whilst at the same time seeing reductions in the level of resources available through a combination of lower forecast income levels for both Business Rates and Council Tax and a reduction in the level of income receivable from sales, fees and charges. The estimated ongoing impact of COVID-19 upon the Council's financial position has been incorporated into the proposed budget for 2021/22 and the provisional budgets for 2022/23 and 2023/24.
- 15.3. In addition, and to compound the uncertainty over the period covered by the Medium Term Financial Strategy, the Government has re-stated its intention to move to 75% business rates retention nationally, to reset business rates baselines and to implement the outcome of the

Government's Fair Funding review of the methodology by which funding is allocated, which determines current funding baselines and is based on an assessment of relative needs and resources. However the timing of all these changes to the local government finance system is uncertain. An assumption has been made for this Strategy that they will all be introduced simultaneously alongside the business rates revaluation, which also requires significant adjustments to be made to the system and which the Government has confirmed will take place in 2023/24. This would have the advantage of adding some stability to the funding system over the medium-term. Adding to this uncertainty is the continued delay in the publication of the Government's Green Paper on adult social care, which will hopefully provide greater certainty around future funding moving forward.

- 15.4. The Council Tax section of this proposed budget includes a 3% increase in the Adult Social Care precept, in line with the Spending Review 2020 announcements. Should this proposed increase be reduced below the anticipated precept amount, any shortfall will require identification of proposals to balance this reduction. This could include using one-off funding from the Adults and Health reserves.
- 15.5. As highlighted in this report the impact of the UK leaving the EU remains unknown whilst West Yorkshire Devolution may require the Council to think differently about the way in which services are organised, funded and delivered as regional collaboration continues to be strengthened over the coming years.
- 15.6. In the determination of the proposed budget for 2021/22 and the forecast position for 2022/23 and 2023/24 a number of assumptions have been made as to the level of resources available to the Council. These assumptions are under constant review to reflect any changes in circumstances or if further information emerges in respect of known risks.
- 15.7. The Spending Review 2020 indicated that in 2021/22 the Settlement Funding Assessment will increase by 0.1% or £0.2m. Further, that Councils would be allowed a core council tax increase of 1.99% and an increase on the Adult Social Care precept of 2.99%. Despite these increases, we project a reduction in local funding of £1.9m following a reduction in the council tax base, mainly due to the increased cost of Local Council Tax Support, and the deficit from 2020/21 that will have to be funded in 2021/22. In addition to this, business rates has gone down due to a contraction of the tax base in 2020/21, a projected increase in empty rates and the requirement for bad debt provisions in 2021/22, a lack of growth in 2021/22, and a persistent increase in small business rates relief. Taken together with the deficit from 2020/21 that will have to be funded in 2021/22, the net impact of business rates retention on the 2021/22 general fund is £28.7m. Resources receivable from SFA, council tax and business rates have decreased due to the impact that COVID-19 has had on growth in those bases. Pay, price and demand pressures mean that the Council will need to deliver £94.5m of savings by March 2022. Overall this proposed

budget results in a Net Revenue Charge which has reduced by £106.1m from 2020/21 to £419.6m.

- 15.8. The Council's Medium Term Strategy which was received at Executive Board in September identified a funding gap of £118.8m for 2021/22. Following the receipt of budget savings proposals reports which were received at Executive Board in September, October and November this estimated budget gap had reduced to £60.6m and this report contains further proposals which will contribute towards a balanced budget position being presented to Executive Board and Full Council in February 2021.
- 15.9. The initial budget positions for 2022/23 and 2023/24 identify estimated budget gaps of £55.7m and £32.4m respectively. Budget savings proposals to reduce this will be brought to this Board for consideration.
- 15.10. As set out in both the Medium Term Financial Strategy 2021/22-2025/26 and this proposed budget report for 2021/22 the budget proposals detailed in this report need to be viewed within the context of the longer term approach to increase the financial sustainability, robustness and resilience of the Council's financial position. Specifically this is to reduce reliance upon one funding sources to fund revenue expenditure and to reduce the Council's expenditure base so that it affordable with the level of resources that are available to the Council in line with the Council's MTFS.
- 15.11. Executive Board have been presented with a series of business savings proposals from the 'Financial Challenge' programme between September and November, with a further report to be presented at December's Executive Board. In terms of achieving a balanced position for the 2021/22 budget proposals, a further £5.3m still needs to be identified. Proposals for this remaining balance will be brought to February's Executive Board, along with the Council's Budget Report.

16. Recommendations

- 16.1. With regard to the savings proposals presented at Appendix 4, Executive Board is requested to:
 - Note the financial position for 2021/22 outlined in this paper and that further savings are required to deliver a balanced budget position;
 - Note the 'Business as Usual' savings 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);
 - Agree the recommendations in the 'Service Review' proposals at Annexe 4.2 and that consultation commences. And to note that decisions to give effect to them shall be taken by the relevant Director or Chief Officer, following the consultation period, in accordance with the Officer delegation scheme (Executive functions) save where the Leader, relevant portfolio holder or Director considers that the matter should be referred to Executive Board for consideration.

- 16.2. Executive Board is asked to agree the proposed budget for 2021/22. This includes the proposed increases in core Council Tax and the Adult Social Care precept. Further to this, that these budget proposals are submitted to Scrutiny and for wider consultation with stakeholders.
- 16.3. Executive Board is asked to note the provisional budget position for 2022/23 and 2023/24 and to note that savings proposals to address the updated estimated budget gaps of £55.7m and £32.4m for 2022/23 and 2023/24 respectively will be reported to future meetings of this Board.
- 16.4. Executive Board is asked to note that the proposal to approve the implementation of an additional Council Tax premium on any dwelling where the empty period is at least ten years, from 200% to 300% premium, will be decided by Full Council in January 2021.
- 16.5. Executive Board is recommended to approve that, should the application to form a new Leeds City Region Business Rates Pool be successful, Leeds City Council becomes a member of the proposed Pool and acts as lead authority for it. The establishment of this new Pool will be dependent upon none of the other proposed member authorities choosing to withdraw within the statutory period after designation.
17. **Background documents²**
- None.

² The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

2021/22

	Adults & Health	Children & Families	City Development	Communities & Environment	Resources & Housing	Strategic & Central	Total Net Revenue Budget
	£m	£m	£m	£m	£m	£m	£m
Net managed budget (2020/21) - RESTATED	201.52	123.24	38.34	79.73	83.68	(0.80)	525.70
Pay - Leeds City Council	0.45	0.78	0.62	0.94	1.67		4.45
Employer's LGPS contribution	0.00	0.00	0.00	0.00	0.00		0.00
Fall-out of capitalised pension costs	(0.14)	(0.26)	(0.11)	(0.03)	(0.60)		(1.13)
Capitalised Pension Costs (New ELI scheme)	0.87	1.03	0.90	1.45	2.54		6.80
Wage costs - commissioned services	6.29	0.65					6.94
Inflation: General	1.21	0.00	1.30	0.78	0.18		3.48
Inflation: Electricity and Gas Tariffs	0.03	0.04	0.80	0.08	0.13		1.07
Demand and demography - Adult Social Care	7.18						7.18
Demand and demography - Children Looked After		2.20					2.20
Demand and demography - Other							0.20
Income pressures	0.00	0.00	0.00	0.33	0.20	0.00	0.53
COVID Pressures	0.00	0.00	1.00	0.00	0.00	8.13	9.13
Transforming Care Programme	1.49						1.49
Housing Benefit Overpayment income				0.60			0.60
CPM Maintenance					0.60		0.60
Town Hall Closure			0.50				0.50
Other Pressures	0.00	0.19	0.75	0.45	0.49	0.10	1.98
Debt - external interest / Minimum Revenue Provision						34.65	34.65
New Homes Bonus						2.48	2.48
COVID Grants (Council Tax & Business Rates)						(83.15)	(83.15)
Business Rates Levy						(0.09)	(0.09)
S31 Business Rate and Council Tax Grants						(10.66)	(10.66)
Additional Social Care Funding (Growth)	(4.20)						(4.20)
Housing Benefit Admin Grant				0.20			0.20
Changes in Strategic Grants						(24.28)	(24.28)
Contribution to / (from) General Reserve						10.95	10.95
Change in Use of Earmarked Reserves	(1.06)	1.05	0.50	1.07	0.00	14.94	16.50
Total - cost and funding changes	12.13	5.67	6.27	6.06	5.21	(46.93)	(11.60)
Budget savings proposals	(18.47)	(12.33)	(11.52)	(7.98)	(15.13)	(23.74)	(89.17)
Total - Budget savings proposals	(18.47)	(12.33)	(11.52)	(7.98)	(15.13)	(23.74)	(89.17)
2021/22 Submission	195.18	116.57	33.09	77.81	73.76	(71.47)	424.93
Increase/(decrease) from 2020/21 £m	(6.34)	(6.67)	(5.25)	(1.92)	(9.92)	(70.67)	(100.77)
Increase/(decrease) from 2020/21 %	(3.15%)	(5.41%)	(13.70%)	(2.41%)	(11.86%)	8,813.63%	(19.17%)
TOTAL FUNDING AVAILABLE (Forecast Net Revenue Charge)							419.64
GAP							5.29

Appendix 2: Summary of savings proposals approved by the Executive Board at its Sep/Oct/Nov 2020 meetings

Adults & Health 2021/22 savings proposals approved

Proposal description	2021/22 savings / £'000s	FTE budgeted posts
Business as Usual' 2021/22 savings proposals		
Proposals approved by Executive Board 24/9/20		
Balance of savings to the overall Council Strategy by switching funding from the funding of other Council Services to meet Public Health Strategy pressures and removal of Public Health net revenue charge; procurement savings and deletion of vacant posts	663	-2.0
Health Partnerships: reductions in general running costs	69	-1.0
Commissioned Services for working age adults: remodelling of day opportunities provision	430	0.0
Commissioned Services for working age adults: seeking appropriate Health funding	2600	0.0
Commissioned Services for working age adults: social work value for money reviews, reassessments and demand management	1250	0.0
Review of care packages: efficiencies in homecare delivery and mental health and forensic services	500	0.0
Reduced contribution to Adults Safeguarding Board	75	0.0
Recovery of payments for care not delivered	489	2.0
Reduced inflation on non-pay elements of demand contracts (reduction in non-pay inflation allowance included in the financial strategy to reflect lower CPI, saving £538k)	0	0.0
Deletion of electronic monitoring budget	40	0.0
Reassessment of individual care requirements for people with a learning disability based upon a strengths-based approach	1,000	0.0
Income from client contributions	1,000	0.0
Total 'BAU' savings approved September	8,116	-1.0
Proposals approved by Executive Board 21/10/20		
Proposed saving through closure of Osmondthorpe Resource Centre (closed since start of pandemic); services retained via other day care hubs and will continue to monitor operation of revised service model.	100	-3.0
Total 'BAU' savings approved October	100	-3.0
Proposals approved by Executive Board 18/11/20		
The council's Financial Strategy made provision of £1.4m to maintain the link between the wage uplift for home care services and the previous year's internal Council Living Wage Rates. Given the council's overall financial challenge and the lower prevailing inflation rate than that assumed in the strategy it is proposed that the allocation is reduced by 50%. This will still provide for an above inflation uplift for these employees and maintains our progress towards achieving the Ethical Care Charter for Home Care staff.	700	0.0
Reduction in grants to support commissioned services for working age adults	162	0.0
A detailed review of all expenditure heads within the Adults & Health budget has been undertaken to identify where budgets have not been fully spent over the last 2 years. In conjunction with budget holders a number of budget lines across the directorate have been reduced accordingly.	479	0.0
The first wave of the Covid pandemic disproportionately impacted old and vulnerable people. The numbers of people supported in care homes fell substantially in March and April 2020, and demand for care home placements has been slow to recover. Whilst this trend has to some extent been offset by increased demands for care being provided in people's own homes, overall there has been a rebasing of these demand budgets as a result. Whilst this is a best estimate of the rebasing of the budget, this position assumes that there is currently no significant level of unmet need masked by changes to lifestyles during the pandemic.	2,400	0.0
The council's Financial Strategy provided for inflation on the non-pay elements of contracts at 2%. The CPI rate recently has been as low as 0.1% and therefore it is proposed not to award any non-pay inflation within the annual uplift for care contracts for 21/22.	1,614	0.0
Since the advent of the National Living Wage the Council has provided for and awarded fee uplifts to providers on the basis of inflating all provider employee costs by the NLW increase, including the impact upon differentials. Given the current financial challenge faced by the Council it is proposed to limit the provision for the NLW element of fee uplifts to those staff being paid at the NLW.	500	0.0
Working in conjunction with the contract provider LYPFT, it is proposed to develop Supported Living Individual Service Agreements (SLISA) recognising the individual needs of service users, together with a review of the staffing skill mix required to meet the changing needs of service users.	250	0.0
The Leadership Academy was established as part of the Care Quality Team within the Commissioning Service to drive up quality within Independent Sector Care Homes in Leeds. The Academy has been extremely successful and has earned 'Centre of Excellence' status with Skills for Care. This has attracted both National Providers and other local authorities in the region who wish to buy in this service. This will require an additional training post, but will also deliver a net surplus in income.	30	1.0
This contract, which has supported the matching and analysis of client level health and social care data, is coming to an end. The City Digital team based within DIS are now able to provide this service, thus this contract will not be renewed.	57	0.0
Total 'BAU' savings approved November	6,192	1.0
Total Adults and Health 'BAU' savings approved Sep/Oct/Nov	14,408	-3.0

Service review' 2021/22 savings proposals - consultation required

Proposals approved by Executive Board 24/9/20		
N/A	0	0.0
Total 'service review' savings approved September	0	0.0
Proposals approved by Executive Board 21/10/20		
Proposal to decommission two adult social care residential homes: Homelea House in Rothwell and Richmond House in Farsley	420	0.0
Proposal to increase client contributions for adult social care services, maintaining means-testing	1,236	0.0
Total 'service review' savings approved October	1,656	0.0
Proposals approved by Executive Board 18/11/20		
Commissioned services for working age adults proposals: reduction in grant funding of learning disability day opportunities provision; early termination of WMDLC Shopmobility Grant; efficiencies in funding for drug and alcohol services; reduction in contract value of BID service; reduction in Touchstone community prevention service	381	0.0
Strategic Commissioning (Older Adults) proposals: a saving of £502k with services potentially affected by such a reduction including Neighbourhood Network Services, Volition, Leeds Jewish Welfare Services, Hamwatten & Al Khidmat Centres, Carers Services, Community Volunteer Services, Dementia Day Services and Offender Support Services. This is the equivalent of a 10% cut but the exact details of implementation to be worked through in discussion with the sector.	502	0.0
A variety of staffing reductions across the Directorate have been proposed, firstly to reflect the ongoing freeze on the release of non-essential posts being maintained for a further year. All of these posts are non-front line roles. Secondly, the Directorate has supported a number of staff with their requests to leave early where a business case can be successfully developed. Again these successful cases are predominantly related to non-front line posts.	1,221	-38.0
Total 'service review' savings approved November	2,104	-38.0
Total Adults and Health 'Service review' savings approved Sep/Oct/Nov	3,760	-38.0
Total Adults and Health proposals approved Sep/Oct/Nov	18,168	-41.0

Appendix 2: Summary of savings proposals approved by the Executive Board at its Sep/Oct/Nov 2020 meetings

Children & Families 2021/22 savings proposals approved

Proposal description	2021/22 savings / £'000s	FTE budgeted posts
Business as Usual' 2021/22 savings proposals		
Proposals approved by Executive Board 24/9/20		
Increased level of income received to support Unaccompanied Asylum Seeking Children	1,000	0.0
Partnerships & Health: staffing savings through voluntary means, use of grant funding and further rollout of personal transport allowances	769	-6.2
Efficiencies through automation of back office ordering and payment for services traded with schools	70	0.0
Resources & Strategy: Learning Systems - staffing savings through voluntary ELI (Early Leavers' Initiative) scheme	155	-3.0
Learning Improvement: staffing savings through deletion of vacant posts, introduction of flexible payment contracts and use of contracted council staff instead of external contractors <i>(leading to net increase in council staff of 0.7 FTE)</i>	130	0.7
Learning Inclusion: staffing savings through deletion of vacant post and removal of management post via voluntary means through team reconfiguration	100	-2.0
Deletion of a number of vacant posts across the Children & Families Directorate	580	-15.0
Staffing savings through realignment of management posts in the Children Looked After Service	104	-1.5
Total 'BAU' savings approved September	2,908	-27.0
Proposals approved by Executive Board 21/10/20		
Children & Families services: seeking appropriate Health funding	1,700	0.0
Reductions in operational running costs across the directorate	150	0.0
Savings through the Early Leavers' Initiative across the directorate	500	-13.0
Total 'BAU' savings approved October	2,350	-13.0
Proposals approved by Executive Board 18/11/20		
Proposal to increase the use of transport allowances for foster carers and to review the authorisation required for staff to book taxis for Children Looked After, in order to encourage alternative travel arrangements.	195	0.0
Proposal to achieve savings through the integration of teams.	100	-2.0
Proposal to hold the current vacancy for the Deputy Director of Learning until September 2021.	47	-1.0
Proposal to cease the contribution to DSG for Post 16 costs, as these should be funded by DSG.	100	0.0
Proposal to make efficiencies by integrating management function in Children and Families and Adult Services Occupational Therapy teams.	37	-0.5
Proposal to recognise that DSG funding will increase in 2021/22 due to inflation already assumed in the DSG budget.	100	0.0
Proposal to cease some contracts.	230	0.0
Proposal to achieve efficiencies associated with the Local Children's Safeguarding Partnership as it is integrated with the Children and Families Trust Board.	40	-1.0
Proposal to carry out a review of Performance and Intelligence. This proposal assumes that savings can be achieved through ELI. If this is not the case then a service review report will be required.	100	-2.0
Total 'BAU' savings approved November	949	-6.5
Total Children & Families 'BAU' savings approved Sep/Oct/Nov	6,207	-46.5
Service review' 2021/22 savings proposals - consultation required		
Proposals approved by Executive Board 24/9/20		
N/A	0	0.0
Total 'service review' savings approved September	0	0.0
Proposals approved by Executive Board 21/10/20		
N/A	0	0.0
Total 'service review' savings approved October	0	0.0
Proposals approved by Executive Board 18/11/20		
Proposal to carry out consultation with regard to permanently closing one council-funded childcare setting that has been closed since the start of the COVID-19 lockdown	162	-1.0
Proposal to achieve savings through a review of Early Help services. Proposal to achieve management savings through closer integration of Early Help and Social Work teams. Staffing implications will be identified through the course of the review.	750	N/A at this stage - please see proposal
Total 'service review' savings approved November	912	-1.0
Total Children & Families 'Service review' savings approved Sep/Oct/Nov	912	-1.0
Total Children & Families proposals approved Sep/Oct/Nov	7,119	-47.5

Appendix 2: Summary of savings proposals approved by the Executive Board at its Sep/Oct/Nov 2020 meetings

City Development 2021/22 savings proposals approved

Proposal description	2021/22 savings / £'000s	FTE budgeted posts
Business as Usual' 2021/22 savings proposals		
Proposals approved by Executive Board 24/9/20		
Proposed savings from a reduction in the council's core office base.	236	0.0
Staffing savings through voluntary means and expenditure savings through reductions in direct property costs and service revenue budgets	700	-7.7
Reductions in general expenditure budgets (e.g. consumable and training) and increased capitalisation of staff costs	350	0.0
Markets & City Centre Service: staffing reductions through deletion of vacant posts and voluntary ELI means, general expenditure budget reductions and increased income	200	-1.5
Employment & Skills: staffing reductions through deletion of vacant JNC post and reduction in research and evaluation budget	100	-1.0
Planning & Sustainable Development: staffing reductions through voluntary means, increased income and general expenditure budget reductions	350	-6.0
Highways & Transportation: use of balances arising from development agreements and review of charging.	900	0.0
Museums & Galleries collection insurance	60.0	0.0
Efficiencies across venues: Leeds Town Hall, Carriageworks Theatre and Pudsey Civic Hall	254	0.0
Reduction in budget for major events	400	0.0
Total 'BAU' savings approved September	3,550	-16.2
Proposals approved by Executive Board 21/10/20		
15% reduction in grants to Leeds Grand Theatre, Opera North, Northern Ballet and Leeds Playhouse. 15% reduction in grant to Henry Moore Institute pending a refresh of the partnership.	227	0.0
Cessation of the annual Christmas Lights switch-on event, and removal of budget to support bi-annual international football screenings on Millennium Square	88	0.0
Cessation of funding contribution to Yorkshire Sport Foundation and for PE/school sport. Cessation of partnership with British Cycling, including the annual <i>Let's Ride</i> event.	100	0.0
15% reduction in grant to Leeds Culture Trust (Leeds 2023). This will contribute a total saving of £1.35m over 3 years. The Trust will still aim for a transformational cultural year as a pillar of the post-Covid Leeds and west Yorkshire economic recovery, and is committed to attracting a further c£20m of investment to the project and the city.	300	0.0
Offset of budget pressure already built into council's medium-term financial strategy	-300	0.0
Total 'BAU' savings approved October	415	0.0
Proposals approved by Executive Board 18/11/20		
Savings across all areas of the directorate delivered by means of staff reductions facilitated by the council's Early Leavers' Initiative and/or additional voluntary measures, e.g. flexible retirement	1,500	-97.9
Reductions in inflation allowances across the directorate. This is in addition to inflation allowances reductions agreed at September Executive Board of £800,000	250	0.0
Further reductions in budgeted income pressures arising from COVID-19 across the directorate	1,000	0.0
Reductions in miscellaneous spend budgets across the directorate (projects, consumables, furniture etc.).	250	0.0
Total 'BAU' savings approved November	3,000	-97.9
Total City Development 'BAU' savings approved Sep/Oct/Nov	6,965	-114.1
Service review' 2021/22 savings proposals - consultation required		
Proposals approved by Executive Board 24/9/20		
Economic Development proposals:		
- staffing reductions through voluntary means - if not delivered, restructure of the Economic Policy Team.		
- cease membership of BITC (Business in the Community)	110	-1.0
- stop / reduce attendance at MIPIM		
- reduce travel and number of staff attending events		
Strategic Planning: proposals to further develop options arising from completion of service review	100	-2.0
Highways & Transportation: proposals to review staffing and operations across the service and generate additional income and/or savings	1,620	-26.0
Total 'service review' savings approved September	1,830	-29.0
Proposals approved by Executive Board 21/10/20		
Planning applications: proposed savings through staffing reductions via voluntary means and procedural efficiencies; also opportunities for additional income generation	100	-2.0
Proposal to reduce opening hours at Lotherton Hall with trade union, staff and public consultation	67	-5.2
Proposal to reduce opening hours at Thwaite Mills Museum with trade union, staff and public consultation	70	-5.1
Proposal to carry out consultation with young people on the introduction of an annual charge of £3 for Breezecard to cover administrative costs, with appropriate concessions	150	0.0
Proposed reduced programme and new delivery model for Leeds Lights with trade union, staff and public consultation	208	-9.0

Proposal to withdraw from the service level agreement to support Chippendale Pool with trade union, staff and public consultation	37	-5.6
Proposal to close Yeadon Tarn Sailing Centre with trade union, staff and public consultation	88	-4.8
Proposal to deliver operating efficiencies within John Charles Centre for Sport, increase fees and reduce staffing, with trade union and staff consultation	200	-1.5
Total 'service review' savings approved October	920	-33.2
Proposals approved by Executive Board 18/11/20		
N/A	0	0.0
Total 'service review' savings approved November	0	0.0
Total City Development 'Service review' savings approved Sep/Oct/Nov	2,750	-62.2
Total City Development proposals approved Sep/Oct/Nov	9,715	-176.3

Appendix 2: Summary of savings proposals approved by the Executive Board at its Sep/Oct/Nov 2020 meetings

Communities & Environment 2021/22 savings proposals approved

Proposal description	2021/22 savings / £'000s	FTE budgeted posts
Business as Usual' 2021/22 savings proposals		
Proposals approved by Executive Board 24/9/20		
Environmental Services: non-operational staffing savings by realigning different sections within the overall service and streamlining management and supervisory arrangements	635	-13.2
Additional income from disposal of trade waste	100	0.0
Increased charge to developers for replacement bins	70	0.0
Cleaner Neighbourhood Teams: general expenditure budget savings	75	0.0
Electoral & Regulatory Services: general expenditure budget savings and review of income budgets	148	0.0
Individual Electoral Registration Grant: use of carried forward grant income (one-off saving)	330	0.0
Woodhouse Lane Car Park: increased commuter tariff of 50p	100	0.0
Additional income from on-street parking tariffs	100	0.0
Additional income from bus lane enforcement	50	0.0
Car Parking: general expenditure budget savings and review of income budgets	100	0.0
Bereavement services price rise	220	0.0
General Fund grounds maintenance contract: reduction in grass cutting frequencies	65	0.0
Public Rights of Way Service: staffing reductions through voluntary means, reduction in direct operational budgets and increased income	100	-2.0
Temple Newsam Cycle Trails and Road Safety Park -	31	2.0
Reduced contribution to Third Sector Infrastructure Fund budget	36	0.0
Review of overhead costs charged to Migration Yorkshire	40	0.0
Communities: general expenditure budget savings and review of income budgets	25	0.0
Savings from Safer Leeds net managed budget	171	-5.0
Reduced contribution to Leeds City Credit Union	63	0.0
Use of European Structural Investment Fund (ESIF) funding for existing senior customer services staffing costs	429	0.0
Staffing reductions in Directorate Improvement Team through voluntary means	35	-1.0
Contact Centre: channel shift savings and increased productivity	70	-18.9
Welfare & Benefits: increased New Burdens grant funding	100	0.0
Welfare & Benefits: general expenditure budget savings	126	0.0
Total 'BAU' savings approved September	3,219	-38.1
Proposals approved by Executive Board 21/10/20		
Proposal to increase the charge made to residents for the replacement of black and brown bins to cover the administrative and delivery costs involved. This revised charge would represent 57% of the actual cost to the council	40	0.0
Proposal to increase the charge for bulky waste collections from £20 to £30 to contribute to the costs of administration, collection and disposal of up to four unwanted bulky items	70	0.0
5% increase in bereavement fees - this is an additional 2% on top of the 3% (£220k) proposal considered by Executive Board in September.	147	0.0
Recognising that community committees will experience an increase in funds delegated to them over the next three years it is proposed to reduce the wellbeing budget by 15%. Even with this reduction we estimate a £2m increase in spending power over the next 3 years.	195	0.0
Removal of council subsidy for Police and Community Support Officers (PCSOs) uplift in line with other West Yorkshire local authorities	625	0.0
Total 'BAU' savings approved October	1,077	0.0
Proposals approved by Executive Board 18/11/20		
Estimated savings across the directorate delivered by staff reductions facilitated by the council's Early Leavers' Initiative and/or additional voluntary measures, e.g. flexible retirement	500	-16.0
Continue to utilise Section 106 balances to support the revenue budget for a further year, reducing the pressure currently shown in the Medium Term Financial Strategy	466	0.0
Following review, reduce the level of Housing Benefit Overpayment income pressure currently included in the Medium Term Financial Strategy.	100	0.0
Increase in vacancy factor to 3.9% to reflect turnover experienced in recent years	200	0.0
Defer part of the planned investment in the Waste Strategy recognising delays due to Covid-19 pressures, which will reduce the pressure currently included in the Medium Term Financial Strategy.	200	0.0
Review of Single Person Discount Council Tax claimants to reduce fraudulent claims	150	0.0
Total 'BAU' savings approved November	1,616	-16.0
Total Communities and Environment 'BAU' savings approved Sep/Oct/Nov	5,912	-54.1
Service review' 2021/22 savings proposals - consultation required		
Proposals approved by Executive Board 24/9/20		
N/A	0	0.0
Total 'service review' savings approved September	0	0.0
Proposals approved by Executive Board 21/10/20		
Proposed closure of Otley (Ellar Ghyll) household waste and recycling centre. Staff affected would be redeployed to vacancies on other sites or elsewhere in the service.	110	-2.0

Proposal to carry out public consultation on closure of West Leeds Country Park visitor centre in Pudsey Park, also with trade union and staff consultation. There is a potential opportunity to repurpose or replace the existing buildings with a park café that could retain some of the educational elements of the visitor centre. This would require a business case for unsupported borrowing.	90	-2.0
Proposal to carry out stakeholder consultation on 50% reduction in the number of bowling greens supported by the council, with consideration to community asset transfers. Staffing reductions anticipated through voluntary means.	83	-4.5
Proposal to carry out stakeholder consultation on review of opening hours and staffing rotas within Community Hub / Library provision across the city, with associated trade union and staff consultation on staffing reductions.	457	-16.9
Total 'service review' savings approved October	740	-25.4
Proposals approved by Executive Board 18/11/20		
Proposal to carry out stakeholder consultation on closure of 3 community centres: Lewisham Community Centre, Allerton Bywater Youth Centre and Windmill Youth Centre. Also to deliver additional efficiencies across all community centres. Staff affected would be redeployed to vacancies elsewhere.	200	-2.0
Total 'service review' savings approved November	200	-2.0
Total Communities & Environment 'Service review' savings approved Sep/Oct/Nov	940	-27.4
Total Communities & Environment proposals approved Sep/Oct/Nov	6,852	-81.5

Appendix 2: Summary of savings proposals approved by the Executive Board at its Sep/Oct/Nov 2020 meetings

Resources & Housing 2021/22 savings proposals approved

Proposal description	2021/22 savings / £'000s	FTE budgeted posts
Business as Usual' 2021/22 savings proposals		
Proposals approved by Executive Board 24/9/20		
Human Resources: staffing reductions via voluntary means, reduced development budget and reduced graduate recruitment in Sep 2021	708	-11.0
Revenues, Benefits & Council Tax: process efficiencies	300	-10.0
Chief Executive's: general expenditure budget savings	125	0.0
Business Support Centre: staffing reductions via voluntary means and non-resumption of envopak service (delivery of mail to and from schools)	380	-22.0
Legal Services: staffing reductions via voluntary means and deletion of vacant posts, small reduction in supplies and services budget	216	-5.3
Civic Enterprise Leeds: staffing savings through voluntary means and increased productivity / smarter working via technology	996	-42.0
Civic Enterprise Leeds: insourcing contracts	550	0.0
Civic Enterprise Leeds: additional income through increased commercialisation across cleaning and facilities management and PRESTO (help at home services) expanded offer	243	0.0
Civic Enterprise Leeds: staffing reductions through voluntary means based on closing office accommodation and redesigning facilities management services	320	-11.0
Civic Enterprise Leeds: procurement savings on cleaning and catering contracts	196	0.0
Civic Enterprise Leeds: review and rationalisation of running costs	163	-1.0
Procurement & Commercial Services: restructure (consultation has already taken place)	223	-3.0
Housing General Fund: use of reserve	120	0.0
Leeds Building Services: additional turnover from the capital programme	476	0.0
Total 'BAU' savings approved September	5,016	-105.3
Proposals approved by Executive Board 21/10/20		
Democratic Services savings through: <ul style="list-style-type: none"> • Capturing efficiencies arising from new ways of working adopted by elected members; • Operational savings from previously underspent budgets; and • Deletion of funded vacant posts and agreement to expressions of interest under the ELI scheme (with functions being accommodated through consolidation into remaining establishment with no significant changes in current support to members) 	183	-3.2
Civic Enterprise Leeds: Price rise (4p) for school meals	300	0.0
Civic Enterprise Leeds: staffing reductions through voluntary means based on reduced cleaning and catering at decommissioned adult social care residential homes - <i>please refer to Adults & Health service review proposal to decommission two adult social care residential homes</i>	200	-10.9
Total 'BAU' savings approved October	683	-14.1
Proposals approved by Executive Board 18/11/20		
Cross-council savings from reduction in taxi usage by staff attending council meetings. Savings will be delivered within services.	100	0.0
Additional early leavers and deletion of resulting vacant posts across the directorate	810	-27.0
As part of the cross-council review of the Business Administration Service approved by the Executive Board in September 2020, additional savings identified through review of meeting support.	250	0.0
Digital Information Services (DIS): Reduction in financial pressures already built into the medium-term financial strategy	300	0.0
Human Resources (HR): One-year pause in council's graduate recruitment scheme in September 2021	160	0.0
Reduced travel costs across the directorate arising from new ways of working	125	0.0
Savings in DIS and HR through line-by-line review of non-staffing costs	145	0.0
Additional income through Refugee Integration Grant	90	0.0
Civic Enterprise Leeds (CEL): staffing reductions through voluntary means based on reduced cleaning and catering in	314	-9.7
Civic Enterprise Leeds (CEL): staffing reductions through voluntary means based on closing the Civic Hall Antechamber door and reception desk with the exception of ceremonial occasions.	60	-2.3
Corporate Property Management (CEL): improved turnaround on void properties and reduced spend	60	0.0
Fleet Services (CEL): additional commercial income	50	0.0
Leeds Building Services (CEL): Reduction in financial pressures already built into the medium-term financial strategy	200	0.0
Total 'BAU' savings approved November	2,664	-39.0
Total Resources & Housing 'BAU' savings approved Sep/Oct/Nov	8,363	-158.4

Service review' 2021/22 savings proposals - consultation required

Proposals approved by Executive Board 24/9/20		
Business Administration Service: Proposal to create a fully integrated and centralised administration model with efficiencies through modernisation	2,000	-100.0
Digital Information Service (DIS): Proposal to modernise the structure of the service to deliver savings and secure additional income. Through voluntary measures as far as possible but may require realignment of roles and responsibilities and post deletion, through trade union and staff consultation.	2,434	-58.0

Information Management and Governance (part of the wider DIS service): Proposal to modernise the structure to meet the needs of a modern and agile council and deliver savings. Through voluntary measures as far as possible but may require compulsory measures through trade union and staff consultation.	N/A - captured in DIS proposal	N/A - captured in DIS proposal
Financial Services: Proposed restructure of Financial Management within Financial Services with trade union and staff consultation	1,000	-22.0
Sustainable Energy & Air Quality: Proposal to increase income through securing additional grant funding. Also staff savings through voluntary measures but if this is not possible, may require a restructure with trade union and staff consultation.	250	-3.0
Intelligence & Policy Service: Proposed restructure of Intelligence and Policy Service within Resources and Housing Directorate with trade union and staff consultation	173	-7.8
Leeds Building Services: Proposed suite of activities across Leeds Building Services to reduce costs, including overheads, productivity improvements, new IT system and additional income. Largest element through staffing reductions with full restructure anticipated with staff and trade union consultation.	0	-70.0
Fleet Services: Proposal to review working practices and delivery models and develop commercial income. Full restructure of Fleet Services required with trade union and staff consultation.	480	-1.0
Total 'service review' savings approved September	6,337	-261.8
Proposals approved by Executive Board 21/10/20		
Cross-council review: reducing the wage bill – <i>Budget savings and FTE reductions from this accounted for within directorate budgets through service reviews and voluntary schemes (notably early leavers' initiative and flexible retirement).</i>	0	0.0
Total 'service review' savings approved October	0	0.0
Proposals approved by Executive Board 18/11/20		
N/A	0	0.0
Total 'service review' savings approved November	0	0.0
Total Resources & Housing 'Service review' savings approved Sep/Oct/Nov	6,337	-261.8
Total Resources & Housing proposals approved Sep/Oct/Nov	14,700	-420.2



**Phase 1 Consultation
2021/22 Budget
Proposals
(September - November 2020)**

**Summary of Scrutiny
Board comments.**



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Introduction

1. At its meeting on [24 September the Executive Board](#) considered and approved the [Medium Term Financial Strategy 2021/22 – 2025/2](#). The report set out an estimated budget gap of £166.3m for the period of the strategy of which £118.8m related to 2021/22.
2. A further report – [Revenue Budget Update 2021/22 and Budget Savings Proposals](#) - set out an initial series of savings proposals totalling £32.3m, which were intended to contribute towards the Council achieving a balanced budget for 2021/22.
3. Additional proposals were later set out at Executive Board meetings on [21 October](#) and [18 November](#), presenting further savings of £7.9m and £17.6m respectively.
4. As part of a wider consultation process it was agreed by Executive Board in September that Scrutiny Boards would consider these savings proposals as relevant to their respective remits.
5. The Executive Board also confirmed in September that the outcome of any consultation would inform the Council’s decision-making and would be incorporated into the 2021/22 to 2023/24 Budget Report timetabled for initial consideration at the Executive Board’s meeting in December 2020.
6. In previous years Scrutiny Boards have been consulted on the Council’s Initial Budget Proposals towards the latter end of the overall budget setting process.
7. Members of all Boards have suggested this has limited the extent to which Scrutiny can influence the development of budget proposals and as part of their collective feedback to the Executive Board – including most recently in January 2020 - Scrutiny

Boards have advocated a strengthening of their role through earlier consultation.

