



SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

Meeting to be held in the Civic Hall, Leeds on
Monday, 17th December, 2012 at 10.00 am

(A pre-meeting will take place for ALL Members of the Board at 9.30 a.m.)

MEMBERSHIP

Councillors

- S Bentley - Weetwood;
- J L Carter - Adel and Wharfedale;
- N Dawson - Morley South;
- P Grahame (Chair) - Cross Gates and Whinmoor;
- R Grahame - Burmantofts and Richmond Hill;
- J Hardy - Farnley and Wortley;
- A Lowe - Armley;
- C Macniven - Roundhay;
- R Wood - Calverley and Farsley;

Please note: Certain or all items on this agenda may be recorded

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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 Chief Democratic Services Officer at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <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:- No exempt items on this agenda.</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

DECLARATIONS OF INTEREST

To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19 -20 of the Members' Code of Conduct.

5

APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

To receive any apologies for absence and notifications of substitutes.

6

MINUTES OF THE PREVIOUS MEETING

To confirm as a correct record, the minutes of the previous meeting held on 19th November 2012

(Copy attached)

1 - 4

7

EXECUTIVE BOARD MINUTES - 7TH NOVEMBER 2012

To receive for information the minutes of the Executive Board held on 7th November 2012

(Copy attached)

5 - 16

8		<p>PERSONAL SERVICE COMPANIES</p> <p>To consider a report by the Chief Officer (HR) which provides an overview of the key issues in relation to personal services companies and how the Council engages people for short term work.</p> <p>(Report attached)</p>	17 - 22
9		<p>STRATEGIC AND FINANCIAL PLAN 2013/14 TO 2016/17 INCLUDING INITIAL BUDGET PROPOSALS FOR 2013</p> <p>To consider a report by the Director of Resources, which sets out the Strategic and Financial Plan 2013/14, including Initial Budget Proposals for 2013/14.</p> <p>The Leader of Council, Councillor Wakefield will be in attendance at the meeting to discuss the Executive's initial budget proposals.</p> <p>(Report attached)</p>	23 - 88
10		<p>2012/13 QUARTER TWO PERFORMANCE REPORT</p> <p>To consider a report of the Chief Executive (Customer Access and Performance) / Director of Resources which provides a summary of the quarter two performance data for 2012-13 and details the progress in delivering the relevant priorities in the Council Business Plan 2011-15.</p> <p>(Report attached)</p>	89 - 116
11		<p>WORK SCHEDULE</p> <p>To consider a report by the Head of Scrutiny and Member Development which sets out the Board's draft work schedule for 2012-13 Municipal year</p> <p>(Report attached)</p>	117 - 122

DATE AND TIME OF NEXT MEETING

To note that the next meeting will take place on Monday 21st January 2013 at 10.00am in the Civic Hall, Leeds. (Pre Meeting for Board Members at 9.30am)

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Agenda Item 6

SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

MONDAY, 19TH NOVEMBER, 2012

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, J L Carter,
N Dawson, R Grahame, J Hardy, A Lowe,
C Macniven and R Wood

47 Chair's Opening Remarks

The Chair welcomed everyone to the November meeting of the Scrutiny Board (Resources and Council Services).

48 Late Items

There were no late items

49 Declarations of Interest

In accordance with paragraphs 19-20 of the Members Code of Conduct, the following declaration was made by Councillor Ron Grahame in relation to Agenda item 8 as a local authority appointed member of West Yorkshire Fire & Rescue Service (Minute No. 53 refers).

50 Apologies for Absence and Notification of Substitutes

There were no apologies.

51 Minutes of the Previous Meeting

RESOLVED -That the minutes of the previous meeting held on 15th September 2010 be confirmed as a correct record.

52 Executive Board Minutes - 17th October 2012

RESOLVED -That the minutes of the Executive Board held on 17th October 2012 be noted.

53 Financial Strategy 2013 to 2017

The Director of Resources presented to the Board a report updating Members on the development of the Council's financial strategy.

