

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 7TH NOVEMBER, 2022

PRESENT: Councillor A Scopes in the Chair

Councillors G Almass, S Burke, P Carlill,
D Chapman, S Firth, B Flynn, M France-
Mir, C Gruen and K Ritchie

47 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

48 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

49 Late Items

With the approval of the Chair the minutes of the Call-In meeting held on 7th November 2022 were tabled at the meeting.

50 Declaration of Interests

In relation to Agenda Item 7 – LEEDS 2023 Update Councillor Almass informed the Board that he was a volunteer for LEEDS 2023.

51 Apologies for Absence and Notification of Substitutes

Apologies were received from Cllr Coupar, Executive Member for Resources.

52 Minutes - 26 September 2022

RESOLVED – That the minutes of the meeting held on 26th September 2022, and the Call-In minutes of the meeting held on 7th November 2022, be approved as a correct record.

53 Matter arising

The Principal Scrutiny Adviser informed the Board of the following updates:

Minute 34 – Annual Corporate Risk Management Report

- A letter had been sent to Cllr Harland on 6th October in relation to the funding through community committees to assist with cost of living crisis.
- Climate Emergency Advisory Committee report had been circulated to Members on 29th September.

Minute 35 – Customer Contact Update

- Chart summarising call volumes and waiting times for Adult Social Care I the period April -August 2022 had been circulated to Board Members.

Minute 36 – Work Schedule

- As per the request of the Scrutiny Board both finance papers had been amalgamated into one report in this agenda pack.

The Principal Scrutiny Adviser also informed the Board that there had been an interesting session on the Waste Inquiry Working Group. The approach was still in development and as a result the item would not be coming to the Board's January meeting. Members were advised that the issue would be monitored with a view to bringing it back in 2023.

54 Leeds 2023 Update

The Chief Officer, Culture and Economy presented a report on LEEDS 2023. This is the city's Year of Culture, delivered by the Leeds Culture Trust, an independent charity set up in 2019 by Leeds City Council as part of its Culture Strategy and as a response to the cancellation of the UK's participation in the European Capital of Culture competition.

This report provided progress made on LEEDS 2023 after feedback from the Board at its meeting held on 28th March 2022, the Scrutiny Board also received a presentation.

In attendance for this item were:

- Cllr J Pryor – Executive Member for Economy, Culture and Education
- Eve Roodhouse – Chief Officer Culture and Economy
- Karen Murgatroyd – Executive Manager – LEEDS 2023
- Kully Thiarai – Creative Director and CEO LEEDS 2023
- Abigail Scott Paul – Director of External Relations LEEDS 2023
- Emma Beverley – Director of Programmes LEEDS 2023

An update was provided on the following areas:

- Leadership and governance
- Programme and '100 Days to Go'
- Consultation and engagement with elected members
- Public engagement
- Evaluation and impact
- Legacy
- Grant agreement
- Fundraising and sponsorship

In response to questions from Members the Board were provided with the following information:

- 904 volunteers had already signed up of the 1000 volunteers required.
- 1000 creation stations had been set up at various locations around Leeds to accept pieces of artwork to enable 7,500 people to receive a pair of free tickets to the 'Awakening' event to be held at Headingley Stadium in January 2023.
- It was acknowledged that it had been difficult to get people to attend neighbourhood events and that not all elected members had been able to attend as the events had been at short notice. However, at the

suggestion of the Members the team would look to hold an event in the Civic Hall before a forthcoming full Council meeting so that all Members could engage with the process and see the progress.

- Members noted that the WYCA contribution to the fund was a separate pool of money provided by the West Yorkshire Mayor for culture. Members acknowledged the fundraising and sponsorship provided by corporate, trusts and foundation and education partners, highlighted at paragraph 32 of the submitted report. It was noted that a data link would be provided to Members.
- The Neighbourhood Hosts had been in post for 3 weeks and were attending training sessions to assist them in their roles. This included introducing them to support and anchor organisations in the wards, development, teaching and resources. As part of the training Hosts would also learn about effective decision making and accountability.
- It was recognised that there was not a guarantee that all children would be engaged with the process, but it was an aspiration that all children would engage in the events taking place. It was noted that more details of engagement with children and young people could be provided to Members.
- It was noted that the hex map shown in the presentation was one of a number used by the team. The hex maps showed where more engagement was required to ensure more communities were involved in LEEDS 2023. Members were willing to assist with the engagement process but requested more information be given to the ward members including being provided with the other hex maps showing more detail on community engagement generally and in terms of volunteers and participants in the ballot.
- Members were advised that the website had tools to assist with creating pieces of art and showed the locations of all the 'creation stations'
- The team offered to work with Members to engage with more people to access small grants, especially those groups who did not normally do these types of activities. The team recognised that there was still work to be done in relation to engaging with people who cannot or do not have access to the internet.
- Members were advised that strong links had been made in gaining corporate funding. It was recognised that there was more work to be done in attracting more corporate funding and a trip was planned to London where some of the businesses had head offices. It was also noted that due to current financial issues and the aftermath of the Covid-19 pandemic across the country corporate spend had been scaled back and that contributions could take the form of funding or more subtle contributions such as use of facilities or staffing.
- Members were informed that more announcements and advertising of LEEDS 2023 will be going ahead, and these will include information in multiple languages, a piece in the Yorkshire Evening Post and in collaboration with libraries, leisure centres and hubs.