8. Scrutiny Boards therefore welcomed the opportunity to be consulted on proposals for 2021/22 from September and are keen that early engagement in the development of budget proposals continues beyond the unprecedented circumstances of 2020/21.
9. Scrutiny Boards have been keen to retain a flexible and agile approach to their involvement with the budget consultation process and as such have chosen to make use of both public and private meetings in order to conduct their discussions.
10. The following meetings have taken place:

Scrutiny Board	Public Meeting	Working Group
Adults, Health and Active Lifestyles	20 October	5 October 20 November
Children and Families	7 October	30 September 17 November
Environment, Housing & Communities	14 October	25 September 16 November
Infrastructure, Investment & Inclusive Growth	15 October	1 October 19 November
Strategy and Resources	12 October	25 September 19 November

11. The Scrutiny Boards welcomed the input of Executive Board members, Directors and other Senior Officers as part of the consultation process.



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12. In providing this summary it should be noted that Scrutiny Boards have not yet had the opportunity to examine further budget proposals that may be taken to the December 2020 Executive Board meeting.
13. Boards will, however, have further opportunity to comment on those proposals as part of final consultation on the budget during the January 2021 meeting cycle.
14. The consultation also took place before the Chancellor announced the details of his 2021/22 Spending Review.
15. Across all Boards elected members acknowledged the enormous scale of the budget challenge facing the organisation, given the need to address the Council's estimated £118.8m financial gap in 2021/22.
16. Members were keen to put on record their recognition of the huge challenges - and associated financial pressures - the Council has faced as a result of the need to respond to, and encourage the city's recovery from, the Covid-19 pandemic.
17. There was also further acknowledgement of the inherent uncertainty for the organisation in developing budget proposals without having yet had confirmation of the 2021/22 settlement from central Government.
18. All Boards explored the impact of proposed savings on Council staff and the way in which staff reductions would be managed. While members supported the use of voluntary means to reduce staff numbers, there was an acknowledgement that the way in which officers leave the organisation does not always mirror service demand.
19. Particular concern was expressed about the pressure on members of staff working in areas of the organisation where there have been considerable numbers of experienced staff departing very quickly.
20. Members of all Boards recognised that new ways of working are enabling many people to better balance the demands of work and home. However, they also noted that in some cases flexible working practices, and particularly the current large-scale remote working arrangements, could mask indicators that might otherwise have triggered concern about the well-being of an individual.
21. Board members therefore recommended a proactive approach to delivering interventions designed to promote staff well-being and healthy working practices.
22. Scrutiny Boards are keen to continue their early engagement in the development of the budget in future years and to maximise the value the involvement of their members can add to that process. With that in mind a number of members highlighted that it would be beneficial for scrutiny members to receive additional training on the way in which local budgets operate in relation to the remits of the various boards.
23. The main areas of discussion for the individual Boards are summarised below for consideration by the Executive Board as it seeks to finalise the Budget proposals that will be recommended to Full Council.



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Environment, Housing and Communities

24. Board members welcomed a number of individual proposals including increasing charges to developers for replacement bins and further work to review single person discount Council Tax claimants in order to reduce fraud.
25. The Board was supportive of the environmental and financial benefits that could be achieved by introducing more 'relaxed mowing' as part of proposals to reduce the cost of the grounds maintenance contract.
26. A number of councillors noted the proposal to close Ellar Ghyll Household Waste and Recycling Centre was "not unexpected" given the huge pressures facing the service.
27. In a number of areas members proposed that further information would need to be provided to decision makers in order for them to fully understand the impact on communities of the measures proposed.
28. One such issue was a proposal to reduce the Council subsidy for enhanced provision of Police and Community Support Officers, in line with other West Yorkshire authorities.
29. Notwithstanding the proposed changes to regional arrangements as part of the West Yorkshire devolution deal, members advocated discussions taking place with the Police and Crime Commissioner to understand whether he would continue to provide his proportion of additional funding for PCSOs, during his term of office, once the local authority ceased its contribution. Board members further recommended that decision makers receive the detail of how remaining PCSO resources would then be allocated by West Yorkshire Police, so as to be able to provide clarity about which wards in Leeds would be most likely to experience reductions in PCSO support, - and to what extent - if the LCC proposal were to be agreed.
30. Similarly, in considering a proposed reduction in wellbeing budgets, the Board recommended that the final proposals set out how reductions might be applied, the rationale for the approach adopted and the resulting impact on individual committee budgets. The Board noted that any increase in spending power resulting from CIL would not be received consistently across the city and members advocated this being taken into account as part of the decision making process. Particular concern was expressed about a disproportionate impact on community committees which will not receive CIL funding even where development takes place, as a result of local parish and town council arrangements.
31. Officers were asked to consider whether funding currently allocated to Housing Advisory Panels (HAPs) could be transferred to community committees, on the understanding it would be ring fenced for tenants as required by Housing Revenue Account regulations, to bolster local spending power.
32. The Board suggested further information be provided to decision makers to set out which community hubs/libraries would be affected by proposed changes to opening hours and staff rotas. Members also suggested it would be beneficial to provide more detail about the rationale informing changes in specific areas.
33. The Board expressed concern about the potential impact health impact of



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proposals to decommission bowling greens, particularly for elderly people. Members recommended further information be provided about decommissioning costs as compared to anticipated savings, and suggested it would be important to understand the likelihood of decommissioned greens then being sold.

of S106 balances to support the revenue budget for a further year would not prevent community schemes being progressed.

34. Members reiterated their support for the “excellent joint working” on homelessness prevention, which has delivered significant benefits for some of the city’s most vulnerable individuals while also delivering financial savings for the wider organisation. Noting the additional success of securing external funding for a significant proportion of this work, members agreed that further cuts to general funding for services in this area would risk creating greater long-term financial pressures for the organisation.

39. Members recommended proceeding with a proposed increase in bereavement charges with particular sensitivity, in light of the current circumstances.

35. Board members recognised the importance for Council tenants of protecting capital investment and the proposed budget for housing repairs. However, concern was expressed about the impact of local housing officer positions remaining vacant.

40. In discussing the budget setting process, it was suggested that the scale of the current financial challenge presents an opportunity for an even more fundamental review of Council operations with individual members suggesting that the Council explores ‘zero based budgeting.’

Infrastructure, Investment and Inclusive Growth

36. In discussing a proposed increase in charges for bulk waste, members sought reassurance that officers had explored the costs to the organisation of any associated increase in fly-tipping.

41. The sensitivity of many services within City Development to fluctuations in the wider economy was explored by this Board with income generation and the future of high profile events in the city, areas of concern in light of recent - and potentially future - Covid-related restrictions.

37. Members discussed the impact of delays to the anticipated national waste strategy on the Council’s ability to plan for any required future investment, particularly in areas such as food waste collection.

42. Board Members sought to understand the impact on local communities of proposed savings involving frontline service delivery in areas such as highways and strategic planning.

38. The Board sought and welcomed reassurance that the continued utilisation

43. The Board reiterated the importance of the outcomes delivered through the Smart Cities and 100% Digital teams and advocated prioritising the continuation of digital inclusion programmes within the context of the Council’s Inclusive Growth agenda.

44. Members acknowledged that a significant proportion of proposed savings in services



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within the Board's remit relate to reductions in staffing costs. The Board was therefore keen to understand how an aggregated figure for staff reductions related to individual service areas.

45. It was confirmed that staffing reductions would affect all service areas that fall within the remit of the Board including urban design, policy, development control and the management of planning applications. Members explored the temporary management arrangements introduced in services such as Employment and Skills, and Asset Management, as well as considering how transport policy would be managed in future.
46. Reassurance was sought by Board members that appropriate support was being provided via HR for members of staff who found themselves shouldering significant additional responsibility in an environment where change is now being accelerated at pace.
47. Reconfiguring services to ensure resilience, responsiveness and agility was a key concern for Board members, particularly in light of upcoming changes set out in the Government's Planning White Paper.
48. Officers outlined proposals to increase income and to "work smarter" including through greater digital access and processing.
49. Members noted that "front loading" planning applications could potentially reduce challenges that often emerge in the later stages of the application process, improve the quality of outcomes and increase efficiency.

50. The Board was reassured that government funding remained in place for major schemes so work in those areas could continue.
51. The Board discussed strategies for reducing Council activity in some areas to reduce costs. An example within asset management was bringing forward the release of surplus properties to secure capital receipts and reduce the cost of maintaining properties that are not in use.
52. Board members asked for clarification about the Council's position regarding the potential capitalisation of costs incurred as a result of Covid-19, with a view to spreading those costs over a number of years. Members noted that this would provide the Council with a financial mechanism similar to that already available to central government. However, it was also noted that the consequences of such an arrangement would themselves bear risk including with regard to the associated change in the city council's broader relationship with Government.

Strategy and Resources

53. In addition to the concerns outlined in paragraph 18 and 19 (above) Board members sought further clarity on workloads for staff that remain with the authority once the Early Leavers' Initiative (ELI) has been completed and vacant posts have been withdrawn from directorate structures. Particular concern was around whether workloads would be manageable given the scale of staffing reductions.
54. Questions were raised by the Board on the use of 'talent pools' and redeployment to ensure that staff are able to retrain and move on into new roles in the Council



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when services are impacted by the Service Review approach. One example discussed by the Board related to staff being able to move into positions within housing services, supported by appropriate training, when they become available as those are funded by the Housing Revenue Account (HRA) and not the general fund. Board members were keen to ensure a flexible approach is taken by decision makers to ensure that staff are retrained and retained when such opportunities arise.

55. Members noted the wider implications of estate realisation particularly in light of Covid-19 and the council's rapid deployment of new ways of working that could see less office space used and a requirement to realise assets as part of the Medium-Term Financial Strategy. The Board were keen to ensure that savings made from estate realisation formed part of the council's future financial planning.
56. Treasury Management Strategy was also a point of interest for the board and members were keen to note the significant savings made through a prudent approach to borrowing and securing cheaper interest rates that has significantly benefitted the overall revenue budget position in recent years. Members also sought assurance that borrowing remained affordable and were keen to ensure that risk assessments were carried out as appropriate.
57. Whilst recognising the pressure placed on Council budgets as a result of year on year budget reductions and the added and unprecedented impact of Covid-19, members were keen to ensure the sufficiency of general and earmarked reserves.
58. The board was interested in proposals to make savings on the Leeds Lights Service accessed by communities city wide. A strong view was to ensure that all options are considered for this service as it is both valued and considered to be cost effective for the services it provides. Options that board members wanted decision makers to consider included evaluation of whether the business model could operate in the private sector or could be sold as a going concern, concerns about additional costs if the service did involve the private sector, whether the proposed £200K of savings might jeopardise the existing business model and encouragement to ensure that all commercial opportunities are being explored.
59. The proposals to reduce opening hours at Lotherton Hall also attracted comments and suggestions. Board members, whilst mindful of the financial challenge faced by the Council and the need to set a realistic rather than hopeful budget, were keen to ensure that the future business model for Lotherton Hall should be focussed on generating income and ensuring that one off events in particular are maximised as a means to generate income as the facility has proven to be capable of delivering this type of event successfully. Additional comments for decision makers to consider included providing improved café facilities, availability of room hire and events space and that there is focus on 'building up' the offer at Lotherton Hall in future years once the current financial challenge has been dealt with.
60. Given the proposals for both Lotherton Hall and Thwaites Mill members were interested in ensuring that residents could access cultural facilities as seamlessly as possible and that residents should be encouraged to visit the attractions that are



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in the Council's ownership. Members therefore suggested that a more joined up approach might be preferable and encouraged decision makers to give consideration to linking up the two existing discount cards the Breeze Card and the Leeds Card.

61. The proposals to increase charges on the Breeze Card by £3 attracted further comments from Board members. There was concern that consultation should be thorough with young people on these plans and whilst recognising the opportunity to enhance the digital offer through the proposed increase in charges, members felt that consultation was important to get the proposals right and to ensure that young people continued to access the Breeze Card and continued to believe that it offered value for money. Members were strongly supportive of the opportunities the Breeze Card offers to young people as a 'gateway to culture' that can create a lifelong interest in culture and the benefits it offers.
62. Board members suggested enhanced consultation on the Breeze Card proposals to include; the Council's Community Committees through the Children and Young People's Champions appointed to each committee and also with the city's colleges and further education providers and in particular Leeds City College.
63. Members welcomed that there were no proposals in relation to the sale of any of the Council's cultural and arts collections and noted the value they offered to Leeds residents in terms of their cultural value and the local connection that many of the items had with the city. Board members were cautious about any proposals to sell any arts or cultural items held in the Council's collections or archive.

Children and Families Scrutiny Board

64. Board Members noted that the largest element of the Children and Families Directorate budget relates to staffing. Recognising the projected increase in demand for services due to the Covid-19 pandemic, Members sought assurance that staffing levels would remain sufficient in light of the current budget savings proposals, which equates to a reduction of 47.5 FTEs across the directorate. Members were advised that the current 'Business As Usual' approach is aimed at supporting requests for early leavers where appropriate, whilst being mindful of teams under significant pressure and the impact of staffing reductions on statutory responsibilities.
65. With regard to service delivery, particular reference was made to Children Looked After Services. While this is the directorate's largest element of expenditure, the Board was reassured that no budget savings proposals would be made against Children Looked After placements, particularly as the Covid-19 pandemic is likely to significantly impact more families and potentially add further pressure in terms of children entering the care system.
66. Linked to the above, Board Members noted the council's intention to accept an additional 26 Unaccompanied Asylum Seeking Children (UASC) into the care system, thereby moving towards the 0.07% UASC to total child population threshold. While this would be adding pressure to the service, Board Members were assured that the associated increased level of income expected would be enough to cover the service's costs. However, a point was made by the Board



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that while funding would follow each child through the local authority, the health sector would not receive any additional funding for UASC and therefore this needed to be taken into account in terms of their overall health and care needs.

67. Linked to Partnerships & Health, the Board particularly discussed the proposal to further rollout personal transport allowances linked to the delivery of the Independent Travel Training to pupils, which will also be provided in-house. The Board was assured that any arrangements put in place would be in the best interests of the pupil and with the mutual consent of the pupil's parents/guardian and the Independent Travel Team. However, as part of any new in-house provision, the Board advised that schools should also be actively involved with the Independent Travel Trainers, as well as parents.
68. The Board particularly welcomed the directorate's target to achieve an additional £1.7 million of funding by working closely with the NHS Leeds Clinical Commissioning Group to look at increasing their contribution base to a level that would be more on par with contributions made to other local authorities by the health sector.
69. Another suggestion was also put forward by the Board for the directorate to explore the potential to introduce a Council run supply teacher agency, to be used as a traded service for schools at a lower cost.
70. With regard to the directorates Service Review proposals, the Board particularly discussed the proposal to cease the delivery of childcare from the Little Owls Firthfields, Garforth site and relocate the Children Centre Family Services from Garforth Academy to this building. In

doing so, the Board was assured that while the council's sufficiency duty would still be met through local alternatives for every affected child, this proposal would also be offering an enhanced quality of family services on offer to the community. As a Service Review proposal, the Board acknowledged that further consultation will take place with all relevant stakeholders prior to a decision being made.

Adults, Health and Active Lifestyles

71. Linked to the Board's 'Active Lifestyles' remit, particular consideration was given to the 3 related service review proposals made by the City Development directorate, as reported to Executive Board in October.
72. With regard to the proposed closure of Yeadon Tarn Sailing Centre, the Board questioned the current usage of this facility, which was reported to be approximately 9,000 users a year. Due to the nature of the activities, it was noted that there are substantially more young people accessing the sailing courses than older people, with the vast majority being of teenage age with an average age of attendance being 13 years of age. However, the Board felt that more detailed analysis of this data should be done to identify key groups and characteristics affected by the proposal.
73. It was highlighted that the site is predominantly used by schools (primarily within the Yeadon area), together with some public sessions. While acknowledging that this is the only venue within the Active Leeds portfolio to offer these type of outdoor water based programmes, it was reported that there are other venues in Bradford, Wakefield, Huddersfield and York that offer the same



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facilities as the sailing centre. While acknowledging the need to find a financial solution towards addressing the significant subsidy costs associated with this centre, Members were assured that all possible options will be explored during the consultation to try and find an optimum solution.

74. With regard to the proposed operating efficiencies at the John Charles Centre for Sport, Board Members were assured that any proposed club increased fees will not increase above the rates of other swimming pools and/or facilities and will still be below other local authorities. Prices will be negotiated to ensure the clubs can afford the costs. The Board was also pleased to learn that efforts are continuing to be made to increase the centre's public access time, rather than reduce it.
75. In consideration of the savings proposals being identified within the Adults and Health Directorate, Board Members very much welcomed the success of the Leadership Academy in achieving 'Centre of Excellence' status with Skills for Care. This has attracted both National Providers and other local authorities in the region who wish to buy in this service. While this will require an additional training post, it will also deliver a net surplus in income.
76. With regard to other identified efficiency measures, Board Members particularly acknowledged the importance of having effective systems in place to ensure that when care services are not being delivered, the respective payments for such services are being recovered.
77. Board Members also noted the proposal linked to the reassessment of individual care requirements for people with a learning disability, based upon a strengths-based approach that aims to further enrich lives by encouraging re-engagement in the community and employment opportunities. However, Board Members felt that it would be helpful to provide case study evidence to further demonstrate the benefits of this approach.
78. With regard to the proposed closure of Osmondthorpe Resource Centre, Board Members were informed that 27 people from across the city would be affected by this proposal, but were also assured that such individuals would continue to receive support services either via other day care hubs or through the operation of a revised service model, which will continue to be monitored by the service.
79. The Board also discussed the service review proposal to decommission two adult social care residential homes: Homelea House in Rothwell and Richmond House in Farsley.
80. With regard to Richmond House in particular, it was noted that this is a 20 bedded residential service that offers short term care and support to people who require a period of recovery following a hospital admission. The service also offers support to people from the community to prevent hospital admission.
81. However, it was noted that the facility is continually under occupied as the NHS Leeds Clinical Commissioning Group Community Care Beds contract is now established and provides a greater recovery residential and nursing offer. As such, this current type of provision can easily be assimilated in wider system provision.
82. While acknowledging that both proposals will be subject to further consultation, it



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was highlighted that the estimated timescales for a full decommissioning and ensuring all customers are appropriately transferred to a new home of their choice, is approximately 12 months from the onset of a formal consultation, anticipated in this proposal as no earlier than end of January 2022.

83. The Board acknowledged the difficult position of the directorate in having to balance the cost of delivering quality statutory services against the desire to maintain other valuable discretionary services. However, some concerns were raised regarding the Strategic Commissioning (Older Adults) proposals to reduce funding to a number of third sector organisations, including Neighbourhood Network Services. As part of the consultation process, Board Members were therefore assured that the exact details of implementation would be worked through in close dialogue with the sector.

Conclusions and Next Steps

84. In line with the Council's '[Vision for Scrutiny](#)' members of all five Boards have sought to provide "critical friend challenge" to those developing budget proposals for 2021/22 and have welcomed the time and contributions of Executive Members, directors and senior officers.
85. In January 2021 Scrutiny Board members will consider the initial package of budget proposals as agreed by Executive Board in December 2020, before final proposals are recommended to Full Council in February 2021.
86. Throughout this initial phase of budget consultation, scrutiny members have regularly acknowledged the enormous

scale of the financial challenge facing the organisation and the way in which 'built in' savings required for 2021/22 have been substantially exacerbated by the need to respond to the Covid-19 pandemic.

87. Board members have further recognised that the result of these pressures is an accelerated pace of change in the organisation and highlighted the importance of individual service areas being empowered to deliver the scale of change necessary to achieve a balanced budget in 2021/22.
88. Alongside the Executive Board, Scrutiny Members will seek to maintain a degree of oversight of the budget delivery process as it pertains to the remits of the various boards during the coming municipal year.
89. As noted above, all the Boards welcomed the opportunity to engage in the budget setting process earlier in the municipal year than has been in the case previously. All Boards are keen that such consultation continues in future years and is not limited to the unprecedented circumstances of 2020/21.
90. Looking to future years, scrutiny board members have noted that additional training on departmental budgets as they relate to individual boards would assist in ensuring members have the tools and the contextual knowledge necessary to add maximum value to the budget setting process through effective 'check and challenge.' It is therefore recommended that consideration is given to providing such training on an annual basis through the member development process at the start of each municipal year.

**Scrutiny Boards
Joint Statement for the Executive Board
Phase 1 Consultation: 2021/22 Budget Proposals
December 2020**



Budget savings proposals for 2021/22 – for consideration at Executive Board 16th December 2020

Summary

- The Medium Term Financial Strategy 2021/22 - 2025/26 considered at September's Executive Board meeting reported an estimated budget gap of £166.3m for the period of the strategy, of which £118.8m relates to 2021/22. Of this £118.8m, £59.7m is due to pressures identified prior to the impact of COVID-19 with the balance of £59.1m resulting from the ongoing financial impact of COVID-19.
- In response to this financial position, the council established a 'Financial Challenge' programme of service reviews to identify savings that contribute towards closing the estimated budget gap and enable the authority to present a robust, balanced budget position in 2021/22. In line with the council's ambitions and values, these aim to protect services that support the most vulnerable whilst ensuring that the council becomes more financially resilient and sustainable for the future.
- The saving proposals resulting from these reviews are categorised as either 'Business as Usual' proposals which can be implemented within the council's delegated decision-making framework and without consultation, or 'Service Reviews' which will require meaningful consultation with relevant stakeholders prior to any decisions being taken. The results of any such consultation with staff, trade unions, service users and the public will be used to inform the final decision.
- Executive Board has already approved three sets of savings proposals for 2021/22 through its September, October and November 2020 meetings. Combined with £0.3m savings resulting from a review of the capital programme and a reduction of 50 full-time equivalent (FTE) posts through a review of the Housing Revenue Account (both considered at September's Executive Board), these total £58.2m, with an anticipated reduction in the workforce of 816.5 FTEs.
- A further £5.2m potential savings are presented for consideration today with an anticipated reduction in the workforce of 97.5 FTE budgeted posts. If today's proposals are approved, taken together with the £58.2m proposals previously approved, the total savings proposals identified so far come to £63.4m (rounded). The total anticipated reduction in the workforce is 914 FTEs. All efforts will be made to avoid compulsory redundancies.
- The main cover report 'Proposed Budget for 2021/22 and Provisional Budgets for 2022/23 and 2023/24' sets out further measures to reduce the budget gap. Additional savings proposals will be brought to the Executive Board in February as part of the recommended Budget 2021/22 report.

Recommendations

Executive Board is requested to:

- a) Note the financial position for 2021/22 outlined in this paper and that further savings are required to deliver a balanced budget position;
- b) Note the 'Business as Usual' savings 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);
- c) Agree the recommendations in the 'Service Review' proposals at Annexe 4.2 and that consultation commences. And to note that decisions to give effect to them shall be taken by the relevant Director or Chief Officer, following the consultation

period, in accordance with the Officer delegation scheme (Executive functions) save where the Leader, relevant portfolio holder or Director considers that the matter should be referred to Executive Board for consideration.

1. Purpose of this report

- 1.1 This report details the actions underway and proposed to address the financial gap for 2021/22 estimated at £118.8m. The report presents a series of savings proposals to contribute to the council achieving a balanced budget for 2021/22 Budget and, where appropriate, seeks agreement to begin meaningful consultation with staff, trade unions, service users and the public as required.

2. Background information

- 2.1 A report received at this Board in June set out the impact that the COVID-19 pandemic is having upon the council's financial position in 2020/21 and 2021/22. Updates have since been provided to the Executive Board on the 2020/21 position through monthly Financial Health reports.
- 2.2 The Medium-Term Financial Strategy 2021/22 to 2025/26 received at this Board in September further detailed the significant financial uncertainties resulting from COVID-19 and how this will continue to impact upon the council's financial position for the period covered by the strategy.
- 2.3 The council's financial position and the estimated budget gap for the period covered by the Medium Term Financial Strategy need to be seen against a backdrop of ongoing national economic uncertainty, which means the council will continue to have to make some difficult decisions on how and where it allocates its capital and revenue resources in order to deliver its priorities as set out in the Best Council Plan.
- 2.4 With regard to 2021/22, the authority's estimated financial gap has previously been reported as £118.8m. To start to reduce that gap, an initial set of savings proposals were considered and approved by this Board at its September, October and November meetings (available at Item 43 [here](#), Item 21 [here](#) and Item 77 [here](#) respectively). Today's report presents a fourth set of proposals for consideration.

3. Main issues

Revenue Budget 2021/22: Service reviews

- 3.1 A 'Financial Challenge' programme of service reviews has been established to identify savings that will contribute towards closing the estimated revenue budget gap and enable the authority to present a balanced budget position in 2021/22. These comprise several cross-council reviews and others that relate to individual services; a small number of more complex reviews have received external, independent support.
 - The cross-council reviews include those relating to activities that the council has been pursuing for some time, such as a review of business administration, mail and print expenditure reduction and changing the workplace. More recently identified reviews include reducing the wage bill, estate rationalisation (building on the long-standing changing the workplace programme), procurement, customer contact and workforce development. Reports on estate rationalisation and accelerating capital receipts were considered by this Board at its September, October and November 2020 meetings (Item 46 available [here](#), Item 22 available [here](#) and Item 78 available [here](#) respectively).

- In addition to the cross-council reviews, directorates have also carried out reviews of all services, working towards an indicative target saving of 10% of gross expenditure or 20% of net expenditure for each directorate.

3.2 The Financial Challenge programme is being carried out across all services with a cross-council ‘Silver’ group set up to provide support and ensure a co-ordinated, consistent approach. Directors have carried out peer reviews of each other’s emerging proposals to provide additional high support and high challenge and Scrutiny Board working groups have also met to consider proposals brought to this Executive Board and for further support and challenge to identify new proposals.

3.3 The outcome from the reviews has led to a set of savings proposals which are categorised as either ‘Business as Usual’ (BAU) or ‘Service Review’ proposals:

- BAU proposals are those that do not require consultation to implement: for example, they relate to improving the efficiency of the service, are cost reduction measures with no impact on service users or, where there are budgeted staffing reductions, these are anticipated to be met through deletion of vacant posts or voluntary means, as has been collectively agreed. Where voluntary measures have a modest and/or residual impact on the workforce, local / BAU consultation would be expected.
- Service Review proposals (some cross-council, some service-specific) are those requiring consultation: for example, the way in which a service is delivered or the level of service provided is impacted and so meaningful consultation with service users is needed; and/or the proposal relates to a significant internal restructure, requiring consultation with trade unions and staff.

3.4 A summary of the BAU proposals is provided at Annexe 4.1. The total value of these proposals is £2.9m. The Service Review proposals are summarised at Annexe 4.2 with a total value of £2.3m. Executive summaries and equality, diversity, cohesion and integration screening documents for each Service Review proposal are also provided. Any new savings identified from the cross-council reviews have been captured within the BAU and Service Review proposals. The combined value of the BAU and Service Review proposals set out in today’s report is £5.2m. Further savings proposals to address the remaining estimated budget gap will be brought to the Executive Board in February as part of the recommended Budget 2021/22 report.

General Fund: Revenue Budget 2021/22 - savings proposed

3.5 Table 1 summarises the proposals set out in this report for the Board’s consideration.

Directorate	Business as Usual		Service reviews		Total	
	2021/22 savings / £'000s	FTE budgeted posts	2021/22 savings / £'000s	FTE budgeted posts	2021/22 savings / £'000s	FTE budgeted posts
Adults & Health	0	0.0	0	0.0	0	0.0
Children & Families	2,500	-5.0	0	0.0	2,500	-5.0
City Development	0	0.0	0	0.0	0	0.0
Communities & Environment	383	-4.5	223	-7.0	606	-11.5
Resources & Housing	0	0.0	0	0.0	0	0.0
Cross-council	0	0.0	2,100	0.0	2,100	0.0
	2,883	-9.5	2,323	-7.0	5,206	-16.5

Table 1: Summary of 2021/22 Revenue Budget Savings Proposals for December Exec Board

- 3.6 Should these December proposals be approved, the total savings for 2021/22 approved by this Board since September are as follows:

2021/22 revenue savings	£'m	£'m
Capital programme review		
September Executive Board		-0.3
Savings proposals		
September Executive Board	-32.3	
October Executive Board	-7.9	
November Executive Board	-17.6	
December Executive Board	-5.2	
		-63.1 (rounded)
TOTAL		-63.4

Table 2: Summary of 2021/22 Revenue Budget Savings Proposals Sep to Dec Executive Board

Staffing implications

- 3.7 The implications of the savings proposals set out in today's report project a potential reduction of 16.5 FTE budgeted posts with a further potential reduction of 81 FTE budgeted posts through a review of the Housing Revenue Account (further detail is provided in the cover report at section 12). Combined with the proposals approved at September's, October's and November's Executive Board meetings (816.5 FTE budgeted post reductions – including 50 HRA-funded FTE posts), the total potential reduction is 914 FTE budgeted posts.
- 3.8 The council issued a Section 188 Notice to the trade unions in June 2020 confirming our duty to consult to avoid, reduce and mitigate the risk and consequences of compulsory redundancies. Pursuant to the council's Managing Staff Reductions Policy, a range of voluntary measures are now being progressed, including early retirement, flexible retirement, severance and other voluntary changes to working patterns.
- 3.9 The expressions of interest in the voluntary leavers' scheme were very high and, following the scheme's closure at the end of September, decision-making has taken place over October and November. 1,992 expressions of interest were received and, of these, 1,058 colleagues reaffirmed their interest in leaving under the Early Leavers' Initiative (ELI) scheme: 900 through voluntary retirement, 158 through voluntary severance.
- 3.10 To date a total of 714 staff have been approved at panel for exit by the 31st March 2021 and, as of the 30th November 2020, 148 of these people have exited the organisation. Work continues to progress other cases through the decision making process and further ELI panels are booked in for December to facilitate further exits.
- 3.11 A collectively agreed framework has been established to ensure meaningful and frequent consultation with trade unions colleagues takes place regarding the impact of the approved voluntary measures in the context of progressing the service reviews already agreed by Executive Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Senior officers and elected members have been engaged in developing the savings proposals set out in today's report. Trade unions have also been informed in headline terms of the emerging proposals. Where required, further consultation and engagement will be carried out with staff, trade unions, service users and the public as appropriate on the Service Review proposals set out at Annexe 4.2.
- 4.1.2 Scrutiny Boards have considered the September, October and November Executive Board proposals as relevant to their remits and will also carry out further consideration of these December Executive Board proposals through their meetings in January 2021. (Please refer to Appendix 3 for the Scrutiny Board report on their savings consultation to date.)
- 4.1.3 The outcomes of any consultation will inform the council's decision-making and be incorporated into the 2021/22 Budget Report) timetabled for initial consideration at February's Executive Board.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Equality Act 2010 requires the Council to have "due regard" to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay "due regard" be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show due regard.
- 4.2.2 The council is fully committed to ensuring that equality and diversity are given proper consideration when we develop policies and make decisions. In order to achieve this, the council has an agreed process in place and has particularly promoted the importance of the process when taking forward key policy or budgetary changes. Equality impact assessments also ensure that we make well informed decisions based on robust evidence.
- 4.2.3 Equality impact screenings have been carried out on the service review savings proposals and included with those proposals at Annexe 4.2. Where appropriate, equality impact assessments will be carried out as part of the decision-making process.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Best Council Plan sets out the council's ambitions, outcomes and priorities for the organisation and the city, many delivered in partnership. The current plan is therefore aligned with both the Council's Medium Term Financial Strategy and its annual budget. To help mitigate the pressures on the financial sustainability of the council – significantly exacerbated by the impacts of COVID-19 - it is imperative that the proposals contained in this report are considered in order that the council's strategic priorities can be delivered within a robust financial framework.