At this point in the meeting Cllr Chapman disclosed an interest as she on the board of CROWN who are one of the anchor organisations.

Members comments included:

- Concern that there had not been enough engagement within the wards or with ward members.
- A promotion of the progress and the engagement should be brought to the Civic Hall before a meeting of the full Council, to allow all Members to engage with the process.
- All Members needed to know who the Neighbourhood Hosts were as they would be key contacts for Councillors.
- The grants process needed to be fair and include both small and large organisations.

Cllr Pryor said that this would be a big impact for the city and hit all parts of the city not just the centre. He encouraged Members to meet and support their Neighbourhood Hosts, saying this needs to be a partnership and to maximise opportunity for the city. He wished LEEDS 2023 good luck.

RESOLVED:

- a) To note and provide comments on the information provided in the submitted report and the progress made.
- b) The Principal Scrutiny Advisor will circulate further information on community engagement and how the My Leeds grant funding will work to Board members following the meeting.
- c) Further engagement to be undertaken with elected members based around a future full Council meeting.

55 Shared Prosperity Fund - Scrutiny Board Update

The report of the Head of Democratic Services provided an update on progress towards delivering the UK Shared Prosperity Fund in Leeds and followed consideration of the item at Executive Board in October.

In attendance for this item were:

- Cllr J Pryor – Executive Member for Economy, Culture and Education
- Eve Roodhouse – Chief Officer, Economy and Culture

Members were informed of the following points:

- The UK Shared Prosperity Fund (UKSPF) is administered by the Department of Levelling Up, Housing and Communities and is the replacement for the European Structural and Investment Funds (ESIF) following the UK leaving the EU.
- Appendix 1 is a report considered by Executive Board at its meeting on 19th October and sets out high level priorities for Leeds and the region.

- UKSPF can be used alongside other funding streams such as Levelling Up Fund and West Yorkshire Combined Authority (WYCA) gainshare funding.
- The leading agency in the region for UKSPF is WYCA, working in partnership with the five West Yorkshire Authorities.
- £2.6bn of funding is available nationally between 2022/23 and 2024/25. £0.4bn in 2022/23, £0.7bn in 2023/24 and £1.5bn in 2024/25 mainly in revenue funding.
- The three Government priorities for the UKSPF are:
 - Pillar 1 – Local Communities and Place
 - Pillar 2 – Support for Business
 - Pillar 3 – People and Skills (this includes Multiply a programme aimed at tackling low levels of adult numeracy)
- The allocation for West Yorkshire is £80,486,557. At the WYCA meeting held on 21st October, £9,393,538 was approved for allocation to Leeds. The funding delegated to local authorities is expected to be primarily for Pillar 1 with delivery of funding for Pillars 2 and 3 subject to a separate approval process.
- The Council is engaging with voluntary, community and faith sectors as well as arts organisations to maximise the impact of the funding on local communities.
- WYCA and the five local authorities have developed a Local Investment Plan which sets out the priorities for West Yorkshire for approval by the Government. The majority of the funding is revenue and as a result there is a risk of funding being lost if unspent at year end. Therefore, with a need to maximise available funding in year 1 there is a focus on projects and initiatives that are already in development.

In response to questions from Members the Board were provided with the following information:

- The Local Investment Plan was submitted to the Government in July 2022 and are still awaiting a response. Until confirmation is given the projects cannot go ahead.
- Members discussed paragraph 34 of the submitted report and noted that UKSPF represents a significant reduction in funding, compared to the previous ESIF funding although it was accepted that ESIF funding is still available in Year One of the UKSPF programme meaning that two funding streams are accessible in the current financial year. Given the financial challenges faced nationally members were concerned that the assumption that UKSPF funding would increase in Years Two and Three, once ESIF funding ceases, would not now be the case. Members were keen to understand the total funding envelope when compared to ESIF and particularly following the Autumn Statement on 17 November.
- Board Members were also concerned about impacts on staffing of any funding shortfall, with a significant number of council programmes and staff currently funded through ESIF schemes, UKSPF could create a significant risk to key employment and skills and business support

programmes. However, it was noted that risk assessments are in place for services with significant funding through ESIF to mitigate against potential loss of funding and the resulting impact on staff and programme delivery.