Climate Emergency

- 4.3.2 There are no specific implications for the climate emergency resulting from this report.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are considered in the summary and main body of this paper and the cover report.

4.5 Legal implications, access to information, and call-in

- 4.5.1 Decisions giving effect to the Business as Usual proposals included in this report can be taken by the relevant Director or Chief Officer in accordance with the Officer Scheme of delegation (Executive functions) and will be subject to the Executive and decision – making procedure rules. Notice of any decision which is “Key” will be published on the list of forthcoming decision not less than 28 clear calendar days in advance of the date of the proposed decision.
- 4.5.2 Decisions giving effect to the Service Reviews will be made following the outcome of consultation having regard to representations made. Decisions will be taken by the relevant Director or Chief Officer following the procedure set out in paragraph 4.5.1 above, 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.
- 4.5.3 As a decision of Executive Board, the recommendations in this paper are eligible for call-in.

4.6 Risk management

- 4.6.1 The financial projections for 2021/22 contain a number of inherent risks even without taking account of the impact of COVID-19. These include risks associated with budgets which are subject to fluctuating demand and demographic pressures and key income budgets that rely upon the number of users of a service. In addition the approved Budget makes assumptions in respect of the level of resources that are receivable through council tax, business rates and government grants.
- 4.6.2 Factoring in the impact of COVID-19, the financial position for 2021/22 makes a number of assumptions around income, expenditure and collection rates for both Business Rates and Council Tax – the pandemic will continue to affect the levels that can be collected. Any variations from these assumptions has implications for the level of resources available to the council to fund services.
- 4.6.3 There also remain uncertainties around the impacts of the Government’s Comprehensive Spending Review, business rates reform and Fair Funding Review and Government’s intentions for the future funding of social care.
- 4.6.4 These risks and assumptions will be subject to review as more information becomes available and through the council’s financial management, monitoring and reporting processes.
- 4.6.5 This report contains several budget saving proposals that will be subject to consultation. There remains a risk that there is slippage in the implementation of these proposals or that the assumptions contained in these proposals change as a result of the consultation exercises. This could lead to a variation in the assumed level of savings and the council’s ability to set a balanced budget for 2021/22.

5. Conclusions

- 5.1 The council faces an unprecedented financial challenge with an estimated budget gap for 2021/22 of £118.8m. In response, the authority has carried out a review of

its capital programme and established a 'Financial Challenge' programme of service reviews to identify savings that will contribute towards closing the estimated budget gap and enable the authority to present a robust, balanced budget position in 2021/22. These aim to protect services that support the most vulnerable whilst ensuring that the organisation becomes more financially resilient and sustainable for the future.

- 5.2 Thus far, £63.4m (rounded) of savings have been identified through the reviews (£58.2m approved at September's and October's Executive Board meeting, including £0.3m from the capital programme review, and a further £5.2m for consideration through this report). Work continues to identify further savings with proposals to come to this Board in February through the Budget 2021/22 report.
- 5.3 Meaningful consultation will be carried out with staff, trade unions, service users and the public on proposals as required with the results used to inform the decisions taken in respect of Service Reviews.

6. Recommendations

- 6.1 Executive Board is requested to:
- a) Note the financial position for 2021/22 outlined in this paper and that further savings are required to deliver a balanced budget position;
 - b) Note the 'Business as Usual' savings 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);
 - c) Agree the recommendations in the 'Service Review' proposals at Annexe 4.2 and that consultation commences. And to note that decisions to give effect to them shall be taken by the relevant Director or Chief Officer, following the consultation period, in accordance with the Officer delegation scheme (Executive functions) save where the Leader, relevant portfolio holder or Director considers that the matter should be referred to Executive Board for consideration.

7. Background documents¹

- 7.1 None

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

Annexe 4.1: 'Business as Usual' 2021/22 savings proposals

Table 1: Adults & Health Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	-	-
Total 'BAU' Adults & Health 2021/22 savings	0	0.0

Table 2: Children & Families Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
Reductions in operational running costs across the directorate and a reduction in the additional funding provided for CLA costs in light of recent trends and the return of schools	560	0.0
Proposal to seek a contribution from the Central Services' Schools Block of DSG (subject to consultation with, and agreement by, Schools Forum)	120	0.0
Work with providers to negotiate efficiencies in existing contracts	270	0.0
Sector-led improvement income from other local authorities, assumptions around existing grant regimes and target for in-year funding based on previous successful bids	1,250	0.0
Deletion of recently vacated posts/costs attributable to Strengthening Families Protecting Children and charges for training	300	-5.0
Total 'BAU' Children & Families 2021/22 savings	2,500	-5.0

Table 3: City Development Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	-	-
Total 'BAU' City Development 2021/22 savings	0	0.0

Table 4: Communities and Environment Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
Proposal to delay planned investment in Waste Strategy. The full year delay of introducing changes or new services to improve recycling rates/reduce waste to meet the ambitions of the Leeds Waste Strategy. This is in addition to £200k already agreed at the November Exec Board meeting for the first half of 2021/22. The delay mirrors a year's delay in the consultation phase of the national Resource and Waste Strategy, caused by Covid-19 prioritisation. It is expected this phase will include clarity on changes to legal requirements on waste collections and how funding will be provided to councils to invest in significant infrastructural changes and subsequent service delivery costs.	225	0.0
Proposal to reduce grant to Groundwork by 10%	8	0.0
To continue the suspension of the household food waste collection pilot offered to 12,343 (3.5%) of homes in Leeds until the end of 2021/22	150	-4.5
Total 'BAU' Communities & Environment 2021/22 savings	383	-4.5

Table 5: Resources & Housing Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	-	-
Total 'BAU' Resources & Housing 2021/22 savings	0	0.0

Table 6: Total 'BAU' 2021/22 savings proposals for December Executive Board		
Directorate	2021/22 saving / £'000s	FTE budgeted posts
Adults and Health	0	0.0
Children & Families	2,500	-5.0
City Development	0	0.0
Communities & Environment	383	-4.5
Resources & Housing	0	0
Total	2,883	-9.5

Annexe 4.2: Summary Service Review Proposals (reports and equality screenings on each proposal are provided below this summary)

Table 1: Cross-council		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
<p>A number of organisational design proposals aimed at realigning services to maximise savings, capacity and collaboration:</p> <ul style="list-style-type: none"> a) Proposal to move Housing from Resources & Housing to Communities & Environment; b) Proposal to move the Contact Centre from Communities & Environment to Resources & Housing c) Proposal to bring together all Property-related services within City Development, with all Facilities Management activity delivered and/or coordinated from a single function within Civic Enterprise Leeds; and d) Proposal to bring together Council Tax and Business Rates & Recovery under Financial Services within Resources & Housing. <p>If agreed, these areas will be realigned with effect from 1st April 2021. Service reviews will then be undertaken with new structure proposals put forward for consideration during 2021/22 to deliver the required savings. Consideration is also being given to how best to align Youth and Community given the impact of the pandemic on the young and the inequality challenges still very evident. Proposals will be brought forward for consideration in the future.</p>	2,100 with potential for further savings	N/A at this stage
Total cross-council savings proposals requiring consultation	2,100	N/A

Table 2: Adults & Health Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	0	0.0
Total Adults & Health 2021/22 savings proposals requiring consultation	0	0.0

Table 3: Children & Families Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	0	0.0

Table 3: Children & Families Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
Total Children & Families 2021/22 savings proposals requiring consultation	0	0.0

Table 4: City Development Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	-	-
Total City Development 2021/22 savings proposals requiring consultation	0	0.0

Table 5: Communities and Environment Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
Proposal to implement new intruder monitoring system at 4 sites across the Parks & Countryside portfolio with staff and trade union consultation	73	-3.0
Proposal for a 50% reduction in floral decorations in the city centre and seasonal bedding displays with public consultation	150	-4.0
Total Communities & Environment 2021/22 savings proposals requiring consultation	223	-7.0

Table 6: Resources & Housing Directorate		
Proposal	2021/22 saving / £'000s	FTE budgeted posts
No further proposals	-	-
Total Resources & Housing 2021/22 savings proposals requiring consultation	0	0.0

Table 7: Total proposals requiring consultation for 2021/22 for December Exec Board		
Directorate	2021/22 saving / £'000s	FTE budgeted posts
Cross-council	2,100	N/A at this stage
Adults and Health	0	0.0
Children & Families	0	0.0
City Development	0	0.0
Communities & Environment	223	-7.0
Resources & Housing	0	0.0
Total	2,323	-7.0



Service review report

Report to: Executive Board

Date of meeting: 16th December 2020

Report author(s): Gemma Taskas

Report of: Directors of Resources & Housing, Communities & Environment and City Development

Portfolios: Resources, Communities

Does the report contain confidential or exempt information? No

Proposal title:	Organisation Design Proposals
2021/22 savings from proposal	£2.1m (with the potential for further savings to be identified)

Who are you expecting to consult with?	Service users?	N / A
	Staff?	Yes
	Other stakeholders?	Yes – Trade Union Colleagues

Are there equalities implications?	No
If yes, have you attached a screening document?	N / A

Executive Summary

1.0 Overview

The current context in which the Council finds itself in is very dynamic with both internal and external factors influencing the future direction of the organisation. Our short-term challenges include the impact of the COVID pandemic, the current financial position, the subsequent need to reduce the workforce and our need to deliver new and more efficient ways of working. These challenges sit alongside longstanding commitments to eradicate duplication, to adapt our services to meet the demands of a digital age and create thriving communities. Building on the strengths of the Council and its partners, this is an opportune time to reflect on and review our current structure.

This report sets out, at a high level, a number of structural change proposals that will realign some services differently within the current Directorate structure.

2.0 Aims of Organisation Design Proposals

In considering changes to our organisation design it is important to understand what is trying to be achieved as a result of any structural change. The organisation design proposals are intended to support the delivery of the following aims:

- Maximising the delivery of further financial savings in the short, medium- and long-term on the back of those leaving under the council's Early Leavers' Initiative whilst delivering sustainable structural change for the future.
- Sharing resource where possible to avoid duplication and maximise capacity: whether that be in terms of staffing resource, leadership capacity, use of systems and technology or business processes.
- Alignment of services to support a more collaborative working approach and the breakdown of silo'd working.
- Refreshed leadership arrangements, capacity and diversity to support the delivery of better outcomes.
- Drive towards digital approach with more automation and self-service functionality to enable



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those who can help themselves to do so

- Support the longer term direction of travel towards an organisational design that is grounded by and focused on the city's key strategies, outcomes and priorities. In particular, advocating systems leadership, working with communities and partners to develop asset-based solutions and moving our locality working agenda to the next level to enhance thriving communities.

In addition, the revised organisation design principles recently agreed at Executive Board in October 2020 will be applied to future structural changes of each service area to deliver the required savings.

3.0 Proposals

The following 4 areas of structural change are being put forward for consideration:

1. **Housing** to move from the current Resources & Housing Directorate to Communities & Environment Directorate to enable better integration, engagement and collaboration across face-to-face services and neighborhood management.

The move of Housing into a new Communities, Housing and Environment directorate will provide opportunities for further collaboration in a number of areas including:

- Community and tenant engagement activity;
- Anti-social behaviour and related community safety issues;
- Priority council estates and links with the priority neighbourhood approach;
- Estate management and improved links to environmental services and the broader environmental condition and impact of council estates including pest control, other related environmental health services and grounds maintenance functions;
- Private sector housing and selective licensing and stronger links to broader communities, environmental services and community safety activities;
- CCTV and the management and operation of support for the city's high rise properties and strategy;
- The development of further opportunities in face-to-face services for local communities and council tenants, particularly in respect of supporting those most in need and links with broader welfare, benefits and financial inclusion services;
- Links with Leeds housing options and the Leeds Street Support team; and
- Opportunities to explore more collaborative approaches to accessing external funding opportunities maximising on the return of the council's investment in neighbourhoods and localities.

As part of this work we will also consider opportunities to further strengthen and broaden out our approach to neighbourhood and locality working, seeking to bring about even further collaboration and integration across the council and its partners. We will do more to build on the success of asset-based community development approaches, working closely with communities and the third sector to enable and support communities doing more for themselves.

The changes proposed will provide an opportunity to explore ways of re-aligning current service provision in order to increase our focus on key areas, improve outcomes for local people and look to drive the delivery of efficiencies and savings.

2. The **Contact Centre and Web team** to move from the current Communities & Environment Directorate to Resources & Housing Directorate to better align work on digital, channel shift and communications with the relevant Support Services functions.

A review will be undertaken in relation to the Contact Centre focusing on the following areas:



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- Potential efficiencies and clearer strategy in relation to our Websites and the internal InSite through joining teams covering this work;
- Potential efficiencies through joining of teams undertaking contact centre type work from across the council;
- Assessment of how web content is managed and potential crossovers between Web and Communications teams;
- Assessment of technical web design roles and potential crossovers between Web team and DIS Application Development;
- Review of the technology platforms in use to provide a web presence and opportunities of any cost savings;
- Potential efficiencies and improved prioritisation through joining teams undertaking Service design work within the Contact Centre and DIS;
- Development and delivery of projects which drive contact online and thereby reduce cost;
- Development and delivery of projects which improve the end-to-end user experience and focus on improvements which result in fewer calls and complaints;
- Development and delivery of projects which provide alternate automated means of handling customer calls;
- Development and delivery of projects which manage demand against capacity within the Contact Centre; and
- Development and delivery of initiatives which maximise the call handling capacity and match this to customer demand peaks.

3. All **Property-related services** to be brought together within City Development to align with our strategic asset management plan and all **Facilities Management** activity to be delivered and / or coordinated from a single function within Civic Enterprise Leeds to enable a streamlined, consistent and more efficient approach.

The proposal takes a revised approach to council-wide property management functions in directorates, recognising where there are discrete centres of specialist activity whilst providing clarity and renewed centralised accountability on the decision making, budgeting and implementation of whole lifecycle property management activities.

It is proposed that property functions are re aligned into the core areas of Property Strategy and Delivery provided by Asset Management & Regeneration in City Development, Construction and Maintenance into CEL in Resources and an integrated Housing team. These arrangements will ensure:

- A clear and single council lead on property management through Asset Management & Regeneration which will act on behalf of all service clients, ensuring that solutions are developed which reflect the overall needs of the council as well as delivering on specific service priorities.
- The internal service provision through CEL is not over-layered by internal contracting and inspection arrangements and collectively we optimise the income-earning and flexibility of in-house provision.
- The unique needs of the council's housing tenants are recognised by keeping property functions "close to the customer" alongside other housing functions. This also allows augmented and integrated service delivery through the HRA provisions.
- The control and oversight of all commissioned building/refurbishment work across the council. This will ensure the correct assignment of roles and effective, efficient and safe delivery of the project assurance and value for money consideration.



BEST COUNCIL – MEETING OUR FINANCIAL CHALLENGE



4. Council Tax and Business Rates & Recovery functions to be brought together under Financial Services within the current Resources & Housing Directorate to enable the integration of back office services to deliver efficiencies in operational service delivery and drive channel shift and self-service approaches.

The integration of the Council administration billing and collection together with business rates and sundry income collection will allow a single team to deliver a more integrated approach to administering and delivering these functions to the citizens and businesses of Leeds. The vision is to provide a better more integrated service to its customers by delivering high quality services, whilst continuing to maximise collection rates.

The service review will focus on the following areas:

- To the greatest extent possible, shift specialist expertise to the front of key business processes, thereby reducing downstream failure activity (from a customer perspective) and shortening end-to-end process cycle times.
- Integrating appropriate level work avoiding duplication and error.
- Encouraging and driving automation with the use of AI and self-service wherever possible. Other examples include automated billing and greater use of direct Debits.
- Pushing work down the structure to the lowest level possible to undertake the relevant task.
- Rationalise the management complexity and inconsistency between different levels.
- Increasing the spans of control of line managers to the optimum level.
- Increasing agility and flexibility across the teams to ensure that resources can be deployed to meet peaks in demand.
- Ensure a culture of 'right first time' approach, reducing the number and scope of checks and audits.
- Ensuring proportionality and a risk based approach, to ensure efficient cost of collection, through benchmarking: for example, debt collection rates and cost per case.

If agreed, these 4 areas outlined above will be realigned to the new directorates with effect from 1st April 2021. Service reviews will then be undertaken with new structure proposals put forward for consideration during 21/22 to deliver the required savings. At this point full equality impact assessments will be undertaken on the detailed proposals at a local service level.

It is also worth noting that consideration is also being given to how best to align the work of the Youth Service with Communities. This review will be led by the Chief Officer Communities reporting to the Director of Children's Services. Thinking around this is still ongoing and proposals will be brought forward for consideration in the future.

4.0 Recommendations

Executive Board are asked to consider and agree to the proposals set out in section 3.0 above as part of the council's medium-term financial strategy and preparation for setting the 2021/22 Budget. Also to note that the Directors of Resources & Housing, Communities & Environment and City Development will be responsible.



Service review report

Report to: Executive Board

Date of meeting: 16th December 2020

Report author(s): Sharon Coates

Report of: James Rogers, Director of Communities & Environment

Portfolio: Communities

Does the report contain confidential or exempt information? No

Proposal title:	Proposal to implement new intruder monitoring system at 4 sites across the Parks & Countryside portfolio with staff and trade union consultation
2021/22 savings from proposal	£ 73,000

Who are you expecting to consult with?	Service users?	No
	Staff?	Yes
	Other stakeholders?	No

Are there equalities implications?	Yes
If yes, have you attached a screening document?	Yes

Executive Summary

Overview

The proposal is to implement a new intruder monitoring system at four sites within the Parks & Countryside portfolio, the intruder monitor systems will be linked to the LeedsWatch Alarm Receiving Centre.

Impacts of proposal

An alternative monitoring solution will be provided by LeedsWatch, which would move away from the current service, to a more advanced technological solution which would alert LeedsWatch when motion has been detected, the service would have the ability to switch to live CCTV monitoring and recording of the sites whilst following an agreed procedure and notifying police if appropriate.

Once the new technology solution is in place, this will allow a reduction of three full time equivalents from the budgeted structure. In line with the corporate approach to reductions in staff FTEs, the service will consider releasing staff on ELI as and when budget savings actions are consulted on and progressed. Currently 3 employees are in these budgeted posts, therefore staff that will be affected and trade unions will be communicated with and consulted with at the earliest opportunity.

Recommendation(s)

Executive Board is requested to:

- Approve the proposal to implement a new intruder monitoring system at four sites within the Parks & Countryside portfolio going out to consultation as part of the council's medium-term financial strategy and preparation for setting the 2021/22 Budget; and
- Note that the Director of Communities and Environment, will be responsible.

Equality, diversity, cohesion and integration impact assessment - organisational change impacting on the workforce

As a public authority we need to ensure that all organisational change arrangements impacting on the workforce 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 and Environment	Service area: Parks and Countryside - Security
Lead person: Joanne Clough	Contact number: 3786002
Date of the equality, diversity, cohesion and integration impact assessment:	

2. Members of the assessment team:		
Name	Organisation	Role on assessment team For example, service user, manager of service, specialist
Joanne Clough	Communities and Environment	Manager of Service
Sharon Coates	Communities and Environment	Specialist

3. Summary of the organisational change arrangements to be assessed:
To implement a new intruder monitoring system at four sites within the Parks & Countryside portfolio, that will then be linked to the LeedsWatch Alarm Receiving Centre.

4. Scope of the equality, diversity, cohesion and integration impact assessment	
Organisational change (please tick all appropriate boxes that apply below)	
Restructuring and assimilation	<input checked="" type="checkbox"/>
Reorganisation and job redesign	<input checked="" type="checkbox"/>
Flexible deployment	<input checked="" type="checkbox"/>
Early leavers initiative	<input checked="" type="checkbox"/>
Cessation of a service	<input type="checkbox"/>
Downsizing of a service	<input checked="" type="checkbox"/>
Switching	<input checked="" type="checkbox"/>
Recruitment	<input type="checkbox"/>
Equal pay considerations	<input type="checkbox"/>
Job evaluation	<input type="checkbox"/>
Any other organisational change arrangements	<input type="checkbox"/>
<p>Please provide detail:</p> <p>The details are set out within the main body of the report and this EDCI needs to be read in conjunction with the report.</p>	

4a. Do your proposals relate to: please tick the appropriate box below	
The whole service	<input type="checkbox"/>
A specific part of the service	<input checked="" type="checkbox"/>
More than one service	<input type="checkbox"/>
Please provide detail: Security Services	

4b. Do your proposals relate to: please tick the appropriate box below	
Employment considerations only	<input type="checkbox"/>
Employment considerations and impact on service delivery	<input checked="" type="checkbox"/>
Please provide detail: This proposal will consolidate existing arrangements. The proposed structure aims to increase local responsiveness, effectiveness and strategic capacity, whilst improving efficiency and resilience including responding to legislative changes within this bespoke specialist service provision.	

<p>5. Fact finding – what do we already know Make a note here of all information you'll be using to carry out this assessment. This could include previous consultation, involvement, research, results from perception surveys, equality monitoring and customer or staff feedback.</p> <p>(priority should be given to equality, diversity, cohesion and integration related information)</p> <p>Equality monitoring data is gathered as part of normal HR procedures and recorded on SAP. Data relating to the P&C Service is as follows: General comments – under represented for women, BME, disabled. Age profile generally representative. This issue carries forward to both women and BME in senior roles.</p> <p>A study of the current workforce profile and related diversity issues was undertaken in 2017.</p>

From this, 676 staff in Parks and Countryside of which 561 employed on a permanent basis with a pool of 115 casual staff (mainly in retail/café) equivalent to 26 full-time employees. From analysis of the 2017 data the following key issues were highlighted:

- An under-representation of female employees with 19% compared to 51% in the Leeds population based on the 2011 census
- An under-representation of BME employees with 6% compared to 17% in the Leeds population based on the 2011 census
- The service has an aging workforce with 65% aged 41 and above

In terms of female and BME employees, this proportion has remained static over the last 5 years. Age profile however has improved from around 70% in 2010 due to around 50 gardeners leaving the service under ELI and the introduction of around 30 apprentices from 2012, with around 7 more anticipated to be recruited each year thereafter.

It should be noted that equality monitoring data is incomplete with an issue of non-disclosure of information relating to carer status, sexual orientation and religion from existing employees. In addition from 163 applicants for apprentice roles in 2015, only 5 provided data on age, 7 on ethnic origin, gender and relationship status compared to 159 who were willing to provide data on sexual orientation.

The Parks and Countryside service currently employ 3 FTE's security staff who are all based at the Arium, working on a shift pattern, covering 24hrs all year round. Cover for annual leave and sickness is sourced by an external provider.

The staff monitor a number of high value assets across the Parks service via remote monitoring using CCTV. The security staff are only able to monitor live feed and any incidents are reported directly through to LeedsWatch, who also undertake the out of hours staff welfare call checks.

An alternative monitoring solution is to be provided by LeedsWatch, which would move away from the current service, to a more advanced technological solution which would alert LeedsWatch when motion has been detected, the service would have the ability to switch to live CCTV monitoring and recording of the sites whilst following an agreed procedure and notifying police if appropriate.

LeedsWatch are the Council's internal specialist service providers and the Parks and Countryside service is reliant on LeedsWatch to supply all the technological support in relation to CCTV services.

**Are there any gaps in equality and diversity information
Please provide detail:**

Action required:

6. Wider involvement – have you involved groups of people who are most likely to be affected or interested
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please provide detail:
Action required: A consultation exercise has yet to be carried out with the security staff and Trade Unions.

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
<input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Carers <input checked="" type="checkbox"/> Disability
<input checked="" type="checkbox"/> Gender reassignment <input checked="" type="checkbox"/> Race <input checked="" type="checkbox"/> Religion or belief
<input checked="" type="checkbox"/> Sex (male or female) <input type="checkbox"/> Sexual orientation
<input type="checkbox"/> Other
(for example – marriage and civil partnership, pregnancy and maternity, social class, income, unemployment, residential location or family background, education or skills level)
Please specify:

Stakeholders		
<input type="checkbox"/> Services users	<input checked="" type="checkbox"/> Employees	<input checked="" type="checkbox"/> Trade Unions
<input type="checkbox"/> Partners	<input type="checkbox"/> Members	<input type="checkbox"/> Suppliers
<input type="checkbox"/> Other please specify		
Potential barriers		
<input type="checkbox"/> Built environment	<input type="checkbox"/> Location of premises and services	
<input type="checkbox"/> Information and communication	<input type="checkbox"/> Customer care	
<input type="checkbox"/> Timing	<input type="checkbox"/> Stereotypes and assumptions	
<input type="checkbox"/> Cost	<input checked="" type="checkbox"/> Consultation and involvement	
<input type="checkbox"/> Specific barriers to the organisational change proposals		
Please specify		

<p>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</p>
<p>8a. Positive impact:</p> <p>An alternative monitoring solution will be provided by LeedsWatch, which would move away from the current service, to a more advanced technological solution.</p>
<p>Action required:</p> <p>For the Parks and Countryside CCTV services to be managed by the Council's in house specialist service provider namely, LeedsWatch.</p>

8b. Negative impact:
As a result of the proposal, three security staff A1/A3 will in the first instance be displaced due to the deletion of these posts. This change affects two male and one female employees.
Action required:
<p>In line with Managing Staff Reductions Policy selection, it will be important to support the staff to find suitable alternative employment. These opportunities are likely at a graded equivalent or higher than the substantive A1/A3 grade. It will be necessary to undertake a skills analysis to help with this process.</p> <p>Assess individual instances on a case by case basis, including the potential for any reimbursement in line with Council policy.</p> <p>Review physical access needs to buildings when appointing and assigning staff location. Assess any adverse affects of staff relocation in line with Council policy.</p> <p>To ensure that information is communicated to all absent employees at their place of residence by the most appropriate method.</p> <p>Assess individual circumstances at application, interview and appointment in line with Council policy</p>

9. Will this activity promote strong and positive relationships between the groups or communities identified?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please provide detail:
Action required:

10. Does this activity bring groups or communities into increased contact with each other (for example in schools, neighbourhood or the workplace)?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please provide detail:

Action required: The scope of this assessment is focussed on employee issues and as such community groups have not been involved.

11. Could this activity be perceived as benefiting one group at the expense of another?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please provide detail:
Action required: The very nature of security services and working out of hours can attract a high turnover of staff and competing for specific shift patterns and hours to fit in with private domestic arrangements. LeedsWatch already being the inhouse service provider, may not have other job opportunities for the Parks security staff.

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
To ensure that information is communicated to all employees who will be effected.	Dec 2020	Ensure all employees who are effected by the proposals are made aware via the consultation process including Trade Unions.	Joanne Clough
Utilise the LCC Managing Staff Reductions and recruitment process.	March 2021	Assess individual circumstances and support staff within the MSR process	Joanne Clough
Work with LeedsWatch to explore alternative employment opportunities	March 2021	The Parks Security Staff have the same opportunities as the LeedsWatch employees to apply for available posts as part of the LeedsWatch review.	Joanne Clough / Jayne Russell

Action	Timescale	Measure	Lead person

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
Joanne Clough	Trading and Operational Support Manager	4 December 2020

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
- Other (please specify)

15. Publishing

If this equality, diversity, cohesion and integration impact assessment relates to a **key delegated decision, executive board, full council** or a **significant operational decision** a copy should be emailed to corporate governance and will be published along with the relevant report.

A copy of **all other** equality and diversity, cohesion and integration impact assessment's should be sent to equalityteam@leeds.gov.uk. For record keeping purposes it will be kept on file (but not published).

Date impact assessment completed	4/12/20
If relates to a key decision – date sent to corporate governance	
Any other decision – date sent to equality team	



Service review report

Report to: Executive Board

Date of meeting: 16th December 2020

Report author(s): Sean Flesher

Report of: Director of Communities and Environment

Portfolio: Environment and Active Lifestyles

Does the report contain confidential or exempt information? No

Proposal title:	A 50% reduction in floral decorations in the city centre and seasonal bedding displays
2021/22 savings from proposal	£150k

Who are you expecting to consult with?	Service users?	Yes
	Staff?	Yes
	Other stakeholders?	Yes

Are there equalities implications?	Yes
If yes, have you attached a screening document?	Yes

Executive Summary

Overview

Many parks and green spaces have seasonal beds which are removed and replanted twice each year with bedding plants supplied by the Arium. Parks and Countryside also provide floral decorations (such as hanging baskets, troughs and planters) provided mainly in the city centre. This is in addition to those provided to 'in bloom' groups which are not included in this proposal.

It is proposed that the area of summer bedding displays in parks and other green spaces is reduced by around 50% to make a saving of £134k via plants supplied from the Arium as well as the seasonal removal and planting required. As part of the delivery of these options there may also be scope to convert some seasonal bedding areas to more sustainable planting to provide colour and landscape interest through the use of naturalistic 'wildflower' type displays, although there is also a cost associated with creating these which would need to be taken into account. In addition a reduction of 50% of floral decorations in the city centre would result in a saving of £16k.

Impacts of proposal

There would be an impact in particular on the visual appeal of the city centre area however there is a potential opportunity via sponsorship etc. to mitigate the impact of the proposal. The proposal would fit well with climate change objectives as it would reduce watering and other resources associated with providing temporary displays of non-native plants.

In line with the corporate approach to reductions in staff FTEs, the service will consider releasing staff on ELI as and when budget savings actions are consulted on and progressed. Currently 4 FTE staff are in these budgeted posts, therefore staff that will be affected and trade unions will be communicated with and consulted with at the earliest opportunity.

Recommendations

It is recommended that consideration is given to the following:



BEST COUNCIL – MEETING OUR FINANCIAL CHALLENGE



- Consider the proposal to remove 50% of containerised floral decorations mainly in the city centre along with a reduction in seasonal bedding to achieve a £150k saving
- Approve the proposal going out to consultation as part of the council's medium-term financial strategy and preparation for setting the 2021/22 Budget.
- Note that James Rogers, the Director of Communities and Environment, will be responsible.

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 and Environment	Service area: Parks and Countryside
Lead person: Sean Flesher	Contact number: 0113 3788159

1. Title: A 50% reduction in floral decorations in the city centre and seasonal bedding displays

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify

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

It is proposed that the area of summer bedding displays in parks and other green spaces is reduced by around 50% to make a saving of £134k via plants supplied from the Arium as well as the seasonal removal and planting required.

As part of the delivery of these options there may also be scope to convert some seasonal bedding areas to more sustainable planting to provide colour and landscape interest through the use of naturalistic 'wildflower' type displays, although there is also a cost associated with creating these which would need to be taken into account. In addition a reduction of 50% of floral decorations in the city centre would result in a saving of £16k.

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)

Many parks and green spaces have seasonal beds which are removed and replanted twice each year with bedding plants supplied by the Arium. Parks and Countryside also provide floral decorations (such as hanging baskets, troughs and planters) provided mainly in the city centre. This is in addition to those provided to 'in bloom' groups which are not included in this proposal.

• **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)

There are no identified impacts on different equality characteristics however care will be required in selecting sites to ensure a fair distribution across the city.

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

Consultation will be undertaken around these proposals to enable communities potentially impacted to inform site selection.

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
Sean Flesher	Chief Officer Parks and Countryside	2 nd December 2020
Date screening completed		2 nd December 2020

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:
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

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: Resources and Housing	Service area: Corporate Financial Management
Lead person: Victoria Bradshaw	Contact number: 88540

1. Title: Proposed Budget 2021/22

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify

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

The council is required to publish its proposed budget two months prior to approval of the Budget by Full Council in February 2021. The proposed budget report for 2021/22 sets out the Executive's plans to deliver a balanced budget within the overall funding envelope. It should be noted that the budget represents a financial plan for the forthcoming year and individual decisions to implement these plans will be subject to equality impact assessments where appropriate.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

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

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

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

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

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 proposed budget identifies a savings requirement of £94.5m due to the impact of COVID-19 and unavoidable pressures such as inflation and demand/demography. Savings proposals to bridge this gap will affect all citizens of Leeds to some extent. The Council has consulted on its priorities in recent years and has sought to protect the most vulnerable groups. However, the cumulative effect of successive annual government funding reductions, means that protecting vulnerable groups is becoming increasingly difficult. Where consultation is required and has not already commenced with regard to the specific proposals contained in this report this will be carried out before the final budget for 2021/22 is agreed.

• 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)

The budget proposals will impact on all communities and protected characteristics but those who have been identified as being at the greatest potential risk include:

- Disabled people
- BAME communities
- Older and younger people
- Women
- Low socio-economic groups

The proposed budget has identified the need for staffing savings in all areas of the Council which may impact on the workforce profile in terms of the at-risk groups. There will be some impact on our partners through commissioning and/or grant support which may have a knock on effect for our most vulnerable groups.

• Actions

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

Equality screening has already been carried out for all of the relevant budget savings proposals included in the position set out in this report. An overall strategic equality impact assessment of the budget will be undertaken prior to its approval in February 2021.

There will also be further equality impact assessments on all key decisions as they go through the decision making process in 2021/22.

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
Victoria Bradshaw	Chief Officer Financial Services	7 th December 2020
Date screening completed		7 th December 2020

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: 7 th December 2020
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:



Report of the Head of Democratic Services

Report to Scrutiny Board (Environment, Housing and Communities)

Date: 14 January 2020

Subject: Financial Health Monitoring 2020/21 – Month 7 (October)

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Environment, Housing and Communities) with information regarding the projected 2020/21 financial health position of those service areas that fall within the Board's remit at Month 7 (October).

2. Background information

- 2.1 The net revenue budget for the general fund for 2020/21 was set at £525.7m.
- 2.2 Following the closure of the 2019/20 accounts, the Council's general fund reserve stands at £31.5m. The 2020/21 budget assumes further use of £9.0m of this reserve during the current financial year. It is anticipated that general fund balances will be added to in year but in light of the potential impact of Covid-19 on capital receipts this position will be kept under review.
- 2.3 In November 2020 the Executive Board was informed that the estimated impact of Covid-19 on the budget had reduced to £30.5m largely as a result of additional funding announced by Government on 12 October 2020. Subsequently, the Council made the decision that it could manage the 2020/21 financial position through the use of one off resources and the Chief Officer - Financial Services wrote to the Government on 12 November 2020 to explain that the Council wished to withdraw its application for a capitalisation directive in 2020/21.

- 2.4 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. This approach has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main issues

- 3.1 Details of the Council's overall projected 2020/21 financial health position at Month 7 (October) were reported to the Executive Board at its meeting on 16 December 2020. The Executive Board report is attached at Appendix 1 for the Scrutiny Board's consideration.
- 3.2 The Executive Board report sets out the current projected impact of Covid-19 on the budget alongside additional budget pressures, of which £16.4m arise due to severance and pension strain costs relating to staff exiting the authority in 2020/21 under the new ELI scheme.
- 3.3 The Executive Board report details a range of proposals which would result in a balanced budget position for 2020/21. It is also notes the risk that any future local or national lockdown arrangements could further impact upon the organisation's financial position.
- 3.4 The attached Executive Board report also highlights that the Housing Revenue Account is forecast to underspend by £9.6m but this underspend will be transferred to the Major Repairs Reserve for use in future years.
- 3.5 In addition to this paper, the Scrutiny Board will also consider the initial budget proposals for 2021/22 at its meeting. These are presented elsewhere on the agenda.
- 3.6 Appropriate senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Council's financial health monitoring is a factual report and is not subject to consultation.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Council's revenue budget for 2020/21 was subject to Equality Impact Assessments where appropriate and provided as part of the papers presented to Council on 26 February 2020.

4.3 Council policies and the Best Council Plan

- 4.3.1 The 2020/21 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. The attached Executive Board report comments

on the financial performance against the agreed budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

Climate Emergency

- 4.3.2 As a factual report detailing the Council's financial position for 2020/21 there are no specific climate implications identified in the attached Executive Board report.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are detailed in the main body of the attached Executive Board report.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no legal implications arising from the attached Executive Board report.

4.6 Risk management

- 4.6.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was in place for 2020/21.

5. Conclusions

- 5.1 The attached Executive Board presents the Council's overall projected 2020/21 financial health position at Month 7 (October). It outlines the impact of Covid-19 on the budget and the risk that any future local or national lockdown could have further financial consequences for the organisation.
- 5.2 The report further highlights potential future risks to the financial health of Leeds City Council and confirms that the Chief Officer Financial Services has written to the Government to withdraw an application for a capitalisation directive for 2020/21.

6. Recommendations

- 6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

7. Background documents¹

- 7.1 None

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

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Report of the Chief Officer Financial Services

Report to Executive Board

Date: 16th December 2020

Subject: Financial Health Monitoring 2020/21 – Month 7

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary

1. Main issues

- The purpose of this report is to inform the Executive Board of the financial health of the Authority in respect of both the General Fund revenue budget and the Housing Revenue Account for the first 7 months of the financial year.
- The Council has managed to achieve considerable savings since 2010 and the budget for 2020/21 requires the delivery of a further £28.4m of savings.
- The current and future financial climate for local government represents a significant risk to the Council’s priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position remains challenging.
- This is the sixth budget monitoring report of the year, and Executive Board will recall that the 2020/21 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £28.4m of budget action plans by March 2021. At this stage of the financial year, it is clear that COVID-19 has impacted on the delivery of some of these actions.

- In addition the Council continues to incur additional expenditure and to lose income across services as a consequence of COVID-19. As a result Directorate dashboards highlight a potential COVID-19 related overspend of £111.7m before proposals to balance.
- The addition of corporate COVID pressures in relation to staffing costs which it was projected could not be capitalised as a consequence of the impact of COVID-19 on the capital programme and the projected losses of council tax and business rates income results in a total projected COVID overspend of £161.8m at Month 7. In addition pension strain and severance costs associated with staff exiting the Council through the Early Leavers Initiative increases the overall overspend to £178.2m.
- As a result of taking account of non-COVID savings and the application of both earmarked reserves and additional Government funding the projected Directorate overspend reduces by £39.6m to £72.1m. When combined with the Corporate pressures the overall General Fund overspend has reduced from £178.2m to £130.9m.
- The Council had received £72.2m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20, leaving £69.5m of available funding. An estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.4m of grant in 2020/21 reduces the financial pressure in 2020/21 to £42.5m.
- This reported position assumes that the estimated Collection Fund income shortfall of £42.5m will impact on the revenue position in 2021/22 and future years, which means that a balanced position can be reported for 2020/21.
- This position does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced, which could impact on these financial projections.
- At Month 7, the Housing Revenue Account is forecast to underspend by £9.6m, which will be transferred to the Major repairs reserve for use in future years.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The 2020/21 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

3. Resource Implications

- Directorate dashboards reflect a projected overspend which largely relates to COVID-19 pressures of £111.7m which when combined with Corporate pressures results in an overall overspend of £178.2m. After application of government funding and a range of further measures, this report presents a balanced budget position for 2020/21.

Recommendations

Executive Board are asked to:

- a) Note the projected financial position of the Authority as at Month 7 and note the projected impact of COVID-19 on that position.
- b) Note that for 2020/21 the Authority has withdrawn its application for a capitalisation directive to Government and that this report contains full details of how a balanced budget will be achieved.
- c) Recommend to Full Council the release of the Merrion House reserve to contribute to funding the identified COVID funding gap.
- d) Note that the position reported does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections.

1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's projected financial health position for 2020/21 at Month 7.
- 1.2. Budget monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after the seventh month of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2020/21 was set at £525.7m.
- 2.2 Following the closure of the 2019/20 accounts, the Council's general fund reserve stands at £31.5m. The 2020/21 budget assumes further use of £9.0m from this reserve during the current financial year. It is anticipated that general fund balances will be added to in year but in light of the potential impact of COVID-19 on capital receipts this position will be kept under review.
- 2.3 The Financial Health report received at November's Executive Board identified that the estimated budget gap due to the impact of COVID-19 had reduced to £30.5m largely as a result of Leeds City Council receiving additional funding of £20.6m from the £1bn of resources for local authorities that was announced by the Government on 12th October.
- 2.4 An addendum to the November Executive Board report explained that, after taking into consideration the reduction in the budget gap for this year, the Council had made the decision that by utilising one off resources it could manage the financial position in 2020/21 and deliver a balanced budget position. Consequently the Chief Officer – Financial Services wrote to the Government on November 12th explaining that the Council wished to withdraw its application for a capitalisation directive in 2020/21. This report details what measures the Council is taking to deliver a balanced budget position in 2020/21.
- 2.5 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc.

This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At Month 7 a COVID related overspend of £161.9m is projected which combined with the additional pension strain and severance costs associated with staff exiting the Authority through the Early Leaver's Initiative results in an overall overspend position of £178.2m.
- 3.2 In response to the financial challenge for 2021/22 that was detailed in the Medium Term Financial Strategy report received by Executive Board in September, to date over 641 employees have either left or are due to leave the Council through the Early Leaver's Initiative by the 31st March 2021. The salary savings resulting from these staffing reductions contribute towards the realisation of the budget savings proposals for 2020/21 that were received at this Board in September, October and November.
- 3.3 Whilst the Council has incurred severance and pension strains costs of £16.3m in 2020/21 it is projected that over the five year period covered by the Council's Medium Term Financial Strategy savings of £75.4m (before reconfiguration costs) will be realised through the deletion of the posts.
- 3.4 The projected overspend position of £178.2m also reflects the estimated Collection Fund deficit of £42.5m resulting from a reduction in collection rates in respect of both Council Tax and Business Rates. In addition it also reflects, as a result of anticipated slippage in schemes in the capital programme, the projected variation in the level of salaries that can be capitalised.
- 3.5 Details of the Directorate overspend due to COVID-19 are summarised in Table 1.
- 3.6 The Council has received £72.2m of Government funding towards the costs of COVID-19 to date, of which £2.6m has been applied in 2019/20, leaving £69.5m available. On 2nd July Government announced a further package of financial support for Local Government as a consequence of which an estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.5m of grant in 2020/21 would reduce the COVID financial pressure to £73.3m.

3.7 Table 1

Summary Position at Month 7 - Financial Year 2020/21

Directorate	Director	(Under) / Over spend for the current period				COVID related	Non-COVID related	Month 6 Total	COVID related	Non-COVID related
		Staffing	Total Expenditure	Income	Total (under) /overspend					
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(796)	30,842	(18,229)	12,613	12,613	0	12,702	12,702	0
Children and Families	Sal Tariq	23	4,170	3,667	7,837	7,837	0	8,206	8,206	0
City Development	Martin Farrington	(2,205)	(5,652)	25,473	19,821	22,456	(2,635)	19,927	22,039	(2,112)
Communities & Environment	James Rogers	1,178	5,546	17,630	23,176	25,256	(2,080)	23,106	24,839	(1,733)
Resources & Housing	Neil Evans	(2,614)	5,433	8,346	13,779	17,659	(3,880)	14,939	17,648	(2,709)
Strategic	Victoria Bradshaw	(132)	101,946	(76,252)	25,694	25,862	(168)	26,206	25,893	313
Strategic (Proposals to balance)	Victoria Bradshaw	15,855	(7,515)	(91,905)	(99,420)	(99,420)	0			
Adults & Health (Proposals to balance)	Cath Roff	0	(3,500)	0	(3,500)	(3,500)	0			
Total Current Month (Dashboards)		11,309	131,269	(131,270)	(0)	8,763	(8,763)	105,086	111,327	(6,241)
Capitalised Staffing					0	0	0	7,663	7,663	0
Council Tax & Business Rates Losses					42,466	42,466	0	41,059	41,059	0
					42,466	51,229	(8,763)	153,808	160,049	(6,241)
Previous month (under)/over spend in directorates		(2,358)	138,583	(33,497)	105,086					

3.8 The major variations are outlined below, with additional detail provided on the Directorate dashboards which are appended to this report;

3.8.1 **Adults & Health** – the directorate is projected to overspend its budget by £12.6m. This figure is based entirely upon COVID-19 related cost pressures of £12.6m, offset by a £3.5m contribution from reserves.

The pressure is related to a number of actions taken by the directorate in light of the pandemic and the resultant impact of those changing priorities on delivering a number of budgeted savings plans. It is currently projected that £3.4m of savings plans will not be delivered this financial year; though it is assumed that once a return to 'normal' is achieved the work needed to deliver these plans will resume, but there will be slippage in the delivery.

The pressures that make up the remaining covid pressure of £9.2 are the £0.5m relating to non-realisation of savings to fund the additional pay award; additional care packages to meet the needs of people affected by day centre closures (£0.5m) and 'paying to plan' on home care (£0.5m). £4.5m has been committed to meet pressures within the care sector. In line with national guidance to support the pressures within the provider market the equivalent of a 20% fee uplift, based on historic payments, has been provided for to be paid to providers over each of the first three months of the year. £0.4m has been incurred to fund PPE and equipment to facilitate early discharge. The NNDR attached to the Waterside building has been allocated as a COVID-19 cost due to its use as a temporary mortuary. Income is also affected with a pressure caused by the cessation of face to face financial assessments and the delay in the commencement of the dementia beds scheme which was partly funded by the CCG has placed a further £0.2m pressure on the Council. The directorate has recognised the potential pressures from the known

packages currently funded from the Early Discharge funding available to the CCG transferring back to the Council and £2.1m has been included for a part year effect.

It should be noted that there are potential non-COVID-19 pressures that have arisen in-year, notably the impact of the late detail and conditions surrounding the Public Health grant specifically relating to the Agenda for Change (AfC) programme. The directorate is actively working on resolving these potential pressures therefore these are noted but not reflected in the figures above.

3.8.2 Children and Families – As detailed on the dashboard, the current year-end forecast for the Children and Families directorate is an overspend of £7.837m, a reduction of £369k compared to Month 6 due to staffing savings from the Early Leavers Initiative.

The Month 7 projected overspend of £7.837m is broken down as follows:

Expenditure	£m
• Staffing related costs	0.02
• CLA	5.00
• Section 17 payments	0.31
• Direct payments	0.35
• Passenger Transport	(0.60)
• Other expenditure	<u>(0.91)</u>
	4.17
Income	£m
• Traded income from schools	1.77
• School penalty notices	0.15
• Children’s centre income	3.33
• Social care funding	<u>(1.58)</u>
	3.67
Total projected overspend	7.84

As shown above, the key pressure relates to the CLA demand led budget, which is currently forecast to overspend by £5m. Although detailed benchmarking is not yet available, feedback from local authorities across the country is that many are seeing an overall increase in CLA numbers. In Leeds however there has been a slight decline in CLA numbers since the start of the year and overall as at 8th November there were 14 fewer placements than originally budgeted, despite the impact of COVID in the city.

There is however a forecast overspend on CLA due to a higher proportion of more costly external placements than assumed in the budget. While the number of children coming into care at a young age has reduced, the impact of COVID has increased the number of adolescent placements, which are more complex and therefore more costly. Further to this, plans to re-open a previously closed children’s home have been impacted by delays with Ofsted’s approval process, although it is expected the home will be able to open in the near future. There is also an additional CLA pressure on semi-independent living costs for 16 to 18 year

olds. This reflects the difficulty with young people being able to move out of these placements in the current climate, as well as the impact of COVID on providers.

A further key impact of COVID on the Children and Families budget is on income, and in total a £5.25m pressure has been identified due to expected loss of income from children's centres, school trading and school attendance penalty notices. In line with principles laid out by Government, the Council has taken the approach that schools should be charged as normal for disrupted Council services for which they have a regular financial commitment. However there is still some loss of income projected for ad hoc traded services to schools and those paid for through parental contributions, such as music services. This has been included on the Council's claim to MHCLG for funding towards loss of income.

In relation to the Dedicated Schools Grant (DSG), at the end of 2019/20 there was a deficit balance of £3.95m on the general DSG. At Month 7 we are projecting a £2.3m overspend on general DSG for 2020/21, which would result in a closing deficit of £6.3m. This is due to a projected overspend of £3.6m on high needs, which is partly offset by a £547k underspend on early years and £121k underspend on central school services. The early years underspend is due to funding being calculated at a point in the year when the numbers of children are higher than the average over the full year.

The projected high needs overspend of £3.6m is due to a combination of a cap on funding increases and an increase in the demand and complexity of special educational needs across the country. Although high needs funding increased nationally for 2020/21, the Department for Education still applied a cap on gains which meant that the allocation for Leeds was subject to a reduction of £4.7m. A plan for managing the pressures on DSG is currently being developed by Children and Families.

3.8.3 City Development – At Month 7 the Directorate is projecting an overspend of £19.82m, an improvement of £0.11m from the Month 6 position previously reported to Executive Board. This includes an estimated impact of COVID-19 of £22.5m. The Directorate's financial position continues to be significantly affected by the current restrictions in place and the subsequent impact on the economy with the vast majority of the overspend resulting from reduced income across a number of services. The period 7 projections include a further £1.3m pressure relating to the first lockdown and the current second lockdown and there is still some uncertainty around some of the income projections particularly if current restrictions are extended. The impact on each service area will be regularly reviewed and updated during the year.

The variances below include £0.378m of ELI savings that will be realised by employees leaving before the 31st March 2020.

The most significant loss in income is still forecast to be in Active Leeds where some facilities only started re-opening on a staggered basis at the end of July but with reduced capacity, and are now closed again due to the current second lockdown. The year-end financial position for Active Leeds is projected to be an overspend of just over £10.3m. This is an increase of £1m of COVID related income

pressures however it is anticipated that this pressure will be offset by circa £0.7m via the fees and charges loss of income funding from MHGLC.

Other services also facing projected reductions in income include:

- Arts and Heritage - £2.2m, net of running cost savings, following the closure of sites and cancellation of events and more limited scope to generate income for the rest of the year.
- Asset Management and Regeneration - £2.7m from expected reductions in rental and other commercial income. This includes expected shortfalls against new commercial income included in the 2020/21 budget.
- Planning and Sustainable Development - £1m through an estimated reduction in planning and building fee income.
- Markets and City Centre - £1.95m from a reduction in rental and advertising income.
- Highways and Transportation - £0.94m through a reduction in chargeable fees and recovery of overheads, mainly in the Highways DLO.

Whilst the impact of COVID-19 on City Development is mostly on income some additional costs are also being incurred. A sum of £0.8m for the year is currently projected across the Directorate, this is an increase of £300k from Period 6 which is due to the anticipated pressures arising from lockdown 2 across the other services (excluding Active Leeds). The impact of non-realisation of savings to fund the additional cost of the higher pay award is estimated at £0.37m.

The projected position includes anticipated staff savings of £1.57m on non-chargeable vacant posts net of the additional costs of the higher pay offer. Savings of £0.92m have also been included for reduced spend on general running costs and travel and subsistence.

3.8.4 Communities & Environment – the overall position for the directorate at this stage of the year is a projected overspend of £23.2m.

Of this, £25.3m relates to the estimated impact of COVID-19 which is an increase of £0.5m from month 6 due to the estimated impact of the second lockdown period. There still remains a great deal of uncertainty around income projections and these will continue to be kept under review over the coming months. However, this increase has been largely offset by the estimated part year impact of staff leaving the authority before 31st March 2021 under the Council's Early Leaver scheme.

The main areas of variation in respect of COVID-19 are currently estimated as follows:

- Loss of car parking and enforcement income £7.6m
- Loss of Parks & Countryside income £4.7m. This includes income from visitor attractions, cafes, bereavement services, chargeable works within Parks Operations and Landscaping teams and the cancellation of planned events.
- Loss of Electoral and Regulatory Services income £1.8m. This includes Registrars, Entertainment Licensing, Land and Property Searches, Taxi & Private Hire and Environmental Health activities. These income losses are

partially offset by £0.3m savings resulting from the cancelled May 2020 local elections.

- Waste Management – net additional expenditure £5.8m. This includes the cost of providing additional crews and vehicles to deal with increased volumes of waste, the cost of disposing of the additional waste and the cost of providing staffing cover and PPE equipment across the service as well as income losses at Household Waste sites.
- Welfare & Benefits – additional expenditure £1m in respect of the estimated net cost of Housing Benefit claims for rough sleepers.
- Estimated cost to LCC of providing a temporary mortuary facility £0.8m - created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield.
- Additional cost of the local government pay award £0.7m. This represents an additional 0.75% over the amount budgeted and the COVID-19 situation will impact on the ability to deliver the savings required to mitigate this additional cost.
- Other areas of income loss/additional expenditure across the directorate £3.2m. This includes estimated income losses from community centres, libraries/community hubs, bulky waste collections and from environmental enforcement. It also includes additional costs of providing PPE/Cleaning/Social distancing measures and software/equipment to support home working. It also includes the cost of providing for a city wide mailout and other staffing related costs in support of the Council's response to the crisis.

The overall position for the directorate also includes forecasts around other expenditure savings totalling £2.1m. These include estimated net savings from the implementation of tighter controls on recruitment and the impact of the Council's Early Leaver scheme (£1.4m) and on other expenditure budget headings across the directorate (£0.7m).

3.8.5 Resources & Housing – Based on the estimated impact of COVID-19 in the directorate, an overspend of £13.8m is forecast at Month 7. This is a reduction of over £1.1m from the position reported last month and reflects the savings in staffing costs arising from the 2020-21 ELI scheme.

Some of the income pressures, for example, reduction in court fee income (£1.3m) remain an estimate at this stage, simply because there has been no actual income received to date in 2020-21 as the Courts have remained closed. There remains a risk that this projection may be understated.

In total £17.7m of pressures are COVID related, broadly summarised into the following areas across the Directorate's services:-

- | | |
|--|-------|
| • Trading shortfall within Leeds Building Services (LBS) | £5.5m |
| • Additional PPE (LCC wide) | £5.6m |
| • Homelessness accommodation costs (net of grant) | £0.7m |
| • Catering income & emergency meals | £1.9m |
| • Other income reductions (capital / court fees) | £2.6m |
| • Delays to budget action plans | £0.3m |

- Other items of expenditure £0.2m
- Savings from Working home/buildings/car allowances - net (£0.3m)
- Non-realisation of savings to fund additional pay award £1.1m

There remain significant risks around these assumptions in the light of the recent developments, especially around catering income, court fees and the potential demand for additional PPE.

The recruitment freeze, savings in non-essential spend, additional grant income and the impact on staffing costs of the ELI leavers in November and December (£1.1m) are forecast to deliver around £3.9m of savings to the directorate's bottom line projections.

3.8.6 Strategic & Central Accounts - At Month 7, the Strategic & Central accounts projection is for an overspend of £25.7m, of which £25.9m is COVID related, before proposals to balance the 2020/21 budget. This projection recognises the potential for an overspend of £28.0m in MRP, as a result of a reduced level of capital receipts being available to repay debt, as a consequence of the impact of COVID-19. There is considerable uncertainty over how quickly the property market will recover, and the position will continue to be reviewed and updated.

A projected underspend of £2.1m has been included for a reduction in the expected business rates levy payable, as a result of reduced business rates income for the year.

The position also reflects an additional projected £75.9m of S31 grants in relation to business rate reliefs awarded due to the impact of the pandemic. These grants will need to be carried forward in an earmarked reserve, as they are required to fund the 2020/21 Collection Fund deficit which will impact on the revenue position in 2021/22.

Additional projected S278 income of £0.4m has been recognised, along with potential pressures of £1.0m across the target budgets for general capitalisation and schools capitalisation, as overall restrictions on spending have reduced the potential for capitalisation.

Proposals to deliver a balanced budget position are also reflected in the Month 7 Strategic position and the appended dashboard and are discussed below.

3.8.7 Proposals to Balance

3.8.8 Directorate dashboards highlight a projected COVID-19 overspend of £111.7m which combined with other corporate pressures, such as variations in the Collection Fund, capitalisation of salaries, pension strain, etc. results in a projected overspend of £178m.

3.8.9 In order to manage this overspend a range of proposals have been identified which are detailed in the Table 2 below.

	Month 7	Mitigation- Savings including Salary	Use of Reserves	Gvt Funding	Total
Directorate/Service	£m	£m	£m	£m	£m
Adults & Health	12.6	0	-3.5		9.1
Children & Families	7.8	0			7.8
City Development	22.5	-2.7			19.8
Communities & Environment	25.3	-2.1			23.2
Resources & Housing	17.6	-3.8			13.8
Strategic & Central	25.9	-0.2	-23.9	-3.4	-1.6
Directorate dashboards	111.7	-8.8	-27.4	-3.4	72.1
<i>Corporate pressures:</i>					
Capitalised Staffing	7.7	-7.7			0
C T/B R Income Losses	42.5				42.5
Cost of Severance	14.0				14.0
Pension Strain	2.3				2.3
Total Corporate pressures	66.5				58.8
Total General Fund Impact	178.2	-16.5	-27.4	-3.4	130.9

	Month 7	Mitigation- Savings including Salary	Use of Reserves	Gvt Funding	Total
	£m	£m	£m	£m	£m
Government Funding	-69.5				-69.5
Government Support for Income Losses	-18.9				-18.9
Net Position	-88.4				-88.4
Total GF Impact 2020/21	89.8	-16.5	-27.4	-3.4	42.5
Council Tax/Business Rates	-42.5				-42.5
COVID-19 Funding Gap 2020/21	47.3	-16.5	-27.4	-3.4	0

3.8.10 The level of non-COVID savings has increased from the £6.2m reported at Period 6 to £6.4m at Period 7 and along with salary savings of £2.35m resulting from the deletion of posts resulting from staff exiting the Council through the Early Leavers Initiative (ELI), £8.8m can be applied to address the estimated budget gap.

3.8.11 As referenced in the addendum to November's Executive Board the Council has identified a number of one off resources that contribute towards addressing the identified estimated budget gap in 2020/21. One off resources include the planned application of an earmarked reserve of £23.4m which has been created through

recognising the capital distribution from the pre-payment of rent at Merrion House as revenue income rather than as deferred income on its balance sheet.

- 3.8.12 In order to facilitate the upgrade of Merrion House, the Council entered into a series of linked agreements with the Town Centre Securities (TCS) Group who own the freehold to the building. Under these agreements, the council entered into a 50:50 limited liability partnership (LLP) During 2018/19 the Council made a prepayment of rent under the 25 year lease at a discounted rate, which was distributed to the two partners of the LLP. The Rent Advance agreement that was entered into resulted in a prepayment of rent of £54m which was followed immediately by a distribution of capital of £27m to each of the LLP members.
- 3.8.13 In 2018/19, and in the absence of the first set of LLP accounts reflecting the rent advance and distribution to partners, the Council determined to hold the £27m on its balance sheet as a receipt in advance. This approach was discussed and agreed with Grant Thornton prior to the closure of the 2018/19 accounts.
- 3.8.14 The Council has now reconsidered its approach in the light of the LLP's 2018/19 accounts which were published in June 2020. The LLP's accounts show the capital distribution to members as an immediate transfer of net worth from the LLP to its members.
- 3.8.15 In the light of this, the Council will now recognise this transfer of net worth by reducing the value of its investment in the LLP and instead recognising the balance of £25.65m which was previously shown as deferred income in its accounts as revenue income during 2019/20. This income will be transferred to an earmarked reserve, to be applied during the remaining life of the lease.
- 3.8.16 In applying the balance of this earmarked reserve in this manner there is now a requirement to identify provision in the MTFs of £1.1m which will be required from 2022/23 to resource the annual lease payments for Merrion House. This £1.1m revenue pressure will be met from the reserve in 2020/21 and 2021/22 reducing the balance applied to the identified COVID pressure to £23.4m
- 3.8.17 It is proposed that this earmarked reserve is applied to address the estimated budget gap identified above and the release of this reserve is a matter for Full Council to approve.
- 3.8.18 It is also proposed to utilise £3.47m of earmarked reserves with Adults and Health whilst £0.5m remains from the £1.5m set aside through the flexible use of capital receipts for transformational expenditure and this can be used to fund ELI payments.
- 3.8.19 The application of £3.4m of additional specific government funding that has been provided to support local authorities can be used to offset some of COVID-19 related expenditure pressures.
- 3.8.20 As a result of the COVID-19 pandemic it has been projected that slippage on capital schemes would have implications for the level of fees (£7.7m) that could be charged against these schemes with the resultant pressure upon the revenue budget. As a part of the ongoing review of capital programme it is now projected that any shortfall in fee income will not impact upon the 2020/21 position due to a

combination of the impact of COVID-19 having less of an impact upon the Capital Programme than initially estimated and fee income being generated from grant funded schemes.

3.8.21 As a result of the above proposals the Directorate overspend reduces to £72.1m which combined with a Corporate pressure of £58.8m reduces the overall level of overspend down to £130.9m.

3.8.22 To date the Council has received £72.2m of Government funding towards the costs of COVID-19, of which £2.64m has been applied in 2019/20, leaving £69.5m available. An estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.5m of grant in 2020/21 reduces the COVID financial pressure to £42.5m.

3.8.23 Since the Collection Fund income shortfall of £42.5m does not impact on the revenue position until 2021/22, since the Government have agreed that the Collection Fund can be spread over 3 years, this means that a balanced budget position can be projected for 2020/21.

3.8.24 The reported position does not reflect the potential impact of any further local or national lockdown arrangements not yet introduced, which could impact on these financial projections, most likely by increasing projected income losses which can only be recovered in part through the Government's Sales, Fees and Charges compensation scheme.

3.9 Other Financial Performance

3.9.1 Council Tax

The Council Tax in-year collection rate at the end of October was 62.71% which is 0.57% lower than performance for the same period last year. This lower collection rate will in part reflect the impact of agreed payment deferrals. When setting the 2020/21 budget the target collection rate for the year was assumed to be 96.11%, in line with previous years. If the forecast were achieved this would collect some £371.5m of income. In light of the potential impact of COVID-19, it is currently estimated that in year collection will fall to 94.1%, achieving £364.97m of income. The collection rate will continue to be closely monitored.

3.9.2 Business Rates

The budgeted collection rate for business rates is to achieve an in-year collection target of 97.7%, collecting £363.2m of business rates income billed at 1st April. However, the Board will be aware that in response to the COVID-19 pandemic Government awarded significant additional business rates reliefs, reducing the income to be collected directly from business to £228.0m. These reliefs will be funded in full by Government through Section 31 grants. Whilst this reduces the risk to the Authority regarding non-collection of business rates income, the business rates collection rate at the end of September was 58.63% which is 6.44% behind performance in 2019/20. This lower collection rate will in part reflect agreement to defer payments.

The total rateable value of business properties in Leeds has reduced from £935.2m at 1st April 2020 to £929.4m at the end of October 2020, a decrease of £5.8m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (49.9p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (49%), Central Government (50%) and West Yorkshire Fire Authority (1%). After allowing for the business rates deficit brought forward, Leeds' share of projected business rates income is in the region of £81.2m, which is £102.5m below budgeted expectations. However much of this shortfall is accounted for by the Government's new extended reliefs for the retail and leisure sectors and children's nurseries. This results in grant funding associated with business rates some £79.9m above that forecast in the Council's budget.

In light of the current situation we expect to see losses of business rates income through non-payment and reduction in rateable value where businesses may cease to trade or revise their business model to reduce business rates and other costs. Business rates income continues to be closely monitored and reported to the Board in these monthly financial health reports.

3.9.3 Business Rates Appeals

The opening appeals provisions for 2020/21 are £27.8m, made up of £10.6m relating to appeals received against the 2010 ratings list and £17.2m estimated costs in relation to the 2017 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision made in this year. Provisions brought forward from 2019/20 were made at 74%.

On the 30th September 2020, there were 887 appeals outstanding against the 2010 ratings list. During October 2020 88 appeals have been settled, 34 of which have resulted in changes to rateable values. No new appeals have been received in October. At 31st October 2020 there are 799 outstanding appeals in Leeds, with 10.4% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

Only two appeals have been received to date against the 2017 list. In August and September 2020 the number of outstanding Checks, the first pre-appeal stage of the new appeals system against the 2017 list, have returned to more normal levels standing at 77. However the number of 'Challenges', the second pre-appeal stage of the new system have increased from 553 to 565. These Challenges appear to refer to the period of lockdown in the city and it is not yet possible to determine whether these Challenges will be successful but these are being closely monitored. In total 2.0% of the city's total number of hereditaments and 8.2% of its total Rateable Value in the 2017 list are now subject to either an appeal or a 'Check' or 'Challenge'. We will continue to monitor the level of appeals provisions as we go forward.

3.9.4 Impact of COVID-19 on the Collection Fund

It remains very complex to estimate the ultimate impact of COVID-19 on council tax and business rates income. However, the latest projections indicate an unfunded loss of £42.5m on the Collection Fund: £13.40m in Council Tax and £29.06m in business rates. Since last reported to this Board in September, Council Tax has

decreased by £0.20m and business rates has increased by £1.83m, a net increase of £1.63m. These estimates will continue to be refined as more data becomes available. Any Collection Fund income shortfall in 2020/21 would normally impact on the Council's financial position in 2021/22. However, Government announced on 2nd July that they would allow phased repayment of Collection Fund deficits over three years, spreading the revenue impact. The detailed application of this measure have now been published and the implications for Leeds are being calculated.