- It was noted that there were still ongoing investment opportunities and there was confidence that funding would be in place for programmes to be delivered in 2022/23.

RESOLVED:

- a) To note the content of the report and consider any further scrutiny actions that may arise.
- b) Additional detail on UKSPF funding in future years to be provided by the Principal Scrutiny Advisor once Government announcements are made.

Cllr Carlill left the meeting at 12:15

56 Financial Health Monitoring, Impact of Inflation and Medium Term Financial Strategy

The report of the Chief Officer, Financial Services provided an update on the in year financial health position and the Medium Term Financial Strategy. There was also a focus on inflation and cost of living crisis and how that has impacted on Council budgets and Leeds residents as requested by Board Members.

In attendance for this item were:

- Neil Evans – Director of Resources
- Richard Ellis – Deputy Chief Officer Financial Services
- Cllr J Pryor – Executive Member for Economy, Culture and Education

The Board was informed of the following points:

- Since the budget for 2022/23 was agreed in February 2022 inflationary pressures have increased exponentially with the Council and Leeds residents facing significant cost pressures linked to fuel, energy, food costs and in the general cost of living.
- The Council has also seen a further pressure linked to the staff pay offer which was higher than assumed in the 2022/23 approved budget.
- Members were advised that the report projected an overspend of £20.4m. However, savings had been identified which reduced the overspend to about £17.98m. The overspend was due to inflationary pressures on fuel, energy and included additional costs of the now agreed pay award where each employee will receive £1,925 per annum.
- It was also noted that there were further pressures through increased costs in goods and services procured, increased demand on welfare services from Leeds residents and reduced income as residents choose to spend their income differently to take account of the cost of

living. It was noted that there had been a reduction in council tax collections.

- Members noted that the Council was awaiting the Autumn Statement due on 17th November which may change some of the figures in the Medium Term Financial Strategy.

In response to questions from Members the following was noted:

- The Council has always delivered a balanced budget position and is required to do so by law. It was noted that if the council was to overspend it would need to use reserves in the current year to balance the budget, which would affect future years and could lead to the need for additional savings based on the overspend in the previous year. Members were advised that the Council has strong financial management arrangements which are recognised by the external auditors. The External auditors have commented in their reports that despite the significant financial challenge the Council has a track record of delivering a balanced budget.
- It was still the plan to go to Executive Board in December with a budget based on the assumptions set out in the papers provided to Members. It was noted that the proposed budget would go out to consultation with Scrutiny Board being the main part of that consultation process. The Autumn Statement would affect the Medium Term Financial Strategy if it varies significantly from the assumptions set out in the papers.
- The plan is to ensure that MRP does not increase during the period covered by the Medium Term Financial Strategy. Any new borrowing will be equivalent to MRP that is being paid, so as not to increase MRP. It was also noted that a capital programme review is currently taking place and the outcome of this will be reflected in any implications on the Councils future borrowing. The outcomes of the review will be included in the Budget Report which comes to the February Executive Board and full Council so it will be known what the implications of the review are in terms of MRP.
- There are a number of pressures in Children and Families which are national pressures in terms of costs for external placements and foster care which are pushing prices up across the country. The Council is focusing on how Children's Services are managed and there is a lot of work taking place in relation to preventative work, more residential care coming back into the city and more highly skilled foster carers to avoid external placements. It was noted that given this is a national issue it may not be avoided in entirely but Leeds is working on preventative approaches to mitigate these costs.

The Chair suggested that the issues raised in relation to preventative work may form part of an item for a future Scrutiny Board.

The Chair thanked the officers for attending and it was recognised that officers are working with a very challenging budget.

RESOLVED – To:

Minutes approved at the meeting
held on Monday, 12th December, 2022

- a) Note the content of the report and appendices within the wider remit linked to financial sustainability and long-term budgetary robustness.
- b) Highlight any future areas of scrutiny work should any arise during discussion of the item
- c) Note the plan for a Working Group to take place in December 2022.

57 Work Programme

The report of the Head of Democratic Services set out the 2022/23 work programme for the Scrutiny Board (Strategy and Resources).

In response to a question in relation to attendance of the West Yorkshire Mayor at a future item on Devolution, the Board were informed that the Mayor was unable to attend. It was noted that conversations were being had as to an appropriate person to attend to answer the questions from the Board.

RESOLVED – To note the content of the report and the future work schedule.

58 Date and Time of Next Meeting

To note the next meeting of the Scrutiny Board (Strategy and Resources) will be on Monday 12th December 2022 at 10:00am with a pre-meet for Board Members at 9:45am.