Further, the announcement indicated that Government would also consider the apportionment of irrecoverable Council Tax and Business Rates losses between central and local government, with details to be determined at the 2020 Spending Review.

4. Housing Revenue Account (HRA)

- 4.1 At the end of Month 6 the HRA is projecting an underspend of £9.6m, primarily due to the reduction in the revenue contribution required to support its capital programme (RCCO). This underspend will be transferred to the Major repairs reserve at year end to maintain future levels of capital investment.
- 4.2 The estimated saving in the RCCO is around £14.9m, however £5.3m of this saving is required to fund other in year pressures arising in the HRA as outlined below.
- 4.3 There is a forecast reduction in total income of £3.6m. Rental income is forecast to be £1.5m lower, mainly due to a temporary increase in the number of void properties due to COVID-19. £2m of income is impacted by forecast lower staff charges to capital from vacant posts and also due to the reduced capital programme for 2020-21. A small reduction in commercial rent income of £0.1m is also projected.
- 4.4 Total tenant arrears are £11.7m, slightly up on last year's equivalent position, therefore it is prudent to project for an increase in the provision for doubtful debts given the future uncertainty on the impact of COVID on rental income. An additional £0.2m is projected.
- 4.5 Staffing costs are forecast to underspend by around £1.1m, with the recruitment freeze being the main reason for this. This saving also assumes the HRA funds severance costs of those staff exiting the Authority on ELI in 2020/21.
- 4.6 With respect to the repairs budget, responsive repairs delivered 'Essential Services' only during lockdown, however the demand for repairs has not gone away. As such, there is a significant backlog of repairs with an estimated value of c.£3.9m. However, at this stage in the year a forecast underspend of £0.3m is assumed, although it is likely this saving will increase.
- 4.7 Housing disrepair costs remain a pressure and risk, with an additional £2m being estimated as needed for the provision in year.
- 4.8 An additional £136k is required to fund works associated with exiting Navigation House as part of the Council' asset rationalisation programme.

4.9 The HRA capital programme has been reduced for 2020-21 only to circa £60m from £80m. As referenced above, the saving from the reduced revenue contribution is helping to offset in year pressures and the balance of any savings are planned to be transferred to the Major Repairs Reserve to support an ongoing programme of around £80m from 2021-22 onwards.

5. Corporate Considerations

5.1 Consultation and engagement

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

5.2 Equality and diversity / cohesion and integration

5.2.1 The Council's revenue budget for 2020/21 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 26th February 2020.

5.3 Council policies and the Best Council Plan

5.3.1 The 2020/21 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

5.4 Climate Emergency

5.4.1 Since this is a factual report detailing the Council's financial position for 2020/21 there are no specific climate implications.

5.5 Resources, procurement and value for money

5.5.1 This is a revenue financial report and as such all resources, procurement and value for money implications are detailed in the main body of the report.

5.6 Legal implications, access to information, and call-in

5.6.1 There are no legal implications arising from this report.

5.7 Risk management

5.7.1 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. Both of these risks are included on the Council's corporate risk register.

5.7.2 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 is in place for 2020/21.

6. Conclusions

- 6.1 This report informs the Executive Board of the Month 7 position for the Authority in respect of the revenue budget which currently projects a COVID-19 related overspend of £161.9m. Additional budget pressures of £16.4m arise due to severance and pension strain costs relating to staff exiting the authority in 2020/21 under the new ELI scheme, increasing the budget gap to £178.2m.
- 6.2 Subsequently this report then details a range of proposals which would result in a balanced budget position for 2020/21. The reported position does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections
- 6.3 Largely as a result of non-COVID savings and the application of one funding resources the projected overspend can be reduced to £130.9m.
- 6.4 To date the Council has received £72.2m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20, leaving £69.5m available. An estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.5m of grant in 2020/21 would reduce the COVID financial pressure to £42.5. Since it is assumed that Collection Fund income shortfall of £42.5m would impact on revenue in 2021/22 this means that a balanced budget position can be presented for 2020/21.
- 6.5 The Housing Revenue Account is forecast to underspend by £9.6m but this underspend will be transferred to the Major Repairs Reserve for use in future years.

7. Recommendations

- 7.1 Executive Board are asked to:
- a) Note the projected financial position of the Authority as at Month 7 and note the projected impact of COVID-19 on that position.
 - b) Note that for 2020/21 the Authority has withdrawn its application for a capitalisation directive to Government and that this report contains full details of how a balanced budget will be achieved.
 - c) Recommend to Full Council the release of the Merrion House reserve to contribute to funding the identified COVID funding gap.
 - d) Note that the position reported does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections.

8. Background documents¹

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

8.1 None.

ADULTS AND HEALTH

Financial Dashboard - 2020/21 Financial Year

Month 7 (October 2020)

The directorate is projected to overspend its budget by £9.1m. This is analysed as £12.6m Covid-19 related cost pressures less an application of £3.5m of reserves. A number of budget action plans are expected to slip directly as a result of the Covid-19 pandemic, this is because the necessary resources to deliver these are being redirected; these total £3.5m.

SECTION A: the Covid-19 cost pressures to the Adult Social Care are £12.6m.

The Covid-19 reported pressures across the key expenditure types are as follows:

Staffing (+£0.5m): the impact of the proposed pay award which is above the budgeted assumptions is shown as Covid-19 pressure as the urgent and necessary reaction to the pandemic has meant that plans to recover this pressure have had to be deferred.

Buildings (+£0.1m): a pressure of £0.1m is shown representing the cost of rates at the recently acquired Waterside building (for the Assisted Living Leeds move) which is now being used as a temporary mortuary.

Community Care Packages (+£7.8m): these pressures include the cost of additional care packages to meet the needs of people affected by day centre closure (£0.5m), paying to plan on home care (£0.5m) and slippage in a number of savings plans because staff required to deliver these have been redirected to deal with the crisis (£1.5m). £5.3m relates to the funding expended to meet pressures within the care sector and to support it through this period; the figure also assumes that care packages currently paid for by the Early Discharge Grant will switch to the Council w.e.f. November. It is also assumed that a number of emergency CHC clients will be reviewed and revert to Council funding from November 20. There is no firm decision on these last two points but it is generally understood that these will transfer to the Council at some point so this is considered a realistic provision.

Commissioning (+£1.4m): £1.1m relates the funding expended to meet pressures within the care sector. Also, the directorate has funded 33 organisations with £5k grants to help support their communities and the purchase of PPE.

General Running Costs (+£0.4m): mainly representing expenditure on equipment to facilitate early discharge. It is possible this may be recoverable from the NHS Early Discharge funding.

Income (+£2.4m): the Covid-19 pandemic has impacted upon savings plans for the recovery of income within client contributions, staffing costs and CCG (BCF) funding.

SECTION B: there are other Covid-19 variations that are not directly a cost to Council as expenditure is funded by income from the CCG and Government grants, these are:

a) NHS Early Discharge funding (£2.2m). Additional expenditure of £797k for Early Discharges from Hospital has been incurred but is not included in the figures as the assumption is that it is possible this may be recoverable from the NHS Early Discharge funding;

b) Test & Trace grant (£4.1m);

c) Infection Control grant (£13.5m).

SECTION C: outside of Covid the directorate is projecting a balanced position. The directorate is utilising £3.5m of reserves to offset the Covid 19 pressure. The main variations to planned spend, across the key expenditure types are as follows:

Staffing overall (-£1.3m): the projection is based on the current staffing levels and at P7 there is a high level of vacancies across the directorate.

Community Care Packages (+£0.9m): there are variations across the demand types including reduced commissioned services.

General Running Costs (-): nil variations.

Appropriation (-£2.3m): underspends within the Leeds Safeguarding Board, Leeds Plan and Public Health are planned to be carried forward and the use of reserve (commissioning) to support temporary staffing is less than required. £3.5m of reserves have been drawn down to partially offset the Covid-19 pressure.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES										Total (under) / overspend £'000	
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Health Partnerships	1,496	(964)	532	(161)	0	0	0	0	(38)	0	0	155	(43)	0	(43)
Social Work & Social Care Services	288,249	(55,019)	233,230	86	(28)	211	(228)	2	11,518	(265)	0	35	11,330	460	11,790
Service Transformation	2,360	(369)	1,991	(161)	0	0	0	0	0	0	0	0	(161)	(88)	(249)
Commissioning Services	23,484	(63,465)	(39,981)	11	5	(55)	(2)	798	14,644	0	0	(2,993)	12,407	(14,357)	(1,950)
Resources and Strategy	6,726	(1,300)	5,426	(211)	0	19	2	(186)	0	0	0	0	(376)	(100)	(476)
Public Health (Grant Funded)	45,293	(44,949)	344	(360)	0	17	0	0	4,061	0	0	467	4,185	(4,143)	42
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	367,607	(166,065)	201,542	(796)	(24)	191	(228)	613	30,186	(265)	0	(2,335)	27,342	(18,229)	9,113

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Review of Learning Disabilities	Caroline Baria		R	1.0	0.8
2.	Review of Physical Impairment and home care efficiency	Shona McFarlane		R	0.1	0.1
3.	Review of home care efficiency	Shona McFarlane		R	0.1	0.1
4.	Demand - continuation of strengths-based approach	Shona McFarlane		G	0.7	0.0
5.	Recover unspent Direct Payments (based on trends)	Shona McFarlane		G	0.9	0.0
6.	Enablement Service - improvements in productivity	Shona McFarlane		R	0.5	0.5
7.	Review billing and collection of assessed client contributions and trends	Steve Hume		R	1.9	0.4
8.	Assistive technology to a city-wide self-pay market	Shona McFarlane		R	0.2	0.2
9.	Occupational Therapists: grant contribution funding from the DFG	Shona McFarlane		G	0.2	0.0
10.	Section 117 and CHC clients - review cost allocations	Max Naismith		G	0.1	(0.2)
11.	CHC - LD: client transport costs/ staffing costs	Max Naismith		G	0.4	0.1
12.	Client transport - route and efficiencies	Steve Hume		G	0.3	0.0
13.	Spring Budget (end of time limited schemes)	John Crowther		B	2.5	0.0
14.	Meals on Wheels	Steve Hume		G	0.2	0.0
15.	Contract management efficiencies	Caroline Baria		G	0.8	0.0
16.	iBCF - Health Funding to support social care & Inflation	Steve Hume		R	3.3	1.4
17.	Staffing - vacancy factor/turnover	Shona McFarlane		G	0.4	0.0
B. Other Significant Variations						
1.	Staffing	All	relating to staffing turnover and slippage in employing new staff			(0.8)
2.	Commissioned services - care and Public Health	Various	anticipated variation			28.5
3.	General running costs	All	Mainly related to Covid-19			0.6
4.	Use of reserves	All	Carry forward of Public Health underspend (£0.47m), carry forward of Leeds Plan underspend (£0.16m), reduced requirement of reserve funding within commissioning (£0.5m) and carry forward of Adult Safeguarding (£0.03m)			(2.3)
5.	Income	S. McFarlane	Includes Infection Control Grant (£13.5m) offset by spend, Test & Trace Grant (£4.1m) offset by spend, Early discharge funding (£2.2m)			(20.3)
					Adults and Health Directorate - Forecast Variation	
					9.1	

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 7

Overall Summary - At P7 the directorate is reporting a pressure of £7.837m, all of which is attributable to Covid-19. The overspend includes both additional expenditure and loss of income directly attributable to Covid, as well as assumed budget actions that the Directorate is currently unable to address due to the ongoing situation. The P7 projection is a £0.369m improvement from the reported position at P6, £8.206m, and entirely due to the Early Leavers who left the council on the 2nd November.

Children Looked After (CLA): - The budget for 20-21 is £43.8m, an increase of £1.45m from 19-20. The budget supports 1,346 CLA placements; including 58 External Residential (ER) and 183 Independent Fostering Agency (IFA). At P11 19-20 an early pressure of £3.8m was identified for 20-21. This pressure was projected to be addressed due to reductions in ER placements and proposals by the service for savings on both CLA and non-CLA budgets; see the action plan reported to Exec Board 24th June 2020. Offsetting this action plan was a projected increase in CLA numbers later in the year due to COVID.

These assumptions have been reviewed for P6 and as placement numbers have remained fairly steady during the year it is assumed this will continue to be the case. The actual CLA figures as at 3rd November were 1,327, which is 19 less than the budgeted number. Despite total CLA numbers being less than budgeted for, an overspend of £3.5m is projected as there is a higher proportion of more costly placements than assumed in the budget. In house CLA placements are 36 less than budgeted and external placements are 19 greater than budgeted.

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £1.0m to £13.9m in the 2020/21 budget. Budgeted 20-21 numbers are 950 placements (+46 20-21 -v- 19-20); current numbers are 983 (+3 compared to P5) creating a pressure of £0.386m. There is also an additional pressure forecast on semi-independent living of £1.155m as young people have not been able to move on from this accommodation due to COVID. In addition there is £0.25m of costs for an increase in the rate of the care leavers allowance due to COVID.

Staffing: - Pay pressures of £0.717m have currently been identified. This is comprised of £1.611m existing pressures in Social Care which includes £0.774m additional pay costs directly attributable to Covid, a £0.687m impact of the additional 0.75% pay award offer, offset by £0.794m savings in Early Start and £0.1m Resources & Strategy. There are also additional non-direct employee savings of £0.325m on severance/retirement costs for former teachers. At P7 further pay savings of £0.369m are reflected and due to leavers on the 2nd November under the Early Leavers scheme. Gross pay savings for 20-21 were £0.519m, however due to back fill and loss of grant funding the net figure is £0.369m.

Transport: - The Passenger Transport expenditure budget has increased compared to 19-20 by £0.465m to £15.2m. At P6 we are now reflecting £0.6m savings on Private Hire from CEL Passenger Transport. Additionally we are expecting a small saving of £0.05m due to the plan to bring in-house the Independent Travel Training contract.

Trading and Commissioning: - The directorate have incurred losses of income due to Covid for Children's Centres (£2.321m net figure and detailed in table below) and trading with schools, £1.92m.

Supplies & Services & Internal Charges:- £0.5m savings in Travel & Subsistence costs have been identified and are reflective of the current home-working arrangements during first half year. £0.35m savings re Legal Charges. DIS pressures £0.2m and £0.35m for Direct Payments.

Other Income / Projects : The projections include a pressure of £0.324m due to the reduction in 20-21 of the Troubled Families Earned Autonomy Grant, which was notified after the budget had been set and £0.244m shortfall in CCG income for ER placements. In response to the CLA pressures noted above, current income projections assume utilisation of £2.147m of grant funding.

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend		
				Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income			
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Demand Led Budgets:																	
In House placed CLA	21,079	0	21,079	0	0	0	0	0	(204)	0	0	0	0	(204)	0		(204)
Independent Fostering Agency	7,681	0	7,681	0	0	0	0	0	900	0	0	0	0	900	0		900
External Residential	12,096	(3,995)	8,101	0	0	0	0	0	2,590	0	0	0	0	2,590	244		2,834
Other Externally placed CLA	2,967	0	2,967	0	0	0	0	0	224	0	0	0	0	224	0		224
Non CLA Financially Supported	13,872	(5,610)	8,262	0	0	0	0	0	1,491	0	0	0	0	1,491	0		1,491
Transport	15,586	(897)	14,689	0	0	(50)	(600)	0	0	0	0	0	0	(650)	0		(650)
Sub total Demand Led Budgets	73,282	(10,502)	62,780	0	0	(50)	(600)	0	5,001	0	0	0	0	4,351	244		4,595
Other Budgets																	
Partnerships & Health	5,845	(2,063)	3,782	(82)	0	0	0	0	0	0	0	0	0	(82)	0		(82)
Learning	35,516	(30,116)	5,400	(4)	0	0	0	0	0	0	0	0	0	(4)	1,920		1,916
Social Care (Excl. Early Start & H&W)	71,004	(31,990)	39,014	1,366	0	0	(500)	(350)	508	350	0	0	0	1,374	(1,824)		(450)
LfL - Early Start & H&W	67,531	(61,571)	5,959	(794)	0	(212)	0	0	287	0	0	0	(287)	(1,006)	3,327		2,321
Resources and Strategy	67,918	(61,615)	6,303	(463)	0	0	0	0	0	0	0	0	0	(463)	0		(463)
Sub total Other Budgets	247,814	(187,356)	60,458	23	0	(212)	(500)	(350)	795	350	0	(287)	(181)	3,423	3,423		3,242
Total	321,096	(197,858)	123,238	23	0	(262)	(1,100)	(350)	5,796	350	0	(287)	4,170	3,667	7,837		7,837

Key Budget Variations:		Additional Comments	Direct Covid Impact	Indirect Covid-Impact
A. Key variances			£m	£m
Staffing	- Delivery of £2m Staffing Action Plans	The 20-21 budget assumed £2m action plan staff savings target and at P6 the directorate are on target to deliver these savings mainly via post release controls. Further £0.687m relates to additional 0.75% current pay award offer. At P7 reflect further £0.369m net pay savings under the Early Leavers scheme on the 2nd November.		0.368
	- Direct impact	Additional staffing within LCC run residential homes, 4 x Service Delivery Managers for 6 months and Adel Beck pay pressures re Agency & Overtime.	0.774	
	- Other employee costs	Within Resources & Strategy - Central Overhead Account savings on former teacher severance and pension costs		(0.325)
Children Looked After & Financially Supported Non-CLA Demand Budgets	- Delivery of actions within Exec Board report to address £3.8m pressure identified Feb'20.	At P6, whilst overall CLA numbers are less than budgeted numbers, the placement mix towards higher cost external placements (ER / IFA / Secure Justice & Welfare) is creating significant in-year budget pressures. Current ER numbers are 63 and IFA 214 creating budget pressures of £2.6m and £1.1m respectively. Modelling assumes trend continues for remainder of financial year. The unit rates for ER & IFA Placements are also higher due to covid, average circa 7%. Offset by £0.35m savings on In-House Fostering and Kinship.		3.346
	- assessed impact on CLA numbers and budget specifically relating to covid-19.	Reflects £0.3m pressure relating to S17 payments and £0.25m due to increased benefit payments under universal credit for all of 20-21 financial year. Further £1.155m relating to impact of covid on the new semi-independent leavers contract, OWL's. Further £0.25m impact of covid on unit rates, circa 7%.	1.963	
Non-Staffing	- Insourcing of Independent Travel Trainer contract	Action planned to in-source ITT contract		(0.050)
	- assessed impact on non-staffing related expenditure directly due to covid-19	£0.2m impact re additional DIS equipment and £0.35m increased Direct Payments, offset by £0.6m private hire savings from CEL Passenger Transport, £0.5m savings on travel & subsistence and £0.35m on Legal charges.	(0.900)	
Income (including Grant funding)	- impact on 20-21 income not directly due to covid-19	Following approval of the 20-21 budget the following projections relating to income & grant have been realised / identified: £0.324m reduction in Troubled Families Grant offset by £0.05m additional Pupil Premium funding for Virtual Head, £0.25m saving from utilising more in-house resources to deliver SFPC programme and £1.672m PiP funding. £0.25m from Improvement Partner work with other LA's. Offset by £0.244m CCG income shortfall.		(1.580)
	- assessed impact on income directly due to covid-19	There has been a significant impact on income directly related to the impact of covid-19; projected pressures of £2.321m Early Start Net Nursery Fees income, £1.92m school traded income fee income.	4.241	
			6.078	1.759
Children and Families Directorate - Forecast Variation				7.837

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 7

Overall Summary - The Dedicated Schools Grant (DSG) is made up of 4 separate blocks - the Schools Block, Central School Services Block, Early Years Block and High Needs Block. At Period 7 it is expected that the DSG will be £2,135k overspent in 2020/21. At this stage, no specific costs associated with covid 19 measures have been identified.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. When a school becomes an academy, funding payments are made directly by the ESFA and not paid to local authorities to distribute. When this happens, there is a reduction in grant income which is largely matched by reduced expenditure. Since the budget was set, there have been a number of academy conversions which reduces the grant received and the school funding paid out. Following these conversions, there is a small one off saving in the year in which it occurs. There are a number of de-delegated services where schools have agreed for the local authority to retain funding to cover some costs centrally which otherwise would need to be charged to schools (such as maternity costs, trade unions costs and the libraries service). As there were fewer schools converting to an academy by 1st September 2020, additional de-delegated income of £286k is projected, which is offset by overspends on the maternity pay and SIMs licences budgets and will increase the de-delegated surplus by £204k. The Growth Fund budget remains part of this block and is currently projected to be £350k underspent.

Central School Services Block

This block covers costs such as prudential borrowing repayment, equal pay costs, the admissions service and the retained duties element of what used to be the Education Services Grant (which covers statutory and regulatory duties, asset management and welfare services). There is expected to be an underspend of £121k as a result of vacancies in the admissions service.

Early Years Block - This element is concerned with provision to pre-school children. There is a great deal of uncertainty on this block as a result of the COVID19. The impact on 2020/21 has been mitigated by a slight change in the way the income due is calculated. For 2020/21 only, the January 2021 early years census will only affect the income due for 3 months of the year, rather than the usual 7 months. This should reduce the potential volatility of the grant due, though the final grant will still not be confirmed until the 2021/22 financial year. In line with the 8p per hour increase in the unit rate received, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers by 8p. Based on activity in previous years, adjusted for the above changes in DfE guidance, it is estimated that there will be an underspend of approximately £547k on this block.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. The current projections are that there will be an overspend of £3,596k. The largest areas of overspend are as follows:

- Mainstream top-ups and additional blocks £2,828k. Based on top up funding already allocated out, with estimated increased based on the average at this point in year for the past 3 years. Additional place funding is based on the details in the PFI database as at the end of August 2020.

- Outside placements is projected to overspend by £1,263k, based on current placements. However due to a shortage of specialist places in Leeds, there is a significant risk that this could increase further.

- The high needs block services provided by Leeds City Council are projected to underspend by £378k.

- At the start of the year, a number of elements of the grant allocation were not confirmed. These have now been confirmed and will result in an additional £126k of grant income

Reserves - There is an overall deficit brought forward from 2019/20 on general DSG of £3,955k and a de-delegated surplus of £722k. The reserves carried forward into 2021/22 are projected to be a deficit on general DSG of £6,294k and a surplus on de-delegated services of £330k. In line with the outline proposal agreed with School Forum in July, the 2019/20 underspend on de-delegated services of £596k is expected to be used to fund schools with covid19 costs that have not been funded by the government.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(314,877)	(307,636)	7,241
Individual Schools Budgets	307,309	299,829	(7,480)
De-delegated budgets	4,568	4,364	(204)
Growth Fund	3,000	2,650	(350)
	0	(793)	(793)
Central School Services Block			
DSG Income	(4,867)	(4,867)	0
CSSB Expenditure	4,867	4,746	(121)
	0	(121)	(121)
Early Years Block			
DSG Income	(64,216)	(58,685)	5,531
FEEE 3 and 4 year olds	50,897	47,629	(3,268)
FEEE 2 year olds	10,147	7,443	(2,704)
Other early years provision	3,172	3,066	(106)
	0	(547)	(547)
High Needs Block			
DSG Income	(79,831)	(79,957)	(126)
Funding passported to institutions	72,329	76,429	4,100
Commissioned services	1,821	1,821	0
In house provision	5,123	4,745	(378)
Prudential borrowing	558	558	0
	0	3,596	3,596
Total	0	2,135	2,135

Latest Estimate

Balance b/fwd from 2019/20
Net contribution to/from balances
Balance c/fwd to 2021/22

Projected Outturn

Balance b/fwd from 2019/20
Projected in year variance
Use of reserves
Balance c/fwd to 2021/22

General £'000	De-delegated £'000	Total £'000
3,955	(722)	3,233
3,955	(722)	3,233
3,955	(722)	3,233
2,339	(204)	2,135
	596	596
6,294	(330)	5,964

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
				£m	£m
A. Key Budget Action Plans					
Transfer funding to High Needs Block		Transfer of £2.65m from the schools block and £350k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2020.	B	3.00	0.00
B. Significant Variations					
Schools Block		In year underspend of £204k on de-delegated services			(0.20)
Schools Block		Underspend on growth fund			(0.35)
Schools Block		Underspend as a result of academy conversion adjustments			(0.24)
Early Years Block		Underspend on minor budgets within early years block			(0.54)
High Needs Block		Increase in high needs funding at mainstream schools			2.83
High Needs Block		Increase in outside placement costs			1.26
High Needs Block		Underspend on services provided by LCC			(0.38)
High Needs Block		Final confirmation of grant due for 2020/21			(0.12)
CSSB		Underspend on admissions service			(0.12)

Dedicated Schools Grant - Forecast Variation

2.14

CITY DEVELOPMENT 2020/21 BUDGET FINANCIAL DASHBOARD - MONTH 7 (APRIL - OCTOBER)

Directorate Summary - At Period 7 it is projected that there will be a year-end overspend of £19.821m which includes the projected impact of Covid 19 of circa £22.456 (including the £375k additional cost of the higher than budgeted pay offer). This is an overall minor improvement of £107k from the Period 6 Dashboard resulting from the net position of an increase in estimated Covid pressures from April 2020 and additional pressures anticipated from Lockdown 2 (November 2020, assumed for 4 weeks), which are offset by staffing savings due to ELI's prior to 31st March 2021, and reductions in other Covid income pressures as they are positively managed down by Service Management actions and interventions. These are detailed in the narrative below.

The Directorate's financial position has been significantly affected by the current restrictions in place as a result of Covid 19 and by the severe impact on the economy. There is a direct impact in Active Leeds and Arts and Heritage from the loss in income from the closure of all sites and the uncertainty and restrictions on recovery. In other service areas the anticipated economic downturn is expected to impact on income from the commercial property portfolio, Markets, advertising, planning and building fees and in Highways from reduced fee recovery as a result of some of the workforce self-isolating and other staff absences.

The extent of the impact of Covid is still not fully apparent as limitations on activities are ongoing and even more so in the light of Lockdown 2, however the forecasts for the year are regularly reviewed and revised based on the latest intelligence available. There is a great deal of uncertainty around some of the income projections and the underlying assumptions are under regular review.

Staffing - Based on current vacancy levels and assuming limited external recruitment for the foreseeable future, staffing is projected to be under budget by £2.2m based on current vacancy levels. In Highways and Transportation most staff costs are chargeable and any vacancies will lead to reduced income or additional contractor costs. Some staff in Asset Management and Regeneration are also chargeable. Allowing for this it is estimated that staff savings will contribute a net saving of £1.473m. This also allows for additional costs from a higher pay award than budgeted for estimated at £375k although some of this cost will be charged out. There is a further saving of £378k across services due to staff leaving via ELI prior to the 31st March 2021 after accounting for income generating posts and any interim costs.

Other running cost savings - Where cost savings directly relate to closure of facilities and events then these have been accounted for in the net income loss figures. It is estimated that there could be additional savings in supplies and services and travel costs of around £0.9m across the Directorate.

Additional Covid 19 costs - Whilst the impact of Covid 19 on City Development is mostly on income, some additional costs are being incurred to ensure services are Covid compliant, assist City Centre Management and other related public health and health and safety measures. From April 2020 this was estimated to be circa £500k across the Directorate. Following the recent announcement of Lockdown 2 from the 5th November an additional estimated £300k pressure on income and expenditure across all services (excluding the identified Active Leeds pressures detailed below) has been allowed for while further analysis is undertaken to establish a clearer position.

Planning and Sustainable Development - both planning application and building control fee income generation have improved since June but with some noted volatility. The cumulative position for October is now 19% down against the 2020/21 Budget for planning fees and 2% down against the 2020/21 Budget for building control fees. The improvement is considered to be due to a general catching up after full lockdown measures and a surge in low fee value home owner developments. The planned implementation of revised pre-application charges was initially postponed due to lockdown but has now started. The 2020/21 budget included additional income of £250k for these charges and a shortfall of £120k is projected due to the delay. Overall the shortfall in income is forecast to be circa £1.2m, which is partially offset by £200k of staffing (excluding ELI's), transport and supplies and services savings.

Economic Development - The service is forecasting a reduction of income and additional costs of £148k for the year, mainly reduced income from Conference Leeds and reduced recovery of staff costs where staff are now working on Covid 19 related work. The projection also includes some additional grant income that has been received, and some minor offsetting savings in transport costs.

Asset Management and Regeneration - The year end forecast anticipates a shortfall in income from the Commercial Property Portfolio from the non-achievement of budget actions which were based on generating additional rental income from the purchase of additional commercial assets during the year. It is likely that there will be a delay in new acquisitions due to the economic uncertainties arising from COVID-19. It is also anticipated that there will be a reduction in overall rental income as some businesses continue to struggle financially. The service has developed a strategy around rental income and how the service responds to requests from businesses seeking support. The current projection assumes a 30% shortfall in rental income over the non-prime commercial property portfolio. In addition, there may be specific sectors which are particularly badly hit where there is a higher risk that rental income may not be achieved. The projection has improved by £825k from Period 6 as a rental deferment agreement is being finalised with a prime tenant, it should be noted that the recognition of this income which is due now but won't be paid until the next financial year does carry some risk if the tenant becomes insolvent, however there is a parental company guarantee that mitigates this.

Employment and Skills - No significant variations are currently projected. The major grant schemes that the service manages are currently expected to be delivered. There is a risk that not all grant income will be received but this will be kept under review. A saving of circa £130k is due to a vacant post and ELI's.

Highways and Transportation - The major variation is forecast to be on the amount of highways maintenance work that the DLO is able to complete due to a reduced available workforce. This will result in reduced chargeable works which will lead to a reduction in income and the recovery of overheads. The current projection is for a shortfall in income of £580k in the DLO, £870k in Civil Engineering and Transport Planning, and £100k in Utility Permit income. This is a partially offset by circa £550k vacancy and ELI savings and is a £290k improvement from the period 6 position, and work is ongoing to facilitate further improvement.

Arts and Heritage - As facilities were closed during the early part of the financial year and again for Lockdown 2, the service is forecasting a significant shortfall in income. Ongoing restrictions on being able to fully re-open facilities has meant that many of the planned events for the year have been cancelled significantly impacting on income for the year. The Period 7 projections reflect these cancellations and maintain the Period 6 assumptions that the impact of social distancing requirements makes it unlikely that many activities (events, room hire, etc.) will resume as planned in this financial year. There will be some cost savings as a result and these have been netted of the income shortfall projections where they can be identified. There is a net adverse movement of £50k from Period 6 (income pressures less ELI savings).

Active Leeds - Sport facilities were re-opening on a phased basis but are now closed for at least 4 weeks due to the second lockdown. However even though facilities have been and will be allowed to re-open it is anticipated that income will remain well below budgeted levels due to social distancing requirements and a very slow building back of the customer base to pre-Covid 19 levels. At Period 7 the projected income has worsened by £1m. £500k of this is due to a review of the projected income losses from the first lockdown which showed a £300k increased pressure on swimming lesson income and a £200k increased pressure on Pay and Play income than originally forecast. Furthermore the impact of Lockdown 2 is estimated to be a further £500k adverse impact on income. A circa £700k of this additional pressure should be offset by the 75p in the £1 claim for loss of income from central government's income compensation scheme (subject to a 5% de-minimis), income to the Council from this scheme will however be held corporately and will not be shown in the Directorate dashboard. This pressure has been partially offset by circa £100 further staffing savings and £43k on ELI's.

Resources and Strategy - costs being incurred as a result of Covid 19 and the original lockdown are being recorded in the Resources and Strategy budget, currently projected at £0.5m. A further £300k pressure has been included for Lockdown 2 as the full impact is currently being assessed.

Markets and City Centre - Open Market traders were not billed for rent April to June as part of a Covid support package at a monthly loss of £40k. Indoor Market traders continue to be billed but provided with a rental support scheme (rent reductions) for July to September, this scheme has now been extended for a further three months (October to December). Whilst most indoor traders are eligible for support through the Government business support scheme there has been an increase in voids in the Market and the current projection is that there will be a 38% shortfall in income. There is also expected to be a reduction in advertising income, the year-end projection is a £700k shortfall against the budget including the £200k additional income assumed in the 2020/21 budget. A further £220k loss of income is projected for City Centre Management due to the loss of licences and events income due to the pandemic.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES													Total (under) / overspend £'000	
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Planning & Sustainable Development	9,560	(7,877)	1,684	(175)	(20)	(70)	(52)	70	0	0	0	0	(247)	1,240	993
Economic Development	2,358	(627)	1,731	44	0	28	(20)	0	0	0	0	0	53	94	148
Asset Management & Regeneration	18,656	(21,888)	(3,232)	(822)	201	(93)	(4)	0	0	0	0	0	(719)	3,437	2,718
Employment & Skills	7,210	(5,497)	1,713	(128)	0	0	(2)	0	0	0	0	0	(130)	0	(130)
Highways & Transportation	65,784	(47,875)	17,909	(590)	(313)	(206)	(776)	51	0	0	0	0	(1,834)	2,772	938
Arts & Heritage	21,296	(8,915)	12,380	(170)	(89)	(2,425)	(9)	(65)	0	0	0	0	(2,758)	4,987	2,229
Active Leeds	26,626	(20,453)	6,172	(287)	(125)	(143)	(1)	0	(75)	0	0	0	(630)	10,950	10,320
Resources & Strategy	1,045	0	1,045	(90)	0	753	0	(3)	0	0	0	0	660	0	660
Markets & City Centre	3,503	(4,567)	(1,064)	12	(38)	(21)	(1)	0	0	0	0	0	(47)	1,993	1,946
Total	156,039	(117,701)	38,338	(2,205)	(385)	(2,176)	(864)	53	(75)	0	0	0	(5,652)	25,473	19,821

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£m
A. Budget Action Plans						
1.	Planning & Sustainable Development	David Feeny	Pre-Application fee income in Planning - delayed implementation	A	(0.25)	0.12
2.	Asset Management & Regeneration	Angela Barnicle	Purchase of commercial assets to generate additional rental income over and above the annual costs of borrowing and other land-lord related costs	R	(0.75)	0.75
3.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	R	(0.20)	0.20
4.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(0.43)	0.00
5.	Highways & Transportation	Gary Bartlett	Site Development	G	(0.25)	0.10
6.	Highways & Transportation	Gary Bartlett	Utility Permits	A	(0.20)	0.00
7.	Markets & City Centre Management	Phil Evans	Advertising Income	R	(0.20)	0.20
8.	Resources & Strategy	Phil Evans	Use of Balances/One Off Income	G	(0.50)	0.00
Total Budget Action Plan Savings					(2.78)	1.37

B. Other Significant Variations

1.	Planning & Sustainable Development	David Feeney	Planning Application and Building Control Fees	1.12
2.	Economic Development	Eve Roodhouse	Loss of income and additional costs related to Covid 19.	0.12
3.	Asset Management & Regeneration	Angela Barnicle	Commercial Rental Income & Asset Activities	2.36
4.	Highways & Transportation	Gary Bartlett	Highways Maintenance	0.76
5.	Highways & Transportation	Gary Bartlett	Civil Engineering and Transport Planning	0.79
6.	Arts & Heritage	Cluny Macpherson	Net loss of income due to closure of venues	2.56
7.	Arts & Heritage	Cluny Macpherson	Postponement of Tour de Yorkshire and the Triathlon	(0.30)
8.	Active Leeds	Cluny Macpherson	Loss of income due to closure of Leisure Centres and reduced income once they re-open.	10.95
9.	Markets & City Centre Management	Phil Evans	Markets, advertising and Licences income	1.79
10.	All Services	All	Staffing Vacancies (excluding income funded posts)	(1.57)
11.	All Services	All	Savings on running costs across the Directorate	(0.92)
12.	All Services	All	Additional Pay Award	0.38
13.	All Services	All	Additional spend as a result of Covid 19	0.50
14.	All Services	All	Net ELI savings across all services	(0.38)
15.	All Services	All	Estimated impact of Lockdown 2 (Income & Expenditure across all services excluding Active Leeds)	0.30

City Development Directorate - Forecast Variation**19.821**

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

Period 7 (October 2020)

The overall position is a projected overspend of £23,176k. Of this, £25,256k relates to the estimated impact of Covid-19, although this figure is still subject to variation as the situation progresses. The overall position also includes assumptions around tighter recruitment/expenditure controls and the impact of the Council's Early Leavers Initiative (ELI) and it is estimated that potential savings of £2,080k are achievable.

Communities (£325k overspend)

Covid-19 related costs total £330k which includes £300k projected loss of Community Centre income, £100k delays to planned savings from Community Centres, offset by running cost savings of £100k and £27k cost of the additional 0.75% pay offer. Other net expenditure savings of £2k are projected. ELI savings of £102k are being used to contribute to existing budget action plans.

Customer Access (£1,709k overspend)

Covid-19 costs are estimated at £1,087k which includes the cost of software and equipment to support home working £158k, PPE/Social distancing measures and additional cleaning at Hub sites £240k, projected net income losses of £392k across the service, the additional cost of overtime £120k and the pay offer of £171k. Other variations include a projected staffing overspend of £309k, additional security of £120k and other net pressures of £199k including income trends at Hub and Libraries.

Electoral and Regulatory Services (£728k overspend)

Elections, Licensing and Registrars (£768k overspend)

The majority of fee earning activities have reduced significantly - including Registrars, Entertainment Licensing, Land and Property Searches, Taxi & Private Hire Licensing. The combined impact on net income is estimated at £1,785k, with a further £17k relating to the pay offer, although these will be partially offset by net savings of £515k from the cancelled May elections and additional grant income in respect of compliance and enforcement activities. Further net savings of £519k are anticipated from staffing and other expenditure variations including utilisation of £105k the TPHL earmarked reserve to partially offset the in-year income shortfall.

Environmental Health (£39k underspend)

The projected position reflects Covid related costs of £39k, mainly due to income losses from a reduction in activities across the service and the pay offer of £10k, offset by £88k net savings in respect of staffing and other expenditure.

Welfare and Benefits (£929k over budget)

The projected overspend mainly reflects Covid-19 related expenditure in respect of the net cost of Housing Benefit claims for rough sleepers (£1.0m) and the estimated cost of the pay offer (£33k). Other non-Covid forecast variations in expenditure and income are projected at £104k.

Parks and Countryside (£5,713k overspend)

The overall impact of Covid-19 on the service is £6,474k. Income generating facilities including Tropical World, Temple Newsam Home Farm, Lotherton Wildlife World, the Arium, Cafes, Golf courses, Bowling Greens, sponsorship and concessions in parks, are currently projecting net income losses of £2,727k. In addition, shortfalls in income from the reduction in chargeable works activities within Parks Operations and Landscaping are estimated at £1,893k and losses of income resulting from restrictions within bereavement services are estimated at £338k. A further £180k of income is estimated to be lost as a result of the cancellation of events held in parks although savings of £430k from the cancellation of the West Indian Carnival and bonfires will offset this. Other expenditure of £1,637k is anticipated, mainly due to measures in Parks to facilitate Safer Public Spaces and the cost of PPE equipment and cleaning. The cost of the pay offer is estimated at £129k, although this is offset by staffing savings of £668k together with other operating expenditure savings of £93k.

Car Parking (£7,200k overspend)

Covid-19 related income losses of £7,638k across the service are currently estimated which reflects the Council's decision to suspend all car parking charges and enforcement activity until 4th July and the further estimated reduction in income levels from July onwards including the November lockdown. Net staffing savings of £221k (including the pay offer at +£23k) and other expenditure savings of £217k are currently anticipated to partially offset this.

Community Safety (nil variation)

The service is currently projecting a balanced budget, with the cost of the additional pay offer (£53k) offset by other staffing savings. A small amount of other expenditure (£5k) has been incurred in respect of Covid-19 but this is offset by other forecast expenditure savings elsewhere in the service.

Waste Management (£5,674k overspend):

Within the Refuse service, additional expenditure of £2,663k is currently forecast which reflects the cost of providing additional crews and vehicles to deal with increased volumes of waste and to provide necessary staffing cover and PPE equipment. Additional volumes of waste are currently forecast to cost an additional £2,624k to the end of the year. A further £605k is forecast at Household Waste Sites for the cost of providing PPE equipment, staffing cover and security at the sites as well as net income losses from inert waste charges and from the Revive shops. The pay offer is estimated at £155k, although this is offset by ELI savings of £71k and other forecast savings of £302k, mainly relating to prudential borrowing savings and additional weighbridge volume trend income.

Cleaner Neighbourhoods Teams (£241k underspend)

Covid-19 related costs of £203k reflect the loss of income from bulky waste collections, additional costs of cover for staff in self isolation, litter bin stickers, PPE equipment and the estimated cost of the pay offer. However, these are anticipated to be offset by other staffing savings of £434k and operating expenditure savings of £10k.

City Centre (£134k overspend)

Covid-19 related costs of £169k include the projected loss of environmental enforcement income, additional cost of cover for staff in self isolation and the pay offer. Staffing and expenditure savings of £35k are forecast to partially offset these costs.

Directorate Wide (£1,005k overspend)

The directorate is forecasting additional Covid-19 related costs of £1,005k. £819k of this is in respect of a temporary mortuary facility created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield. In addition, a city wide mailout in respect of accessing support is projected to cost £134k, overtime and transport costs of £23k are anticipated for the co-ordination of the city wide use of volunteers, and £21k reflects the cost of a temporary senior officer in support of the Council's response to the Covid situation. Other cost pressures of £8k are also anticipated.

Budget Management - net variations against the approved budget;

Summary By Service

				Period 7 Projected variances											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Communities	16,270	(11,418)	4,852	97	0	(23)	0	(149)					(75)	400	325
Customer Access	25,106	(4,560)	20,546	600	120	155	(20)	0					855	854	1,709
Electoral & Regulatory Services (including Environmental Health)	8,296	(6,428)	1,868	(827)	25	(228)	(24)	0				(105)	(1,157)	1,885	728
Welfare And Benefits	196,901	(191,795)	5,106	57	0	896	(14)	76					1,015	(86)	929
Car Parking Services	4,867	(12,252)	(7,385)	(222)	(20)	(203)	0	0					(445)	7,644	7,200
Community Safety	8,621	(6,283)	2,338	214	0	5	0	0					219	(219)	0
Waste Management	44,279	(9,766)	34,513	2,428	132	2,648	442	(160)					5,489	185	5,674
Parks And Countryside	33,914	(26,147)	7,767	(889)	(202)	5	70	0					(1,016)	6,729	5,713
Environmental Action (City Centre)	2,119	(427)	1,692	(6)	(2)	(84)	27	0					(65)	199	134
Cleaner Neighbourhood Teams	12,762	(4,372)	8,390	(315)	0	8	25	0					(282)	40	(242)
Directorate wide	0	0	0	41	0	964	0	0					1,005	0	1,005
Total	353,135	(273,448)	79,687	1,178	53	4,146	506	(233)	0	0	0	(105)	5,546	17,630	23,176

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities					
Communities Team	Communities Team - achievement of staffing efficiencies	Shaïd Mahmood	G	(75)	
Community Centres	Community Centres - asset transfer savings and general efficiencies within the service	Shaïd Mahmood	R	(100)	100
Communities	Achievement of base budget vacancy factor	Shaïd Mahmood	G	(166)	
Customer Access					
Contact Centre	Secure invest to save funding to partly offset additional staffing	Lee Hemsworth	G	(150)	
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	R	(646)	309
Welfare & Benefits					
Housing Benefits	Achievement of staffing reductions	Lee Hemsworth	G	(200)	
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	G	(194)	
Electoral and Regulatory Services (incl Environmental Health)					
Elections	Charge PCC for share of elections	John Mulcahy	G	(400)	(315)
All	Achievement of base budget vacancy factor	John Mulcahy	G	(177)	
Car Parking					
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	John Mulcahy	R	(100)	100
Car Parking	Achievement of base budget vacancy factor	John Mulcahy	G	(148)	
Waste Management					
Refuse	Secure agreement from DEFRA re revision to waste contract	John Woolmer	G	(2,200)	
Waste Management - all	Achievement of staffing savings	John Woolmer	G	(50)	
Waste Management - all	Achievement of base budget vacancy factor	John Woolmer	G	(290)	
Parks and Countryside					
Parks and Countryside	Additional funding from Childrens Funeral Fund	Sean Flesher	G	(120)	
Parks and Countryside	Staffing savings - achievement of vacancy factor	Sean Flesher	G	(1,398)	
Community Safety					
Community Safety	Maximisation of external funding	Paul Money	G	(175)	
Community Safety	Achievement of staffing efficiencies	Paul Money	G	(17)	
Community Safety	Achievement of base vacancy factor	Paul Money	G	(335)	

Directorate Wide

Other Significant Variations

All	Covid-19 related	All	Covid-19 expenditure/income variations not already shown in action plans above	25,371
All	Staffing	All	Estimated staffing savings	(1,757)
All	Operating expenditure	All	Expenditure savings identified at period 7 - running costs etc	(1,313)
ELR	Taxi & Private Hire Licensing	John Mulcahy	Utilisation of earmarked reserve	(105)
All	Other	All	All other variations	786

Communities & Environment - Forecast Variation 23,176

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

PERIOD 7

Overall

The Directorate has a projected overspend at month 7 of £13.8m which is an improvement of £1.1m from the month 6 position of £14.9m. Approximately £1m of the improvement is due to the ELI savings that have been captured within services to date with the balance made up of increased savings from vacant posts, reduction in forecast running costs and pressures. The total COVID related cost/loss of income of £17.3m is partially offset by savings/income of £3.5m comprising vacancy freeze/delayed recruitment/ELI savings assumptions savings, additional income and savings in non essential expenditure across all services.

Resources

There is a projected overspend of just under £1m across the Resources group of services, £3.8m of this is due to the adverse impact of COVID partially offset by non COVID savings/income of just under £2.8m. The most significant items are a projected loss of court fees in Finance/Legal of £1.3m, £0.3m estimated cost of operating and providing meals from the Food Warehouse, £0.8m reduction in income to capital projects and other charges. Delays to the implementation of Budget Actions Plans and other COVID pressures in Shared Services are around £0.4m. There are net savings on non COVID related areas of £2.8m, being a combination of savings against vacant posts, savings from ELIs, non essential spend and other running cost savings.

Housing Services

An overspend of £0.6m is forecast for Housing mainly due to the Covid-19 impact, consisting of £2.1m additional accommodation and security costs relating to both hotel and supported accommodation. The total COVID pressure of £2.5m is partially offset by additional Housing Benefit income of £1.1m and confirmation of £1.3m of Next Step Grant of which an initial estimate is that £670k can be applied against existing pressures.

Civic Enterprise Leeds (CEL)

The division is projected to overspend by £6.5m (a reduction of £287k from month 6) with £7.5m attributable to COVID and partially offset by £1m of additional income and reduced forecast expenditure. Of the £7.5m COVID pressures, £5.7m is forecast in LBS due to a reduction in income as a consequence of reviewing what services can currently be delivered safely, front line staff self isolating and staff working elsewhere to support COVID related activity. Furthermore an estimate has been made on the impact on efficiency for those operatives working but having to do so to meet the requirements of safe distancing. The almost £300k improvement from month 6 is due to a combination of ELI savings, reduced forecast expenditure and additional income.

In addition, school closures earlier in the financial year and meal take up not returning to expected levels from September, continuing closures of commercial outlets and the provision of emergency meals (grab bags / hampers) to children is forecast to cost £1m in Catering (based on the assumption meal take up returns to normal levels from February), an overall improvement of £114k from the month 6 position .

The authority wide net expenditure on PPE of £5.6m although coded within CEL has been shown separately below within the Directorate Action Plan row.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resources	100,415	(32,278)	68,137	426	(57)	(184)	(70)	130	0	(20)	0	0	225	763	988
Housing	20,837	(13,345)	7,492	(338)	0	2,432	0	0	0	0	0	0	2,094	(1,469)	625
CEL	148,396	(140,366)	8,030	(2,702)	(183)	427	(91)	37	0	0	0	0	(2,512)	9,052	6,540
Directorate Action Plan				0		5,626							5,626		5,626
Total	269,648	(185,989)	83,659	(2,614)	(240)	8,301	(161)	167	0	(20)	0	0	5,433	8,346	13,779

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
Service	Budget Action	Lead Officer	Comments			
HOUSING						
Housing	Additional Charges to DFG	Jill Wildman	New structure in Health and Housing in place. No issues expected, but need to keep under review re level of capital spend to justify charges to scheme	G	(0.21)	
CEL						
Leeds Building Services	To ensure the delivery of the targeted return (£10.655m) and ensure service developments and effective productivity improvements.	Sarah Martin	Significant risk turnover won't be delivered with impact of pandemic; Currently £500k/week under recovery	R	0.00	5.65
CPM	Additional charges to capital (staffing)	Sarah Martin	New structure in place during 19/20. No issues anticipated	G	(0.04)	
Facilities Management	Insourcing of Office waste and Voids	Sarah Martin	Insourcing of general waste contract completed, insourcing of voids slipped.	G	(0.08)	
Facilities Management	Review of servicing offer at Merrion Hosue	Sarah Martin	Savings to come from fewer meetings etc as a result of WFH.	G	(0.06)	
Fleet Services	Electric Vehicle replacement and reduction in hire	Sarah Martin	EV vehicle replacement on track and service working to reduce hire. Assue slippage 6 months re COVID	A	(0.33)	0.02
Fleet Services	Generate additional external income from maintenance of external vehicles	Sarah Martin	Covid-19 epidemic has delayed savings and income	G	(0.21)	0.01
Catering	Generate net additional income from expanding commercial offer	Sarah Martin	Aireborough leisure centre completed but affected by closures	R	(0.03)	
Catering	Target saving from reduced reliance on meat based dishes	Sarah Martin	School closures could affect ability to deliver this	R	(0.04)	
RESOURCES						
DIS / Shared Services	Mail and Print Review - Printer rationalisation	Dylan Roberts	This has been done printers required will be in place for end of March and paid from ESP budget 2019/20;	G	(0.25)	
DIS / Shared Services	Mail and Print Review - Reductions in the volume of printing (Colour and B	Dylan Roberts	Work in progress to get volumes down – given that the vast majority of staff are wfh there will be significant reductions in printing. Assuming WFH continues into 2020/21 will bring reduced printing costs in the new year.	G	(0.15)	
DIS / Shared Services	Mail and Print Review - new Print Unit Equipment and LCC wide cost reduction on external spend	Sonya McDonald	Procurement exercise completed. Contract due to be awarded	R	(0.14)	0.07
DIS	DIS Breakfix - reduced external spend	Bev Fisher	This is done - past six months trends show a reduction in costs – no reasons this wouldn't continue.	G	(0.06)	
DIS	Staffing Reduction - DIS Service Desk	Bev Fisher	Not actioned – given the current demand/volume of calls cannot reduce staffing levels in the service desk in the near future or maybe at all. Need to identify alternative actions to offset	G	(0.05)	
DIS	DIS - Health and City Partnerships	Bev Fisher	Done and agreed – signed 12 months contracts with health partners	G	(0.25)	
HR	Staffing reductions	Andrew Dodman	ELI Business case approved. Staff leaving between Mar and Oct; Savings net of ELI costs	G	(0.13)	
HR	Income HR	Andrew Dodman	Charges to academies. Agreed	G	(0.02)	
HR	Ultra Low Emission Vehicles (ULEV)	Andrew Dodman	Anticipate around £10k LCC wide on existing ULEV take up	A	(0.05)	0.05
HR	Apprenticeship Levy (Rolled over 19/20)	Andrew Dodman	This income will not be received. (Will need to identify alternative savings in year & remove from base budget)	R	(0.15)	0.15
Shared Services	E Invoices	Sonya MCDonald	Procurement exercise for technical solution completed	R	(0.15)	0.15
Shared Services	Servicing of meeting savings	Louise Snowden	£200k initial savings; £60k been identified elsewhere. £140k potential issue	R	(0.14)	0.07
DIRECTORATE WIDE						
Directorate Wide	Line by Line Reductions	Various COs	HR £44k (Staff shop, Serv Devt); Legal £100k; Pru Borrowing £60k; S&I £50k; IN year monitoring of spend	G	(0.31)	
Directorate Wide	Staffing reductions	Various COs	Passengers £87k ELI done; Housing Options £90k (split GF/ HRA)	G	(0.13)	
Directorate Wide	Impact of Covid-19		Additional expenditure/loss of income as a result of pandemic net of £1.1m HB income	R		4.67
	Impact of Covid-20		Pay Award	R		1.04
Directorate/LCC Wide	Impact of Covid-19		PPE Expenditure	R		5.57
B. Other Significant Variations						
Directorate/LCC Wide	All Other variations		Net pressures, vacancy freeze and non essential spend savings	G		(3.67)

**STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 7**

Overall :

The overall projection for month 7 for Strategic & Central Accounts shows an underspend of £73.8m.

The dashboard includes a separate row for corporate Covid-related pressures and income, with a total net credit of £99.5m. This position includes £69.5m of government grant support awarded to the council for the impact of Covid, a projected £18.9m compensation grant for lost sales, fees and charges income during the pandemic £3.4m in track & trace grant to be allocated to relevant costs, and £23.4m use of earmarked reserves. It also reflects the estimated £16.3m cost of the corporate Early Leavers scheme, less £0.5m to be funded from the flexible use of capital receipts.

The dashboard recognises the potential for a shortfall of £27.9m in capital receipts as a result of the shutdown in the economy due to the Covid 19 lockdown, which would require a corresponding increase in the level of MRP chargeable to revenue. This represents a worst case scenario given the considerable uncertainty in the property market, and a lower shortfall against budget may be achievable.

As a result of the impact of Covid 19 on the local economy, the council anticipates that it will receive significantly more S31 grants as compensation for the additional business rates reliefs given during the year. There will be a corresponding impact on the Collection Fund deficit which the council will have to fund in 2021/22 as a result of these additional reliefs, and thus the additional income (currently projected at £75.9m) will be fully required in 2021/22 and will therefore be carried forward in an earmarked reserve A reduction of £2.1m has also been recognised in the council's projected business rates levy for the year, as a result of anticipated reduced business rates income.

There is a risk that general and schools capitalisation budget targets will not be met, and as a result the projection shows a potential pressure of £1.0m across the two budgets.

However the projection for S278 income is currently £0.4m above the budget.

Budget Management - net variations against the approved budget

Page 250

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'000	
				Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000
Strategic Accounts	(13,311)	(20,089)	(33,400)			1,014							1,014	(458)	556
Corporate Covid issues	0	0	0	15,855								(23,400)	(7,545)	(91,933)	(99,478)
Debt	35,747	(17,881)	17,866			(100)					27,581		27,481	(123)	27,358
Govt Grants	2,161	(27,581)	(25,420)									75,917	73,780	(75,917)	(2,137)
Joint Committees	35,201	0	35,201						7				7		7
Miscellaneous	5,746	(794)	4,952	(132)		1							(131)	41	(90)
Insurance	8,764	(8,764)	0			568		19				(792)	(205)	205	0
Total	74,307	(75,109)	(802)	15,723	0	1,483	0	19	7	(2,137)	27,581	51,725	94,401	(168,185)	(73,784)

STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

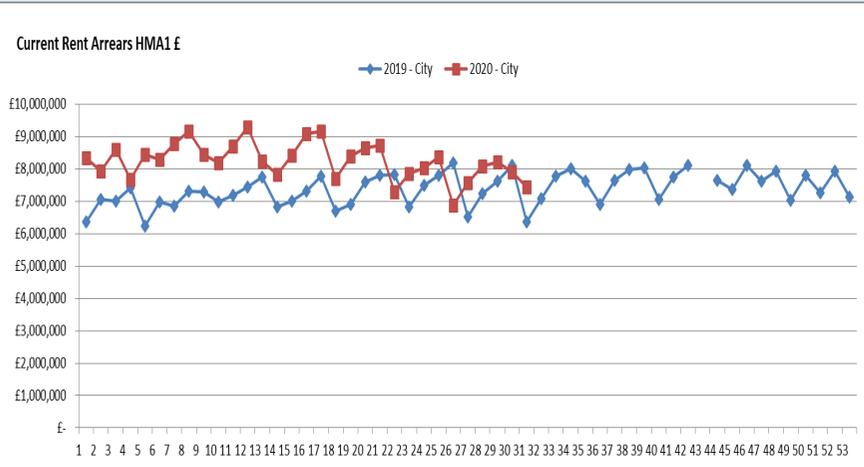
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Minor net variations at Period 6	G	20.2	(0.4)
2.	Minimum Revenue Provision	Victoria Bradshaw	The budget relies on the use of capital receipts to repay some debt. Due to the slowdown in economic activity, there is a risk that sufficient capital receipts may not be realised, requiring additional MRP from revenue.	R	14.2	27.9
3.	New Homes Bonus	Victoria Bradshaw	Current forecast is as budget	G	(4.7)	0.0
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	The current forecast is for an additional £75.9m of S31 grant income in relation to business rates. However this will be required to fund the Collection Fund deficit expected to be carried forward to 2021/22, and so will be carried forward in an earmarked reserve.	G	(22.7)	0.0
5.	S278 Contributions	Victoria Bradshaw	After a detailed review in September City Dev capital dashboard reports that Section 278 capital spend and funding is currently estimated to be £5.0m	G	(4.6)	(0.4)
6.	General capitalisation target	Victoria Bradshaw	Current forecast is as budget, however there are risks that reductions in non-essential spend may impact on the potential for capitalisation.	A	(3.8)	0.4
7.	Schools capitalisation target	Victoria Bradshaw	Current forecast is as budget, however there is a risk that this level of capitalisation may not be achieved.	A	(3.7)	0.6
8.	Joint Committees	Victoria Bradshaw	Minor net variations at Period 6	G	35.2	0.0
9.	Covid support grants	Victoria Bradshaw	General Covid support grants totalling £69.5m have been recognised, together with £19.0m of grant in compensation for lost sales, fees & charges income	G	0.0	(91.9)
10.	Early leavers costs	Victoria Bradshaw	Estimated severance costs of £14m and pension strain costs of £2.3m have been included in respect of the corporate ELI scheme	R	0.0	16.3
11.	Use of reserves	Victoria Bradshaw	A figure of £23m has been recognised for the use of the Merrion House income reserve	G	0.0	(23.4)
12.	Flexible use of capital receipts	Victoria Bradshaw	It is intended that £0.5m of the Early Leavers costs included in item 10 above will be capitalised under the flexible use of capital receipts provisions	G	0.0	(0.5)
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	Four new large claims have driven overspend to £792k to be funded from insurance reserve.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Forecast at Period 6 is £117k higher than budget	G	(16.6)	(0.1)
3.	Business Rates Levy	Victoria Bradshaw	Pessimistic projection for business rates growth means that the council's levy payable is expected to be below budget	G	2.2	(2.2)
4.	Miscellaneous	Victoria Bradshaw	Minor net variations at Period 6	G	4.9	(0.1)
Strategic & Central Accounts - Forecast Variation						(73.8)

Housing Revenue Account - Period 7 Financial Dashboard - 2020/21 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(212,140)	(210,611)	1,530	£739k Increase in Voids due to Covid 19. £365k pre-covid trend void rate moved from 0.75 to 0.92. £280k Net impact of reduction in RtBs sales offset by ROFR delays. £81k Covid 19 loss of commercial rent. Garages rent pressure £65k.	1,487
Service Charges	(8,484)	(8,419)	64		71
Other Income	(33,772)	(31,726)	2,046	£202k RtB admin income due to Covid 19. £614k Civica project team not charged to capital. £250k staff not working on capital schemes due to Covid 19. £525k vacant posts in P&I not charged to cap schemes. £317k Hsg growth posts vacant - offset in emp costs. £100k reduction in Court income due to Covid 19 - offset in Internal Charges. NB - Probable Pressure from LEEDS PIPES income not yet included. Greater analysis required, but likley installation levels will be delayed.	1,884
Total Income	(254,396)	(250,756)	3,640		3,442
Expenditure					
Disrepair Provision	1,400	3,400	2,000	Increase in case numbers and average costs.	1,900
Repairs to Dwellings	45,081	44,781	(300)	Covid 19 impact.	(300)
Council Tax on Voids	778	967	189	Covid 19 impact due to void level.	189
Employees	31,402	30,275	(1,127)	Assume hold vacant posts vacant for 6 months and addtl 0.75% pay award due to Covid 19. Hsg Mgt £(1,154)k, P&I £(695)k, Hsg Growth £(238)k, Technical £(12)k. £972k Severance costs for reaffirmed ELI requested partly offset by employee savings where staff leave before end of 20/21.	(1,030)
Premises	8,202	8,330	128	Naviagtion House Delapidation work.	127
Supplies & Services	3,835	4,114	279	ICT savings review plus WFH savings. £376k PFI movement.	282
Internal Services	44,064	44,431	367	£575k Civica DIS staff not charged to capital. £(100)k reduction in charges for Court cost - offset in Onternal Income. £(16)k PFI movement. NB Possible additional pressure of LEEDS PIPES costs not yet reflected. Greater analysis required.	376
Capital Programme	60,550	45,642	(14,908)	Estimated £15m reduction in transfer to capital due to slippage in the programme £9.6m transfer to capital reserve, £5.3m funding other pressures.	(5,189)
Unitary Charge PFI	10,417	10,417	-		-
Capital Charges	44,334	44,102	(232)	Reflects lowers cost of borrowing per updated Treasury figures.	(232)
Other Expenditure	5,739	5,728	(10)	Provision for bad debt £207k pressure. £(147)k transport saving due to Covid 19. £(71)k Reduced Community Payback payments due to Covid 19.	60
Total Expenditure	255,800	242,186	(13,614)		(3,816)
Net Position	1,404	(8,570)	(9,974)		(374)
Appropriation: Sinking funds	(216)	64	280	£330k movement in PFI - offset above.	280
Appropriation: Reserves	(1,188)	(1,094)	94	Revised use of EIT reserve.	94
(Surplus)/Deficit	0	(9,600)	(9,600)		(0)
Proposed New Reserves			-		-
Transfer to Capital Reserve		9,600	9,600	Transfer to Capital Reserve	-
Total Current Month	0	0	0		(0)

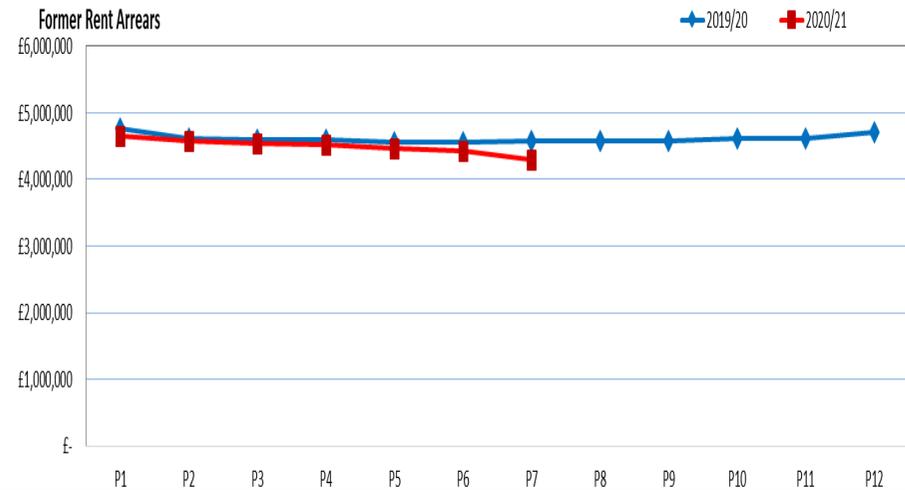
Housing Revenue Account - Period 7 Financial Dashboard - 2020/21 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	(645)	(490)
Right of First Refusals/ Buybacks	65	38
New Build (Council House Growth)	80	66
Total	(500)	(386)

Right to Buy Receipts	2019/20 Actual	2020/21 Projection
Total Value of sales (£000s)	33,931	27,919
Average Selling Price per unit (£000s)	55.4	57.0
Number of Sales	612	490
Number of Live Applications	1,333	1,367
* Sales to end of period: 248		

Arrears	2019/20	2020/21	Variance
	£000	£000	£000
Dwelling rents & charges	2019/20 Week 31	2020/21 Week 31	
Current Dwellings	6,360	7,432	1,072
Former Tenants	4,570	4,305	(264)
	10,930	11,737	808
Under occupation	2019/20 Week 53	2020/21 Week 22	
Volume of Accounts	3,051	2,870	(181)
Volume in Arrears	1,198	1,121	(77)
% in Arrears	39.3%	39.1%	-0.2%
Value of Arrears	197	177	(21)
Collection Rates	2019/20 Week 53	2020/21 Week 22	
Dwelling rents	96.43%	96.33%	-0.1%
Target	97.50%	97.50%	0.0%
Variance to Target	-1.07%	-1.17%	-0.1%



Housing Revenue Account - Period 7 Financial Dashboard - 2020/21 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)	0	0	(6,495)
Earmarked Reserves				
Welfare Change	(807)	686	0	(121)
Housing Advisory Panels	(507)	0	0	(507)
Sheltered Housing	(2,777)	0	0	(2,777)
Early Leavers' Initiative	(408)	408	0	0
Wharefedale View	(23)	0	0	(23)
Changing the Workplace	(151)	0	0	(151)
ERDMS	(257)	0	0	(257)
	(4,930)	1,094	0	(3,836)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(1,474)	0	(1,320)	(2,794)
LLBH&H PFI Sinking Fund	(6,025)	1,254	0	(4,771)
	(7,499)	1,254	(1,320)	(7,565)
Capital Reserve				
MRR (General)	(8,278)	49,628	(50,949)	(9,600)
MRR (New Build)	(1,105)	808	0	(297)
	(9,383)	50,436	(50,949)	(9,896)
Total	(28,308)	52,784	(52,269)	(27,793)

Report of Head of Democratic Services

Report to Scrutiny Board (Environment, Housing and Communities)

Date: 14 January 2021

Subject: Work Schedule

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

1.1 The purpose of this report is to consider the Scrutiny Board’s work schedule for the remainder of the current municipal year.

2. Background information

2.1 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. In doing so, the work schedule should not be considered a fixed and rigid schedule, it should be recognised as a document that can be adapted and changed to reflect any new and emerging issues throughout the year; and also reflect any timetable issues that might occur from time to time.

3. Main issues

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

3.2 Executive Board minutes from the meetings held on [18 November](#), [24 November](#) and [16 December](#) 2020 are attached as Appendix 2, 3 and 4. The Scrutiny Board is asked to consider and note the Executive Board minutes, insofar as they relate to the remit of the Scrutiny Board; and identify any matter where specific scrutiny activity may be warranted, and therefore subsequently incorporated into the work schedule.

- 3.3 The Board will note that the summary of Phase 1 Budget Consultation with Scrutiny is included as Appendix 3 within the [16 December 2020 Executive Board](#) agenda item entitled – ‘[Proposed Budget 2021/22 and Provisional Budgets 2022/23 and 2023/24](#)’.
- 3.4 The statement of recommendation requested by members following the Call-In on 9 November is attached for consideration by the Board at Appendix 5.

Developing the work schedule

- 3.5 When considering any developments and/or modifications to the work schedule, effort should be undertaken to:
- Avoid unnecessary duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue.
 - Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.
 - Avoid pure “information items” except where that information is being received as part of a policy/scrutiny review.
 - Seek advice about available resources and relevant timings, taking into consideration the workload across the Scrutiny Boards and the type of Scrutiny taking place.
 - Build in sufficient flexibility to enable the consideration of urgent matters that may arise during the year.
- 3.6 In addition, in order to deliver the work schedule, the Board may need to take a flexible approach and undertake activities outside the formal schedule of meetings – such as working groups and site visits, where necessary and appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Covid-19 and Scrutiny Board meetings

- 3.7 In June 2020 remote public sessions of all Scrutiny Boards were introduced. There is a degree of continuing uncertainty about how future meetings will be hosted – they may be hosted remotely, be buildings-based or involve a hybrid approach. However, all meetings have been scheduled in such a way as to ensure they can continue to be resourced remotely if that is the required approach.

4. Consultation and engagement

- 4.1.1 The Vision for Scrutiny states that Scrutiny Boards should seek the advice of the Scrutiny officer, the relevant Director(s) and Executive Member(s) about available resources prior to agreeing items of work.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Scrutiny Board Procedure Rules state that, where appropriate, all terms of reference for work undertaken by Scrutiny Boards will include ‘to review how and to what effect consideration has been given to the impact of a service or policy on all equality areas, as set out in the Council’s Equality and Diversity Scheme’.

4.3 Council policies and the Best Council Plan

4.3.1 The terms of reference of the Scrutiny Boards promote a strategic and outward looking Scrutiny function that focuses on the best council objectives.

Climate Emergency

4.3.2 When considering areas of work, the Board is reminded that influencing climate change and sustainability should be a key area of focus.

4.4 Resources, procurement and value for money

4.4.1 Experience has shown that the Scrutiny process is more effective and adds greater value if the Board seeks to minimise the number of substantial inquiries running at one time and focus its resources on one key issue at a time.

4.4.2 The Vision for Scrutiny, agreed by full Council also recognises that like all other Council functions, resources to support the Scrutiny function are under considerable pressure and that requests from Scrutiny Boards cannot always be met.

Consequently, when establishing their work programmes Scrutiny Boards should:

- Seek the advice of the Scrutiny officer, the relevant Director and Executive Member about available resources;
- Avoid duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue;
- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.

4.5 Legal implications, access to information, and call-in

4.5.1 This report has no specific legal implications.

4.6 Risk management

4.6.1 This report has no specific risk management implications.

5. Conclusions

5.1 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. The latest iteration of the Board's work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

6. Recommendations

6.1 Members are asked to consider the matters outlined in this report and agree (or amend) the overall work schedule (as presented at Appendix 1) as the basis for the Board's work for the remainder of 2020/21.

6.2 Members are asked to agree the statement of recommendation at Appendix 5.

7. Background documents¹

7.1 None.

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



Scrutiny Board (Environment, Housing and Communities) Work Schedule for 2020/2021 Municipal Year

June	July	August
Meeting Agenda for 18 June 2020	Meeting Agenda for 9 July 2020	No Scrutiny Board meeting scheduled.
<p>*REMOTE SESSION*</p> <p>Outcome of the consultation on the proposals for the land currently occupied by Temple Newsam Golf Course</p> <p>Safer Leeds (verbal update)</p>	<p>*REMOTE SESSION*</p> <p>Volunteer Hubs – learning lessons to ensure the future resilience of the 3rd sector</p> <p>Referral to Scrutiny: Nitrous Oxide (Cllr Robinson)</p>	
Working Group Meetings		
	Discussion re: parameters of River Cleanliness Inquiry	
Additional Notes		
	Request for detailed Nitrous Oxide Report	

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Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response



Scrutiny Board (Environment, Housing and Communities) Work Schedule for 2020/2021 Municipal Year

September	October	November
Meeting Agenda for 24 September 2020	Meeting Agenda for 15 October 2020	Meeting Agenda for 12 November 2020
<p>Waste Management Services: update on the recommendations of the 2018 scrutiny inquiry [PM]</p> <p>LASBT Review: update following the introduction of changes to the service in early 2020. [PSR]</p> <p><i>Work programme to include: update on River Cleanliness inquiry & Statement regarding volunteer hubs to be noted</i></p>	<p>Housing Activity Update [PM]</p> <p>Budget consultation – review of September proposals</p> <p><i>*Nitrous Oxide report to inform discussion around work programming in response to referral*</i></p>	<p>Locality Working and Priority Neighbourhoods [PM]</p> <p>Voluntary Sector: reflections on lessons learned from the Covid 19 experience [following July 2020 discussion]</p>
Working Group Meetings		
Budget – Early Consultation - 25 September 10am-12pm	28 October 2-4pm River Cleanliness	25 November 2-4pm River Cleanliness 16 November 1.30-3.15pm Budget Consultation [Oct/Nov Proposals]
Additional Notes		

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PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response



Scrutiny Board (Environment, Housing and Communities) Work Schedule for 2020/2021 Municipal Year

January	February	March
Meeting Agenda for 14 January 2021	Meeting Agenda for 25 February 2021	Meeting Agenda 25 March 2021
Reducing Poverty and improving Financial Inclusion – update report, including impact of Universal Credit. (PSR) Financial Health Monitoring and Initial Budget Proposals [PDS] Performance monitoring	Standards in the Private Rented Sector – update report [PSR] CEAC update on progress and activity Parking Strategy and Management update [PM]	Fuel Poverty Update / Energy Efficiency in Council Housing Stock / Carbon reduction in the Private Rented Sector [PM]
Working Group Meetings		
		10/3/21 – Anti-Social use of Fireworks, following the 2020 referral to scrutiny
Site Visits		

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PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response



Scrutiny Board (Environment, Housing and Communities) Work Schedule for 2020/2021 Municipal Year

For follow up:

Universal Credit Update: Service user experience as per discussions in January 2020 – *deferred in light of CV19 impact*

Best Council Plan [PDS] – *deferred until Sept 2021 EB*

PCC – strategy for review?

Clean Air Zone – post implementation review

EXECUTIVE BOARD

WEDNESDAY, 18TH NOVEMBER, 2020

PRESENT: Councillor J Blake in the Chair

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

70 Exempt Information - Possible Exclusion of the Press and Public

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

- (A) That appendices 2 and 3 to the report entitled, 'Accelerated Capital Receipts and Estate Rationalisation', referred to in Minute No. 78 be designated as being exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 and considered in private on the grounds that they contain information relating to the financial and business affairs of the Council. It is considered that the release of such information would, or would be likely to prejudice the Council's commercial interests in relation to other similar transactions. It is considered that the public interest in maintaining the exemption from publication outweighs the public interest in disclosing this information at this point in time.

71 Late Items

Agenda Item 6 – Financial Health Monitoring 2020/21 – Month 6

Prior to the meeting, Board Members were in receipt of an addendum which supplemented the submitted report and which included updated information, and as a result, a set of revised recommendations for the Board to consider. (Minute No. 74 refers).

Agenda Item 18 - Update on Coronavirus (Covid-19) Pandemic – Response and Recovery Plan

With the agreement of the Chair, a late item of business was admitted to the agenda entitled, 'Update on Coronavirus (COVID-19) Pandemic – Response and Recovery Plan'.

Given the scale and significance of this issue, it was deemed appropriate that a further update report be submitted to this remote meeting of the Board.

Draft minutes to be approved at the meeting
to be held on Wednesday, 16th December 2020

However, due to the fast paced nature of developments on this issue, and in order to ensure that Board Members received the most up to date information as possible, the report was not included within the agenda as originally published on 10th November 2020. (Minute No. 86 refers).

72 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

73 Minutes

RESOLVED – That the minutes of the previous meeting held on 21st October 2020 be approved as a correct record.

RESOURCES

74 Financial Health Monitoring 2020/21 – Month 6

The Chief Officer (Financial Services) submitted a report which set out the Council's projected financial health position for 2020/21 as at Month 6 of the financial year. The report projected a gap of £30.5m, following the receipt of an additional £20.5m funding from the government.

Prior to the meeting, Board Members received an addendum to the submitted report, which provided updated information regarding how the Council intended to resolve the estimated 2020/21 budget gap due to the impact of COVID-19. The addendum highlighted the decision to utilise reserves to manage the financial position in 2020/21 and deliver a balanced budget. The Council, as a consequence, had withdrawn the application to Government for a capitalisation directive, with the addendum presenting the Board with a revised set of recommendations as a result.

Members welcomed the updated information which had been provided, acknowledged the significant work which had been undertaken throughout the pandemic to get the Council to the current position, and thanked all those involved for their efforts. It was also noted that, as referenced elsewhere on the agenda, work would continue with regard to the management of 2021/22 budget and beyond.

Responding to a Member's enquiry, the Board received further information on the reserves being used to deliver a balanced budget, specifically the planned application of an earmarked reserve of £25.65m, and the financial implications of that for the Council moving forward.

Also, in response to a Member's enquiry, the Board received further details on the levels of inflation which were being experienced in terms of external residential placement costs and independent foster agency costs, with clarification being provided on the reasons for those increased costs and how such matters were being taken into consideration and managed as part of the directorate's budget strategy for the current year and moving forward. As part of this discussion, it was emphasised that similar to Leeds, other Local Authorities were experiencing costs pressures regarding external residential and independent foster agency placements.

Responding to a Member's specific enquiry regarding the projected interest payments on the Council's debts for the current financial year, and regarding the levels of projected inflationary pressures in the medium term, officers undertook to provide the Member in question with this information.

Whilst the separate tranches of Government funding received were welcomed, emphasis was placed upon the difficulties which continued to be experienced in managing the Council's financial position. With that in mind, Members considered the principle of sending correspondence to the Treasury on a cross-party basis about the losses in Council Tax and Business Rates income that the Council has incurred. In considering this matter, Councillor A Carter advised that whilst he agreed with the principle of approaching the Treasury on this, the Conservative Group would make their own representations.

In taking into consideration the contents of the submitted report together with the addendum and the revised recommendations within it, it was

RESOLVED –

- (a) That in noting the comments of Councillor A Carter, as outlined above, appropriate correspondence to the Treasury be drafted up on a cross-party basis for relevant Members' consideration regarding the losses in Council Tax and Business Rates income that the Council has incurred;
- (b) That the projected financial position of the Authority as at Month 6 of the financial year, together with the projected impact of COVID-19 on that position, be noted;
- (c) That it be noted that the position reported does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced, which could impact on the financial projections as detailed in the report;
- (d) That it be noted that for 2020/21 the Authority has withdrawn its application for a capitalisation directive to Government, with it also being noted that full details of how the Council will achieve a balanced budget will be incorporated into the Month 7 Financial Health monitoring report which is to be received by Executive Board in December 2020.

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

75 Capital Programme 2020/21 – 2024/25 Quarter 2 Update

The Chief Officer (Financial Services) submitted a report which provided an update upon the Council's Capital Programme position as at quarter 2 of the financial year. The report also sought some specific approvals with regard to funding injections.

Responding to a specific Member's enquiry regarding the extent to which the Council's Capital Programme had increased by between 2014/15 and the current financial year, and the extent to which that increase was being paid for by borrowing, officers undertook to provide the Member in question with that detail following the meeting.

RESOLVED –

- (a) That the latest position, as at quarter 2 of the financial year on the General Fund and Housing Revenue Account (HRA) capital programmes, as detailed within the submitted report, be noted;
- (b) That the net increase in the General Fund and HRA capital programme 2020-2025 of £143.0m since the capital programme setting in February 2020, be noted, with it also being noted that these injections do not increase the Council's borrowing requirement and are listed within Appendix B to the submitted report;
- (c) That it be noted that the borrowing required to fund the capital programme in 2020-21 has reduced by £77.9m since the capital programme setting in February 2020, mainly by delaying schemes that require borrowing. With it also being noted that the capital programme remains affordable within the approved debt budget for 2020-21, and that further work is underway through regular capital programme reviews to ensure that future debt increases are limited;
- (d) That the following £9.55m of grants and contributions injections into the capital programme be approved, as set out below and as detailed within Appendix B to the submitted report:
 - £3.55m Funding swaps as part of the Capital Programme Review;
 - £2.747m School Condition Allocation additional grant from government;
 - £1.928m HRA Right to Buy receipts for council housing growth;
 - £0.51m WYCA Transport Challenge Funding Grant A64 York Road;
 - £0.41m WYCA grant for junction improvements Fink Hill;
 - £0.2m S106 Traffic Management 20/21 Programmes;
 - £0.16m WYCA grant for City Connect Schemes;
 - £0.043m Other smaller schemes.
- (e) That it be noted that the decision to inject funding, as detailed at resolution (d) (above), will be implemented by the Chief Officer Financial Services;
- (f) That the review of capital programme pressures from 2021/22 onwards and the prioritisation of proposals for consultation and inclusion in February 2021, as presented to September 2020 Executive Board, be noted.

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

76 Treasury Management Strategy Update 2020/21

The Chief Officer, Financial Services submitted a report which presented a review and update of the Council's Treasury Management Strategy 2020/2021.

RESOLVED – That the update on the Treasury Management borrowing and investment strategy for 2020/21, as detailed within the submitted report, be noted.

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

77 Revenue Budget Update 2021/22 and Budget Savings Proposals

Further to Minute No. 68, 21st October 2020, the Chief Officer (Financial Services) submitted a report which presented the actions which were underway and proposed to address the financial gap for 2021/22, which was currently estimated at £118.8m. The report also presented a series of savings proposals to contribute towards the Council achieving a balanced budget for 2021/22 and, where appropriate, sought agreement to begin meaningful consultation with staff, trade unions, service users and the public as required.

In considering the range of proposals within the submitted report and the ongoing service reviews taking place, a Member specifically emphasised the key role played by Neighbourhood Networks, and also the importance of services in communities, such as the provision of bowling greens.

The transparency of the approach being taken by the submission of reports to the Board for consideration was highlighted, whilst a Member noted what they deemed to be the varying approaches to this process being taken by the different directorates.

In conclusion, it was noted that further detail regarding the level of Local Government funding for next financial year was awaited ahead of the Chancellor's Comprehensive Spending Review announcement, which was due later this month, and that available details would be provided to the Board in December.

RESOLVED -

- (a) That the Council's financial position for 2021/22, as outlined in the submitted report, be noted, with it also being noted that further savings are required to deliver a balanced budget position;
- (b) That the 'Business as Usual' savings, as detailed within the submitted report be noted, with it also being noted 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);

- (c) That the recommendations in the 'Service Review' proposals, as detailed at Appendix 2b to the submitted report, be agreed, and that agreement be given to the associated consultation commencing. The Board also notes that decisions to give effect to such matters shall be taken by the relevant Director or Chief Officer, following the consultation period, in accordance with the Officer delegation scheme (Executive functions) save where the Leader, relevant portfolio holder or Director considers that the matter should be referred to Executive Board for consideration.

(Under the provisions of Council Procedure Rule 16.5, both Councillors A Carter and Golton required it to be recorded that they respectively abstained from voting on the decisions referred to within this minute)

78 Accelerated Capital Receipts and Estate Rationalisation

Further to Minute No. 69, 21st October 2020, the Director of City Development submitted a report regarding the Council's approach towards Estate Rationalisation and generating Capital Receipts. The submitted report provided more details of the proposed next tranche of accelerated disposal properties which were targeting February 2021 auction dates, as well as properties being considered for release as part of phase 1 of the Core Office Review, and other vacant or void properties under review.

As part of the introduction to the report, the Board was made aware of correspondence which had been received relating to some of the proposals detailed.

A Member highlighted the importance of ensuring that local Ward Councillors were briefed and consulted at an early stage as part of any proposals regarding property disposal. In response, it was undertaken that further liaison would be had with the Member in question about the timing of Ward Councillor consultation, especially in instances where proposals were not yet in the public domain.

Regarding the proposal in the submitted report on the disposal of four industrial units at Logic Leeds, in considering this specific proposal, a Member highlighted how in terms of the Council's overall approach to such matters, the correct balance needed to be struck between keeping and disposing of properties with an income stream, in order to maximise the benefit for the Council. Discussion was also had around a specific tenant which rented premises at the Logic Leeds site.

Following consideration of Appendices 2 and 3 to the submitted report designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3), which were considered in private at the conclusion of the public part of the meeting, it was

RESOLVED –

- (a) That the accelerated disposal of property, as set out in Table 3.1 of the submitted report, which have already been agreed as part of the Capital Receipt Programme, be supported;
- (b) That agreement be given to progress the disposal of four industrial units at Logic Leeds from the Council's investment portfolio following the completion of the final letting, with the details, as set out in exempt Appendix 2 to the submitted report, being noted. Also, that subject to the value of the offers received and subject to both Councillors Carter and Golton being briefed on such matters prior to any final decision being taken, agreement be given for the final decision to sell to be delegated to the Director of City Development in consultation with the Executive Member for Resources;
- (c) That the recent work undertaken by Kirkstall Valley Development Trust at Abbey Mills, be noted, and that agreement be given to the property being disposed of by formal tender;
- (d) That the progression of work to vacate and release those properties set out in exempt Appendix 3 to the submitted report, which are included within phase 1 of the Core Office Review, be supported;
- (e) That it be noted that the proposed disposal of properties, as set out in exempt appendix 3 to the submitted report, will be the subject of future reports seeking approval for disposal;
- (f) That it be noted that the disposal of properties and identifying the strategic approach towards the Council's estate is the responsibility of the Director for City Development.

CLIMATE CHANGE, TRANSPORT AND SUSTAINABLE DEVELOPMENT

79 Redevelopment of City Square - Design Brief

The Director of City Development submitted a report which sought approval of the City Square Design Brief, as developed with the Royal Institute of British Architects (RIBA) to support the design competition.

In response to a Member's enquiry, it was noted that public engagement on the concept design of the scheme would be undertaken prior to the stage at which a planning application would be considered. Also, in response to an enquiry, the Board received further detail on the funding which was in place to deliver the feasibility work for the scheme.

Also in response to a Member's enquiries regarding the timing of this development, when considering the uncertain financial position of the Council, the Board was provided with information regarding the pivotal role that this scheme would play in the delivery of a number of the Council's key strategies and priorities.

RESOLVED –

- (a) That the textual content of Design Brief developed with the Royal Institute of British Architects (RIBA) to support the design competition, as detailed at appendix B to the submitted report, be approved;
- (b) That approval of the fully designed brief (ie. layout design and photos) be delegated to the Director of City Development;
- (c) That it be noted that the outcome of the design competition will be presented to Executive Board for consideration and endorsement in June 2021.

(Under the provisions of Council Procedure Rule 16.5, both Councillors A Carter and Golton required it to be recorded that they respectively abstained from voting on the decisions referred to within this minute)

80 Connecting Leeds Update and Financial Consolidation

The Director of City Development submitted a report outlining the progress which had been made on 'Connecting Leeds', Leeds Public Transport Investment Programme (LPTIP) since it started in April 2017 and which included an update on the first 18 months of construction during 2019/20 and 2020/21. The report also presented details of the restated 'Connecting Leeds' programme and its financial consolidation for Members' consideration.

Responding to a Member's enquiry, the Board was advised that with regard to timescales, the Department for Transport had confirmed that provided schemes were in contract by the end of March 2021, funding would continue to be made available.

Members discussed and received further information regarding the extent to which schemes were being reviewed and evaluated in light of the Coronavirus pandemic, and also with regard to each scheme's potential impact upon the retail sector. It was acknowledged that further consideration should be given to the latter although it was noted the assurance processes for this current programme of works was completed or nearing completion in most cases. It was also noted the schemes being delivered as part of this programme would offer improved transport options.

Responding to a Member's specific enquiry, the Board was provided with an update on, and subsequently considered the current position regarding the discussions which were taking place between the Council and the Combined Authority on a matter relating to the A647 cycle way between Leeds and Bradford.

A Member raised their concerns regarding the overall progress being made by the Connecting Leeds initiative and the programming and delivery of schemes within it. In response, the Board was provided with further detail on the work that continued to be undertaken as part of the programme and the significant level of schemes which had been or were being delivered.

RESOLVED –

- (a) That the continued progress and affordability of the ‘Connecting Leeds’ programme (Bus Infrastructure, Rail and Bus Delivery), be noted, which looks to continue to ensure the realisation of the outcomes set out in the strategic outline business case to the Department for Transport;
- (b) That in taking account all of the additional external funding contributions secured since the last update report which now totals £33.82m, the financial consolidation and restated programme, as set out in section 4.4 of the submitted report, including funding movements between packages, be noted and agreed;
- (c) That it be noted that the Chief Officer for Highways and Transportation is responsible for this matter, and also, that a further update will be provided in Spring 2021.

(Under the provisions of Council Procedure Rule 16.5, both Councillors A Carter and Golton required it to be recorded that they respectively abstained from voting on the decisions referred to within this minute)

LEARNING, SKILLS AND EMPLOYMENT

81 Exclusions and Elective Home Education – Annual Update Report

Further to Minute No. 72, 18th September 2019, the Director of Children and Families submitted a report which presented the annual update on data and trends regarding Elective Home Education (EHE) and permanent exclusion for 2019/20 from the Local Authority’s direct reporting processes, and to provide the Department for Education (DfE) verified fixed term exclusion data for 2018/19.

Members acknowledged the ongoing inquiry being undertaken by the Scrutiny Board (Children and Families) into such matters.

Also, responding to a Member’s enquiry, clarification was provided that with regard to primary fixed term exclusions, Leeds had moved from Band A to Band B.

RESOLVED – That the following be noted:

- (a) The information contained within the submitted report;
- (b) The recommendations in the Timpson Review (as detailed in Appendix 1 to the submitted report) as outlined in the previous Executive Board report of September 2019;
- (c) That the issues raised by the Children’s Commissioner in her report: “Skipping School: Invisible Children - How children disappear from England’s schools” have not yet led to any significant change in legislation;

- (d) The response of teams to changes in policy and protocol during the Covid-19 pandemic and the trends currently emerging within the new academic year 2020/21;
- (e) That the Children and Families directorate has produced an annual report on the issue of exclusions and elective home education and will continue to provide an updated annual report;
- (f) That the remit for monitoring exclusions and elective home education falls under the responsibility of the Head of Learning Inclusion within Children and Families directorate.

82 Equality Improvement Priorities Progress Report 2019 – 2020

The Director of Communities and Environment submitted a report that presented the annual progress made against the Council's Equality Improvement Priorities for 2018 – 2022. The report also outlined the reviewed, amended and completed Equality Improvement priorities.

Responding to a Member's enquiry, the Board received further information regarding the work being undertaken in relation to the support provided to younger people with a disability, with an undertaking that further detail could be provided to the Member in question outside of the meeting, if required.

RESOLVED –

- (a) That the Equality Improvement Priorities Annual Report 2019 – 2020, as submitted, be approved;
- (b) That agreement be given to sign off the completed priorities for 2019 – 2020, as detailed within the submitted report;
- (c) That the new and amended priorities for 2020 – 2021, as detailed within the submitted report, be approved;
- (d) That the proposed approach for the development of new Strategic Equality Improvement Priorities for 2021 – 2025, be approved;
- (e) That a further report be submitted to the Board in July 2021;
- (f) That it be noted that the Director of Communities and Environment is responsible for the implementation of decisions made by Executive Board in respect of the submitted report.

HEALTH, WELLBEING AND ADULTS

83 The National Flu Immunisation Programme 2020 to 2021

The Director of Public Health submitted a report that provided an update on the key actions being taken in Leeds on the National Flu Immunisation Programme 2020 to 2021. In addition, the report also outlined the changes in

the programme from previous years and detailed the progress made on the development of the Leeds Seasonal Flu Vaccination Plan.

Members highlighted the crucial importance of ensuring that uptake levels for the Coronavirus vaccination were maximised, when it became available. Also, again with regard to the Coronavirus vaccination, Members highlighted the vital importance of clear messaging on such matters and wherever possible, the correction of any misinformation within communities.

RESOLVED –

- (a) That the content of the National Influenza Immunisation Programme 2020 to 2021, in particular the expanded cohort, as appended to the submitted report., be noted;
- (b) That the Leeds Seasonal Flu Vaccination Plan, as appended to the submitted report, be noted, and that its recommendations, specifically in relation to ensuring equality of uptake amongst all key target groups and targeted support in areas of deprivation and in order to tackle health inequalities, be supported;
- (c) That agreement be given for an update on immunisation uptake in Leeds, in light of COVID-19, to be provided, with it being noted that the updated figures will be available in May 2021;
- (d) That it be noted that the Acting Chief Officer for Health Protection and Sexual Health will take the lead on such matters.

ENVIRONMENT AND ACTIVE LIFESTYLES

- 84 Replacement depot and operational centre for Environmental Services**
Further to Minute No. 6, 21st June 2017, the Director of Communities and Environment submitted a report which provided an update on the development of proposals regarding the provision of primary office and depot facilities for Environmental Services and local office accommodation and accessible facilities for other Council departments. The report also sought approval of the necessary injection into the capital programme, together with the necessary approvals regarding the related 'Authority to Spend' and incurring of expenditure for the proposed project.

Members welcomed the proposals detailed within the report and received further information regarding the timeframe for the delivery of the scheme.

RESOLVED –

- (a) That authorisation be given to £5.066m of prudential borrowing funding to be injected into capital scheme number 32782/000/000, which will be fully funded from associated savings identified from with the Environmental and Fleet Services revenue budgets; with it being noted that this project will help realise efficiencies, saving and capital receipts in excess of the cost of borrowing for the revised full scheme cost;

- (b) That approval be given to the 'Authority to Spend' and to the incurring of expenditure of £9.076m from capital scheme number 32782/000/000 for the construction work and associated fees for the construction of the new facilities;
- (c) That it be noted that the appointment of a contractor will only occur once the implications of the COVID-19 restrictions have been lifted and the risks relating to the programme and costs have been resolved to the satisfaction of Legal and Procurement Officers;
- (d) That it be noted that the Director of Communities and Environment will be responsible for the delivery of the project, and that the necessary authorisation be provided to enable the Director to enter into all other agreements required to deliver this project efficiently.

COMMUNITIES

85 The 'Keep it Local' Principles and Network

The Director of Communities and Environment submitted a report which invited endorsement of the 'Keep it Local' principles and support for the Council's participation in a new 'Keep it Local' network of Local Authorities.

RESOLVED –

- (a) That the 'Keep it Local' principles, as detailed within the submitted report, be endorsed, and that the Council's membership of the 'Keep it Local' Network, be supported;
- (b) That it be noted that the Executive Member for Communities is the 'Keep it Local' Champion and that the Director for Communities and Environment is the officer champion, with it also being noted that the Chief Officer Communities is the responsible officer for the implementation of such matters.

INCLUSIVE GROWTH AND CULTURE

86 Update on Coronavirus (COVID19) pandemic – Response and Recovery Plan

Further to Minute No. 64, 21st October 2020, the Chief Executive submitted a report which provided an update on the continued Coronavirus (COVID-19) work being undertaken across the city including the recovery approach, outbreak management, and current issues and risks. The report also noted that the city's multi-agency command and control arrangements continued to be used alongside the Response and Recovery plan with the aim of mitigating the effects of the pandemic on those in the city, especially the most vulnerable, and to help to continue to prepare for the longer term stages of recovery planning.

By way of introduction to the report and in response to a Member's enquiry, the Board received an update on the role of the Council and the co-ordinated approach it was taking with partner agencies to continue to deliver a broad

range of services and actions across a range of key areas. Further information regarding the Government funding received to resource such actions was also provided. The importance of a localised approach being taken in key areas was highlighted, with it being noted that the Council would continue to work closely with Government and fully utilise the funding it received.

It was also noted that work continued with Government in order to gain further clarity upon the processes for coming out of the current lockdown, whilst it was acknowledged that we had reached a pivotal point given the progress which was being made in developing a vaccine. With this in mind, it was emphasised that the effective delivery of the vaccine would be key, when it became available.

As part of the wider discussion on such matters, Members highlighted the need for the communication of clear messaging across the city to continue with regard to the ongoing restrictions, whilst the importance of the discretionary grant funding scheme for businesses and the delivery of the self-isolation support scheme were also highlighted.

RESOLVED –

- (a) That the national changes effective from 5th November 2020 when the country entered a second lockdown, and the impacts from this upon Council services, as outlined within the submitted report, be noted;
- (b) That the extensive work being undertaken across the partnerships to control the spread of the virus and to support vulnerable people and businesses, as detailed within the submitted report, be noted;
- (c) That agreement be given for the key issues of: service delivery change; local contact tracing; vaccine rollout; mass testing where appropriate; harm minimisation for the elderly and vulnerable; business support schemes; self-isolation compliance and support; preparing for the end of the university term; and targeted communications, to continue to be progressed;
- (d) That the concurrent pressures on the system, which include winter pressures on the health and care system, flood risk and extreme weather, local government finance and capacity concerns and uncertainty around exit from the EU, be noted;
- (e) That in respect of the financial implications for the Council arising from the Coronavirus pandemic, the contents of the submitted report be used as context when the Board considers the more detailed finance based reports, as presented elsewhere on the agenda.

87 Update on Leeds City Council's preparations for the UK's exit from the European Union

Further to Minute No. 62, 21st October 2020, the Chief Executive submitted a report which provided an update on the current stage of Brexit negotiations

during the Transition Period, and the preparations that Leeds City Council continued to make for the UK's exit from the European Union.

By way of an introduction to the report, the Board received an update on a number of the actions being taken by the Council in this area, including the liaison with representatives from business sectors, ongoing work with regard to the EU settlement scheme, the provision of information to communities across the city and the co-ordination work being undertaken with the NHS.

RESOLVED – That the current national position, and the Council's next steps to prepare the Council and the city for the UK's exit from the EU, as detailed within the submitted report, be noted.

DATE OF PUBLICATION: FRIDAY, 20TH NOVEMBER 2020

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00 P.M. ON FRIDAY, 27TH NOVEMBER
2020

EXECUTIVE BOARD

TUESDAY, 24TH NOVEMBER, 2020

PRESENT: Councillor J Blake in the Chair

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

88 Exempt Information - Possible Exclusion of the Press and Public

There was no information designated as being exempt from publication considered at the meeting.

89 Late Items

Agenda Item 5 – Devolution Deal for West Yorkshire: Consent to Draft Order

Prior to the meeting, Board Members were in receipt of supplementary information to the submitted report in the form of a substantive covering report and its appendices. These documents were submitted for the Board's consideration as part of agenda item 5 (Devolution Deal for West Yorkshire: Consent to Draft Order). (Minute No. 91 refers).

90 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

INCLUSIVE GROWTH AND CULTURE

91 Devolution Deal for West Yorkshire - Consent to Draft Order

Further to Minute No. 31, 1st September 2020, the Chief Executive submitted an initial report supplemented with a substantive report and appendices which provided an update on the latest stage of the process to implement the West Yorkshire Devolution Deal as agreed between the region and Government in March 2020. Also, the reports provided details on the final stages of the process and sought the Board's in principle consent to the draft Order, as submitted, which would establish a Mayoral Combined Authority for West Yorkshire together with other associated changes. The reports also noted that the four other West Yorkshire Councils together with the West Yorkshire Combined Authority (WYCA) were also being asked to provide their respective consent through their own decision making processes.

As referenced above, prior to the meeting Board Members were in receipt of supplementary information to the submitted report in the form of a substantive covering report and appendices for their consideration as part of this item.

As part of the introduction to this item, the Chair outlined the next steps in the process, highlighting that should all constituent Councils and the Combined Authority consent to the draft Order, the Secretary of State was scheduled to lay the Order before Parliament in December 2020.

Draft minutes to be approved at the meeting
to be held on Wednesday, 16th December, 2020

Board Members' attention was drawn to the two areas where the draft Order differed from the 'minded to' devolution deal previously considered. Specifically this was regarding the Strategic Infrastructure Tariff and the Spatial Development Strategy, with it being highlighted that the Council had made additional representations to the Secretary of State in relation to the latter, following a resolution of full Council at its Special Meeting on 1st September 2020. Members discussed and noted that both of these had been removed from the draft Order, with specific reference being made to the ongoing national planning reforms that were underway through the Planning White Paper. The second area to change was in respect of Highways powers, specifically regarding the roads that constitute the Key Roads Network (KRN) and the greater flexibility that the draft Order afforded in terms of agreeing the KRN.

Also, the Chief Executive explained that the Joint Committee on Statutory Instruments was currently considering the draft Order, and may make minor technical amendments, with the Board being assured that such amendments would not change the content or substance of the Order. However, it was noted that this was why the Board was being asked to provide in principle consent to the Order today and delegate final approval, as detailed within the submitted report.

In noting that a special meeting of full Council had been scheduled for 26th November 2020 to consider the resolutions made by Executive Board today, Members discussed the ordering of these special meetings, and how such matters were being considered by the other West Yorkshire Authorities.

The Board welcomed the initial gain share funding arrangements for the financial year 2020/21.

Members briefly considered the overall arrangements for devolution and the relationship between Government and the Mayoral Combined Authority moving forward. The Board also highlighted the ongoing dialogue which would continue regarding the broader principles of devolution, which were outside of the specific matters being considered by the Board today.

Responding to a Member's comments and enquiries regarding the scrutiny arrangements which would be in place as part of the devolution deal in relation to the Police and Crime Commissioner, the Board was provided with further information, with it being noted that should the Home Office's ongoing review into such matters recommend changes to current processes, then they would be applicable to the devolved arrangements moving forward.

RESOLVED –

- (a) That the contents of the submitted initial report together with the substantive report and its appendices, be noted;
- (b) That in principle consent to the draft Order, to establish a Mayoral Combined Authority and associated changes as set out in the 'minded

to' devolution deal, as attached at Appendix 2 to the submitted report, be confirmed;

- (c) That the necessary authority be delegated to the Managing Director of the Combined Authority, in consultation with the Leader and Chief Executive of each constituent Council and the Chair of the Combined Authority, to finalise and consent to the final draft of the Order, further to any technical issues which may arise;
- (d) That the updated timetable, as set out in Appendix 1 to the submitted report, together with the next steps, which are subject to consent being given to the Order by the constituent Councils and the Combined Authority, be noted, with it also being noted that the Secretary of State will lay the Order in Parliament in December 2020;
- (e) That it be noted that amendments to the Constitution which are necessary to reflect the inauguration of the Mayoral Combined Authority will be made in accordance with Article 15, as necessary and appropriate;
- (f) That approval be given for all decisions taken by Executive Board from the submitted reports, as resolved above, be exempted from the Call In process on the grounds of urgency, for the reasons as set out in paragraph 4.5.2 of the submitted report.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process by the decision taker if it is considered that the matter is urgent and any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (f) above, and for the reasons as detailed within sections 4.5.2 of the submitted report)

DATE OF PUBLICATION: THURSDAY, 26TH NOVEMBER 2020

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: NOT APPLICABLE

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EXECUTIVE BOARD

WEDNESDAY, 16TH DECEMBER, 2020

PRESENT: Councillor J Blake in the Chair

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

92 Exempt Information - Possible Exclusion of the Press and Public

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

- (A) That appendix 1 to the report entitled, ‘Arena Development Plots, Clay Pit Lane, Leeds’, referred to in Minute No. 101 be designated as being exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 and considered in private on the grounds that the information contained within it relates to the financial or business affairs of a particular organisation and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the proposed land exchange then it is not in the public interest to disclose this information at this point in time. Also, it is considered that the release of such information would, or would be likely to prejudice the Council’s commercial interests in relation to other similar transactions in that prospective transacting parties for other similar sites would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time;
- (B) That appendix 3 to the report entitled, ‘Disposal of Land Located on Windlesford Green, off Holmsley Lane, Rothwell, for Extra Care Housing Delivery and Final Terms of Development Agreement’, referred to in Minute No. 109 be designated as being exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 and considered in private on the

Draft minutes to be approved at the meeting
to be held on Wednesday, 10th February, 2021

grounds that the information contained within it relates to the financial or business affairs of the Council and the consortium. It is considered that since this information was obtained through one to one negotiations for the property/land then it is not in the public interest to disclose this information at this point in time as this could affect the integrity of the disposal of the property/land. It is considered that the public interest in maintaining the content of the appendix as exempt from publication outweighs the public interest in disclosing the information, as doing so would prejudice the Council's commercial position and that of third parties should they be disclosed at this stage.

93 Late Items

Agenda Item 7 - Update on Coronavirus (Covid-19) Pandemic – Response and Recovery Plan

With the agreement of the Chair, a late item of business was admitted to the agenda entitled, 'Update on Coronavirus (COVID-19) Pandemic – Response and Recovery Plan'.

Given the scale and significance of this issue, it was deemed appropriate that a further update report be submitted to this remote meeting of the Board.

However, due to the fast paced nature of developments on this issue, and in order to ensure that Board Members received the most up to date information as possible, the report was not included within the agenda as originally published on 8th December 2020. (Minute No. 97 refers).

Agenda Item 8 - Update on Leeds City Council's Preparations for the UK's Exit from the European Union

With the agreement of the Chair, a late item of business was admitted to the agenda entitled, 'Update on Leeds City Council's Preparations for the UK's Exit from the European Union'.

Given the significance of this issue, it was deemed appropriate for the Board to receive an update at this meeting. However, due to the fast paced nature of developments of this issue and in order to ensure Board Members received the most up to date information as possible, the report was not included within the agenda as originally published on 8th December 2020. (Minute No. 98 refers).

Agenda Item 15 – White Rose Forest Strategy for Leeds

Not a formal late item as such, but prior to the meeting Board Members were provided with a revised map which replaced the version originally published within Figure 11: 'Woodlands for Water' of Appendix A of the above report. (Minute No. 105 refers).

94 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

- 95 **Minutes**
RESOLVED – That the minutes of the previous meetings held on 18th and 24th November 2020 be respectively approved as correct records.

INCLUSIVE GROWTH AND CULTURE

- 96 **Proposed Budget for 2021/22 and Provisional Budgets for 2022/23 and 2023/24**

The Chief Officer (Financial Services) submitted a report presenting the initial budget proposals for 2021/22, and which sought agreement for them to be submitted to Scrutiny for consideration, and also used as a basis for wider consultation with stakeholders. In addition, the report also provided an update on the provisional budgets for 2022/23 and 2023/24.

As part of the introduction to the report, the Chair thanked officers for the efforts which had been made in getting to this stage in the 2021/22 budget setting process. In addition, it was noted that the proposed budget as presented in the report had been compiled whilst details of the final Local Government Finance Settlement were awaited, however, it was noted that an announcement on this was expected from Government on 17th December 2020.

In considering the details within the submitted report, Members discussed a number of issues including support for Neighbourhood Networks, the provision of Wellbeing funding levels for Community Committees, options regarding the Adult Social Care precept and the importance of cross-directorate reviews in order to maximise the effectiveness of the Council services provided with the resources available. Members also discussed the level of the Council's reserves and borrowing.

With regard to consultation as part of the budget setting process, the early consideration of savings proposals over recent months by Executive Board was welcomed and it was noted that consultation continued on a number of such proposals. It was also acknowledged that the proposed budget was being submitted to today's meeting with a recommendation that it was agreed for the purposes of being released for consultation.

The requirement to submit a balanced budget to Council for approval in February 2021 was acknowledged, however it was highlighted that given the unprecedented circumstances that continued to be faced and the fact that the final Local Government Finance Settlement was still awaited, the proposed budget as presented, did not balance.

RESOLVED –

- (a) That with regard to the savings proposals as presented at Appendix 4 to the submitted report:-
- (i) The financial position for 2021/22, as outlined in the submitted report, be noted, with it also being noted that further savings are required to deliver a balanced budget position;

- (ii) The 'Business as Usual' savings, as detailed, be noted, with it also being noted 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);
 - (iii) The recommendations within the 'Service Review' proposals at Annexe 4.2 of the submitted report, be agreed, with agreement also being given to the commencement of related consultation; with it being noted that decisions to give effect to such matters shall be taken by the relevant Director or Chief Officer, following the consultation period, in accordance with the Officer delegation scheme (Executive functions) save where the Leader, relevant portfolio holder or Director considers that the matter should be referred to Executive Board for consideration;
- (b) That consultation on the proposed budget for 2021/22, as detailed within the submitted report which includes the proposed increases in core Council Tax and the Adult Social Care precept, be agreed, with it also being agreed that these budget proposals are submitted to Scrutiny and used as a basis for wider consultation with stakeholders;
 - (c) That the provisional budget position for 2022/23 and 2023/24, as detailed within the submitted report, be noted, with it also being noted that savings proposals to address the updated estimated budget gaps of £55.7m and £32.4m for 2022/23 and 2023/24 respectively will be reported to future meetings of this Board;
 - (d) That the Board notes that the proposal to approve the implementation of an additional Council Tax premium on any dwelling where the empty period is at least ten years, from 200% to 300% premium, will be submitted to Full Council in January 2021 for consideration;
 - (e) That, should the application to form a new Leeds City Region Business Rates Pool be successful, approval be given for Leeds City Council to become a member of the proposed Pool and act as lead authority for it; with it being noted that the establishment of this new Pool is dependent upon none of the other proposed member authorities choosing to withdraw within the statutory period after designation.

(Under the provisions of Council Procedure Rule 16.5, Councillors A Carter and S Golton both required it to be recorded that they respectively abstained from voting on the decisions referred to within this minute)

(The resolutions referred to within Minute No. 96 (b) – (d) (above) given that these were decisions being made in accordance with the Budget and Policy Framework Procedure Rules, were not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions made in accordance with the Budget and Policy Framework Procedure Rules.

However, the resolutions referred to in Minute No. 96 (a) (i) – (iii) and (e) (above) were eligible for Call In, given that these were decisions not being taken as part of the Budget and Policy Framework Procedure Rules)

97 Update on Coronavirus (COVID19) pandemic – Response and Recovery Plan

Further to Minute No. 86, 18th November 2020, the Chief Executive submitted a report which provided an update on the continued Coronavirus (COVID-19) work being undertaken across the city including the recovery approach, outbreak management, and details of current issues and risks. The report focussed upon the impact of entering into Tier 3 ('Very High') restrictions, current developments and the support in place for people and businesses, with it being noted that the city's multi-agency command and control arrangements continued to be used with the Response and Recovery plan, aiming to mitigate the effects of the pandemic on those in the city, especially the most vulnerable.

With the agreement of the Chair, the submitted report had been circulated to Board Members as a late item of business prior to the meeting for the reasons as set out in section 9 of the submitted report, and as detailed in Minute No. 93.

By way of introduction to the report, the Chair thanked Council officers, partners across all sectors and also the wider community for their continued efforts in response to the pandemic. The Board also received an update on the roll out of the vaccine in Leeds, the latest position regarding the localised contact tracing service, ongoing liaison with universities and the provision of self-isolation payments and business support grants.

Following the latest review undertaken by Government, it was highlighted that the Council was expecting to hear the outcome of the Government's deliberations tomorrow on which tier the city would be in. It was noted that this followed Leeds' recent submission to Government where a Tier 2 designation was recommended.

It was also noted that further guidance from Government regarding the Christmas period was expected imminently, with Members highlighting the importance of any such guidance from Government being clear and consistent.

In response to a Member's suggestion regarding the vaccination process and the actions which could be taken to help facilitate the provision of community transport to and from vaccination centres, officers undertook to look into this matter further, with the Board also being provided with greater detail on how the roll out of the vaccine and maximising accessibility was envisaged.

In conclusion, the crucial role that Local Government continued to play on such matters was reiterated and it was undertaken that Members would continue to be kept informed on any related developments.

RESOLVED –

- (a) That the change in national restrictions from 2nd December 2020, and the introduction of a revised Tier system and West Yorkshire being placed in Tier 3, be noted, with it also being noted that this is due to be reviewed on 16th December 2020 and that the outcomes of the Government's deliberations on such matters were expected imminently;
- (b) That the extensive work being undertaken across the partnerships to control the spread of the virus, prepare for Covid-19 vaccination, undertake local contact tracing, prepare for asymptomatic community testing, protect the health service, and deliver support to vulnerable people and to businesses, be noted; and that agreement be given for these priorities to continue to be progressed;
- (c) That the concurrent pressures on the system, which include winter pressures on the health and care system, flood risk and extreme weather, local government finance and capacity concerns and continued uncertainty around EU Exit, be noted;
- (d) That in respect of the financial implications for the Council arising from the Coronavirus pandemic, the contents of the submitted report be used as context when the Board considers the more detailed finance based reports, as presented elsewhere on the agenda.

98 Update on Leeds City Council's preparations for the UK's exit from the European Union

Further to Minute No. 87, 18th November 2020, the Chief Executive submitted a report providing an update on the current stage of Brexit negotiations during the Transition Period, and the preparations that Leeds City Council continued to make for the UK's exit from the European Union (EU).

With the agreement of the Chair, the submitted report had been circulated to Board Members as a late item of business prior to the meeting for the reasons as set out in section 9 of the submitted report, and as detailed in Minute No. 93.

It was noted that negotiations between the EU and UK regarding a deal were ongoing. In discussing such matters, Members were provided with an update on the preparatory work which continued in Leeds ahead of the conclusion of the Transition Period, and how such work would continue in order to mitigate against the negative impacts of the UK's exit and maximise the benefit from the opportunities which arose.

RESOLVED – That the current national position and Council's next steps to prepare the Council and the city for the UK's exit from the EU, as detailed within the submitted report, together with the verbal update provided at the meeting, be noted.

99 Lease Agreement for Leeds Media Centre

The Director of City Development submitted a report that sought in principle approval of a 15 year, full repairing and insuring lease of the Leeds Media Centre to Unity Property Services Ltd. on a peppercorn rent basis. The report also sought to delegate to the Director of City Development the responsibility of agreeing the final terms of the new lease and associated grant agreement, at less than best consideration, subject to any final issues that may arise.

Responding to a Member's enquiry, the Board received assurance that the normal due diligence processes which were followed when making an agreement such as this would continue to be followed in relation to Unity Property Services Ltd as part of such proposals.

Also, responding to an enquiry, the Board received an update on the provision of related funding which would be available following the conclusion of European Structural and Investment Fund, with further detail being provided on the timeframes around the introduction of the UK Shared Prosperity Fund and the availability of related funding in the interim.

RESOLVED –

- (a) That approval in principle be given for a Full Repairing and Insuring lease of the Leeds Media Centre to Unity Property Services Ltd. on a peppercorn rent basis for a term of 15 years;
- (b) That the necessary authority be delegated to the Director of City Development in order to enable the Director to agree the final terms of the lease, at less than best consideration;
- (c) That approval be given for the resolutions within this minute to be exempted from the Call In process on the basis that the decisions are urgent due to the short timescales provided by the European Structural and Investment Funds (ESIF) appraisal process, and for those reasons as detailed within paragraph 4.5.1 of the submitted report.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process by the decision taker if it is considered that the matter is urgent and any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (c) above, and for the reasons as detailed within section 4.5.1 of the submitted report)

RESOURCES

100 Financial Health Monitoring 2020/21 – Period 7

The Chief Officer (Financial Services) submitted a report which set out the Council's projected financial health position for 2020/21 as at Month 7 of the financial year.

Responding to a Member's enquiry, the Board received further detail on the current position regarding the Council's external auditor signing off the use of the Merrion House reserve to contribute towards funding the identified budget gap for 2020/21. It was noted that although confirmation of this was still to be received, it was felt that the risk was minimal, however, the Board received further detail on the actions which would be taken to balance the budget in the event that the use of the reserve was not signed off.

RESOLVED –

- (a) That the projected financial position of the Authority, as at Month 7 of the 2020/21 financial year, be noted, with the projected impact of COVID-19 on that position also being noted;
- (b) That it be noted that for 2020/21 the Authority has withdrawn its application for a capitalisation directive to Government and that the submitted report contains full details of how a balanced budget will be achieved;
- (c) That full Council be recommended to release the Merrion House reserve in order to contribute towards funding the identified COVID funding gap;
- (d) That it be noted that the position as detailed within the submitted report does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact upon such financial projections.

101 Arena Development Plots, Claypit Lane, Leeds

The Director of City Development submitted a report which sought approval to the provisional terms of a land exchange to facilitate the creation of a single larger development plot, which could potentially be brought forward for complementary use to the Arena in the future.

Regarding the proposal, a Member highlighted the potential implications around the Council losing influence on what was ultimately developed upon site A, and emphasised the importance of the quality of any future development on that site being consistent with the high profile location of it.

Following consideration of Appendix 1 to the submitted report designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3), which were considered in private at the conclusion of the public part of the meeting, it was

RESOLVED –

- (a) That approval be given to the Council exchanging conditional contracts with the buyer of the Yorkshire Bank site for the land exchange of the Council-owned northern development plot (as detailed as Site A in Appendix 2 to the submitted report) with part of the Yorkshire Bank site (Site C in Appendix 2) on the terms detailed within exempt Appendix 1;

- (b) That approval be given for officers to negotiate final terms for the land exchange, to be approved by the Director of City Development under delegated powers;
- (c) The approval be given to the continuation by officers of informal discussions with the Arena operator, regarding the scope of redevelopment and the identification of complementary uses for the development plot precipitating from the land exchange, with proposals being reported back.

CLIMATE CHANGE, TRANSPORT AND SUSTAINABLE DEVELOPMENT

102 Leeds Site Allocations Plan - Consultation on Amendments to 37 Policies following a High Court Order

Further to Minute No. 19, 26th June 2019, the Director of City Development submitted a report that provided an update on the work undertaken since the High Court Judgment relating to the Site Allocations Plan (SAP) statutory challenge, and the requirements for the remittal of the SAP to the Secretary of State. The report also set out indicative timescales. On this basis, the report sought approval to commence consultation on the proposed Main Modifications to the SAP.

In introducing the report, the Executive member for Climate Change, Transport and Sustainable Development provided an update on the current position regarding the remittal process, and highlighted the resolution of Development Plan Panel from its meeting of 11th December 2020 which recommended to Executive Board that it approves for the purposes of public consultation, the Main Modifications along with the supporting Sustainability Appraisal Addendum and all necessary technical background documents.

Responding to a Member's enquiry regarding a number of schemes, with specific reference to the former city college site in Horsforth, and the potential impact that the High Court judgement and the current remittal process may have upon the status of any Plans Panel deliberations regarding this site or others in similar situations, officers provided the Member in question with further detail on the overarching plan making process which was running in parallel with the individual planning application process, and in addition undertook to provide further detail to Board Members in writing.

Also, responding to a Member's enquiries, the Board received further detail on the actions being taken to increase delivery of affordable housing provision in the city centre and other areas. Regarding the Government's 'Planning for the Future' White Paper, Members were advised that the Council had provided a submission to Government as part of the consultation process but that further detail was awaited.

Members also highlighted the recent announcement made by the Housing Secretary Robert Jenrick, which it was noted would look to encourage more homes to be built in England's 20 largest cities, which included Leeds. It was

noted that further detail on this was awaited, however, Members considered the potential implications of this for the city.

In considering the changes which had been made by Government in respect of planning and local housing need guidance over recent years, it was requested that further detail on such matters be provided to Board Members for their information.

RESOLVED –

- (a) That the resolution of Development Plan Panel from its meeting of 11th December 2020, which recommended Executive Board to approve the Main Modifications for public consultation, along with the supporting Sustainability Appraisal Addendum and all necessary technical background documents, be noted;
- (b) That the reasons for the proposed Main Modifications, as detailed within the submitted report, be noted;
- (c) That the following be approved for the purposes of public consultation:-
 - (i) The Proposed Main Modifications to the SAP (as detailed at Appendix 7 to the submitted report); and
 - (ii) The Sustainability Appraisal Addendum (Appendix 5 to the submitted report) in support of the Plan.

(The matters referred to within this minute, given that they were decisions being made in accordance with the Budget and Policy Framework Procedure Rules, were not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions being made in accordance with the Budget and Policy Framework Procedure Rules)

103 Morley Town Deal

The Director of City Development submitted a report which set out the work that had been undertaken to develop a bid to the Towns Fund to support a programme of capital regeneration projects in Morley. The report summarised the contents of the Draft Town Investment Plan, a bid document which was intended to be submitted to Government in January 2021, and which had been informed through substantial public engagement and consultation.

Gerald Jennings, Independent Chair of the Morley Town Deal Board was in attendance at the meeting in order to provide Members with an overview of the work being undertaken by the Board together with an update on the progress made to date.

Members welcomed the significant investment which was being made as part of this process and emphasised that they would welcome further investment from the Towns Fund programme into other parts of the city, should it be made available.

RESOLVED –

- (a) That the contents of the submitted report, be noted, and that the emerging vision for a Town Investment Plan in Morley and the priority objectives of this funding programme, as detailed, be agreed;
- (b) That on the basis of recommendation from the Morley Town Deal Board, the necessary authority be delegated to the Director of City Development in consultation with the Executive Member for Climate Change, Transport and Sustainable Development and the Chair of the Morley Town Deal Board, to enable the Director to approve the submission of the Town Investment Plan to Government in January 2021;
- (c) That subject to the success of this bid, and on the basis that there will be a brief window for a response to the Government's assessment of the Town Investment Plan, the necessary authority be delegated to the Director of City Development in consultation with the Executive Member for Climate Change, Transport and Sustainable Development, in order to enable the Director to agree terms of a grant funding settlement;
- (d) That the necessary authority be delegated to the Director of City Development in consultation with the Executive Member for Climate Change, Transport and Sustainable Development to enable the Director to agree partner contributions including in-kind and match funding, or wider arrangements in order to maximise the impact of the Towns Fund bid;
- (e) That in line with the timescales as outlined at paragraph 4.5.4 of the submitted report, approval be given for the resolutions within this minute to be exempted from the Call In process, in order to meet the deadline for submission of the Town Investment Plan to Government and for those reasons as detailed within paragraphs 4.5.4 – 4.5.5 of the submitted report.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process by the decision taker if it is considered that the matter is urgent and any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (e) above, and for the reasons as detailed within sections 4.5.4 – 4.5.5 of the submitted report)

104 Connecting Leeds Transport Strategy - Draft for Consultation

Further to Minute No. 134, 7th January 2020, the Director of City Development submitted a report which presented the draft Connecting Leeds Transport Strategy for the Board's consideration, ahead of the public consultation and engagement exercise to be undertaken in early 2021.

By way of introduction to the report, the Executive Member for Climate Change, Transport and Sustainable Development highlighted how this strategy was integral to the successful delivery of a range of Council strategies and priorities, with specific reference being made to tackling the Climate Emergency, as declared by the Council in 2019.

Nigel Foster, Chair of the Transport Expert Panel, was in attendance at the meeting in order to provide the Board with an overview of the work undertaken by the Panel and how it continued to contribute towards the development of the strategy.

Responding to a Member's enquiry, the Board was provided with further detail on how this strategy would align with the equivalent strategy of the West Yorkshire Combined Authority, with Members also discussing the range of carbon emission targets which had been set locally, regionally and nationally.

Again, in response to a Member's comments, the Board noted and discussed how communities would be able to engage and help the strategy to develop and evolve in order to enable it to reflect their priorities and help them to change their day to day transport habits.

Responding to a request, it was noted that Community Committees would be part of the associated consultation process for the strategy, and in addition, the business community would also be consulted.

RESOLVED –

- (a) That the draft Connecting Leeds Transport Strategy, as presented at Appendix 1 to the submitted report, be endorsed;
- (b) That it be noted that a public consultation and engagement exercise will follow Executive Board through to February 2021 in order to help inform the final strategy;
- (c) That it be noted that the Director of City Development continues to be the lead officer for the delivery of the Connecting Leeds Transport Strategy and will report back to Executive Board in Summer 2021 following public consultation with a final strategy.

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

105 White Rose Forest Strategy for Leeds

The Director of Resources and Housing submitted a report that set out proposals for the Council to lead on an ambitious initiative to increase tree planting throughout the district in order to capture and store carbon. This was intended to be through tree planting on Council owned land and also enabling and assisting partners and the wider community to plant trees on other land throughout the area.

Prior to the meeting, Board Members were in receipt of an updated map which replaced the original version as detailed within Figure 11 of the strategy document, as presented at Appendix 1 to the submitted report.

Also, the Board noted a correction to the submitted report at section 4.4.1, in that the Council had already committed £3.5m to the Woodland Creation scheme, rather than the £1.4m as stated.

Responding to a Member's enquiry, the importance of consultation with local Ward Councillors and the community was emphasised, with the Board being advised of the work which had been undertaken in this area to date. Moving forward, officers undertook to engage with Community Committees on this initiative, with specific reference being made to how liaison could potentially take place with owners of smaller areas of land in the locality.

Members also discussed the funding sources available that local Ward Councillors could potentially utilise for the planting of trees in the local community, with consideration also being given to the flexible approach that needed to be taken in relation to tree planting across the city.

RESOLVED –

- (a) That subject to the correction to para 4.4.1 (above) the contents of the submitted report be noted; and that subject to the replacement of the submitted map at Figure 11 of the strategy document with the updated version as provided to Board Members (as referenced above), the White Rose Forest Strategy for Leeds, as detailed at Appendix 1 to the submitted report, be endorsed;
- (b) That it be noted that the Chief Officer, Sustainable Energy and Air Quality will be responsible for progressing the implementation of the White Rose Forest Strategy for Leeds;
- (c) That it be noted that a professionally designed strategy document with the same content will be completed after Executive Board in January 2021.

LEARNING, SKILLS AND EMPLOYMENT

106 European Structural Investment Fund (ESIF) Programme 2014 - 2020: Enhanced Local Flexibility for the Unemployment Programme

The Director of City Development submitted a report which sought authorisation to enter into a formal contract with the Department for Work and Pensions (DWP) as part of the Enhanced Local Flexibilities for the Unemployed Programme. In addition, the report sought authorisation to approve total expenditure of £6m and commit £3m maximum of Council match-funding to deliver the programme.

RESOLVED –

- (a) That subject to a successful bid outcome, the necessary authority be delegated to the Director of City Development in order to enable the

Director to enter into a formal contract with the DWP as part of the Enhanced Local Flexibilities for the Unemployed Programme;

- (b) That total expenditure of up to £6m by the Council, inclusive of £3m maximum match funding to deliver the Enhanced Local Flexibilities for the Unemployed Programme over the next three years, 2021-2023, be approved;
- (c) That approval be given to exempt the resolutions within this minute from the Call In process for the reasons as detailed within paragraphs 4.5.1 – 4.5.2 of the submitted report;
- (d) That it be noted that the Head of Employment and Skills will be responsible for the implementation of such matters, anticipated to commence in January 2021 and end December 2023.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process by the decision taker if it is considered that the matter is urgent and any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (c) above, and for the reasons as detailed within sections 4.5.1 – 4.5.2 of the submitted report)

107 Business Case for the Rebuilding of The Vine

The Director of Children and Families submitted a report which outlined a proposal to create new purpose-built premises to expand and re-house The Vine educational centre for young people with complex special educational needs aged 19-25.

RESOLVED –

- (a) That the proposal for new purpose built premises to house a commissioned service providing adult education for young people aged 19-25 with an Education Health and Care Plan, be approved;
- (b) That the current budget requirement to deliver the scheme of £10.8m, be noted, and that the proposal to delegate the necessary authority for the approval of future design and cost reports in relation to the project to the Director of Children and Families (and/or if appropriate, in consultation with School Places Programme Board), be approved;
- (c) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Inclusion.

CHILDREN AND FAMILIES

108 Leeds Practice Model: Progress and Next Steps

The Director of Children and Families submitted a report which sought to increase awareness and understanding of the Leeds Practice Model and its role in improving the quality and reach of restorative evidenced based

practices within the Children and Families directorate and the wider children's partnership. The report also looked to demonstrate the positive impacts and effectiveness of this work and to share an outline proposal for the wider implementation of the model which would feed into the Children and Families Early Help service review.

RESOLVED –

- (a) That the progress which has been made to date in developing the Leeds Practice Model, be noted, and that the proposed next steps to embed the model across Children and Families Services and the wider multi-agency children's partnership in Leeds, be endorsed;
- (b) That it be noted that the Deputy Director, Children and Families Social Work is responsible for the implementation of such matters.

COMMUNITIES

109 Disposal of land located on Windlesford Green, off Holmsley Lane, Rothwell, for Extra Care Housing delivery and final terms of Development Agreement

Further to Minute No. 131, 19th December 2018, the Director of Adults and Health and the Director of City Development submitted a joint report which sought approval to dispose of a Council owned site on Windlesford Green in Rothwell to facilitate the development of new Extra Care housing provision in support of the 'Better Lives' Programme.

Members welcomed the proposal, with specific reference being made to the fact that 100% of the new development at Windlesford Green would be affordable homes for rent.

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

RESOLVED – That further to, and as a consequence of previous Key Decisions made by the Council on this matter, the following be agreed:-

- (a) That the sale of the land at Windlesford Green to the consortium made up of Morgan Sindall Later Living (formerly known as Ashley House Ltd/Ashley House LLP) and Home Group at a less than best consideration and on the terms as detailed within the submitted report / appendices, be approved;
- (b) That it be noted that the Director of City Development, in consultation with the Executive Member for Resources, will progress the disposal of the site;
- (c) That approval be given for a Development Agreement to be exchanged with the consortium;

- (d) That the necessary authority be delegated to the Director of City Development to enable the Director, in consultation with the Executive Member for Resources, to approve any subsequent amendments to the terms of the disposal, under the scheme of officer delegation.

DATE OF PUBLICATION: FRIDAY, 18TH DECEMBER 2020

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00 P.M. ON MONDAY, 4TH JANUARY
2021



Call-In – Groundwork Leeds

Introduction

1. On 9 November 2020 the Environment, Housing and Communities Scrutiny Board considered a call-in led by Cllr Jonathan Bentley. The call-in related to a decision taken by [the Executive Board on 21 October 2020](#) entitled **Merger of Groundwork Leeds with Groundwork Wakefield and North Yorkshire and Leeds City Council's Future Role in Groundwork Yorkshire**.
2. The published agenda for the Call-In meeting, which includes both the original Executive Board report and the Call In request form can be found [on the meeting's webpage](#) along with a link to the archived webcast of the discussion.
3. A full list of attendees is included within the minutes which are available on the [on the meeting's webpage](#). However, for ease of reference, a summary of participants called as witnesses to the call-in is also provided below.

Leeds City Council Attendees

- **Cllr Mohammed Rafique**
Executive Board Member
- **Cllr Al Garthwaite**
Lead member for Parks and a trustee of Groundwork Leeds
- **Cllr Robert Finnigan**
Witness to the call in, Leader of the Morley Borough Independent Group
- **James Rogers**
Director, Communities and Environment
- **Tony Stringwell**
Recreation Development Manager
- **Michael Everitt**
Head of Finance
- **Mark Turnbull**
Head of Service

Groundwork Leeds Attendees

- **Adrian Curtis**
Chief Executive, Groundwork Leeds
 - **Trevor Lincoln**
Chair, Groundwork Leeds
4. The outcome of the call-in as set out in the published minutes was that members voted to **release the decision for implementation**.

Recommendations of the Board

5. The published minutes reflect further conclusions of the Board including a recommendation that:

Groundwork Leeds considers the publication of relevant documentation to its website to increase ease of access and transparency.

6. This recommendation was acknowledged in the meeting by the Chief Executive of Groundwork Leeds.
7. Members also requested an additional statement of recommendation be published to provide additional commentary to support the recommendation that:

Consideration be given to the extent to which Executive Board reports direct the general reader to wider sources of information, which may have influenced the historical development of policies, processes or decision making.



Call-In – Groundwork Leeds

Executive Board Reports

8. Central to the case of the lead signatory to the call-in was the question of whether sufficient information had been provided to decision makers – in this case Executive Board members - in relation to the decision entitled **Merger of Groundwork Leeds with Groundwork Wakefield and North Yorkshire and Leeds City Council's Future Role in Groundwork Yorkshire.**
9. In his call-in request Cllr Bentley specifically expressed his concern that the Executive Board report did not include evidence of *“an independent due diligence exercise prior to recommending dissolution of Groundwork Leeds and Groundwork North Yorkshire and transferring assets to Groundwork Wakefield, a risk assessment or legal advice on the merger process recommended or a clear options appraisal justifying the recommendation.”*
10. During the Board’s deliberations it was agreed by the majority of members that in most instances where concerns were raised elected members, officers or representatives from Groundwork Leeds could clearly demonstrate that the relevant information had been provided to decision makers and/or appropriate risk assessment had taken place at various stages over the last 3-5 years.
11. The view of the Board was that this was not, however, immediately clear to the general reader from the Executive Board report. Members went on to conclude that had such information been explicitly referenced in the Executive Board report a call-in may not have been requested.
12. Board members reflected more broadly upon whether the discussion highlighted a wider concern regarding the level of contextual information provided in Executive Board reports.
13. It should be noted that this does not refer to the legally defined provision of ‘Background Papers.’ Rather, members proposed that further consideration should be given to whether alternative mechanisms could be used to ensure general readers are directed to additional information that may strengthen their understanding of the recommendations or conclusions set out in such reports.
14. Members proposed that such a provision would create greater transparency and provide reassurance to those outside of the Executive Board that further evidence, information and risk assessment has been taken into account as part of the decision making process.

Next Steps

15. The Chair of the Environment, Housing and Communities Board sought a view from all Scrutiny Chairs as to whether similar concerns had been raised by members of their respective Boards.
16. It was subsequently agreed that Scrutiny Chairs would collectively refer the matter to the Head of Democratic Services, on behalf of their Boards,



Call-In – Groundwork Leeds

with a request that the issue be explored through appropriate corporate mechanisms and the results reported back to members.

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**Scrutiny Board (Environment, Housing and Communities)
Statement of the Board – The Volunteer Response to the Covid-19 Pandemic**



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