The following were in attendance:

Councillor Peter Gruen - Executive Member Neighbourhoods, Planning and Support Services

Draft minutes to be approved at the meeting
to be held on Monday, 17th December, 2012

Alan Gay – Director of Resources
Doug Meeson– Chief Officer (Financial Management)

In brief summary, the main issues of discussion were;

- The development of a 'Budget Plus' approach to financial planning
- The need for Directorates to look at how services are delivered including in collaboration with partners and to offer challenge where appropriate
- The forecast of a £63m reduction in resources by 2016/17
- The need to look at income generation opportunities
- The robustness of the population data available and the methodology used by the Council to monitor population movement
- The impact service redesign will have on the deployment of staff and overall staff numbers
- The need to ensure the Council has an 'enabling corporate centre' supporting frontline staff
- The financial consequences of an increased number of Academy schools
- The robustness of the assumptions made in respect of growth in business rates, the Council tax base and levels of reserves
- The ability of the Council to capitalise on the New Homes Bonus
- Opportunities to access available European funding

RESOLVED

- (i) To note the contents of the report
- (ii) To request a further report on the Councils strategy to access the New Homes Bonus
- (iii) To receive the Executives initial budget proposals at the Board's December

54 Welfare Reforms Preparations

The Director of Resources submitted a report providing information on the preparations underway for the welfare reforms that come into effect from April 2013.

The following were in attendance:

Councillor Peter Gruen - Executive Member Neighbourhoods, Planning and Support Services

Steven Carey – Chief Revenues and Benefits Officer

Jill Wildman – Director of Housing Services, East North East Homes, Leeds

Paul Broughton – Chief Customer Access Officer

In brief summary, the main issues of discussion were;

- The development of a local council tax support scheme for Leeds.
- The Social Sector Size Criteria and the management of the consequences of its implementation
- The capacity of Council services to implement the required changes and to manage the consequential impact and the budget implication of any additional resources required

The Board congratulated Steven Carey and his team for the work carried out in this area.

RESOLVED

- (i) To note the expected impact of the benefit changes coming into effect from April 2013
- (ii) To undertake further work in relation to the management of the Social Sector Size criteria and to authorise the Chair and Head of Scrutiny and Member Development to programme this work into the Board's work schedule

55 Work Schedule

The Head of Scrutiny and Member Development submitted a copy of the Board's work schedule. A discussion on potential work items was held.

RESOLVED –

- (i) To add to the work schedule the following items;
Social Sector Size Criteria
Payment of Staff off-payroll
- (ii) To authorise the Chair and the Head of Scrutiny and Member Development to refine and schedule these items as appropriate.

56 Date and Time of Next Meeting

RESOLVED – To note the date of the next meeting as Monday 17th December at 10am

(All meetings to take place in the Civic Hall, Leeds, commencing at 10.00am)

(The meeting concluded at 12.05 pm)

EXECUTIVE BOARD

WEDNESDAY, 7TH NOVEMBER, 2012

PRESENT: Councillor K Wakefield in the Chair

Councillors J Blake, M Dobson, S Golton,
P Gruen, R Lewis, L Mulherin, A Ogilvie,
and L Yeadon

Councillor J Procter – Substitute Member

99 Substitute Member

Under the terms of Executive and Decision Making Procedure Rule 2.3, Councillor J Procter was invited to attend the meeting on behalf of Councillor A Carter, who had submitted his apologies for absence from the meeting.

100 Exempt Information - Possible Exclusion of the Press and Public

RESOLVED – That the public be excluded from the meeting during the consideration of the following parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present there would be disclosure to them of exempt information so designated as follows:-

- (a) Appendix 3 to the report referred to in Minute No. 111 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the information contained within the Appendix relates to the financial or business affairs of a particular person, 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 disposal of the property/land 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 purchasers of other similar properties 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) Appendix 1 to the report referred to in Minute No. 112 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the information contained within the Appendix relates to the financial or business affairs of a particular company, and of the

Council. It is considered that since this information was obtained through one to one negotiations for the disposal of the property/land then it is not in the public interest to disclose this information at this point in time. 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.

- (c) Appendix 4 to the report referred to in Minute No. 113 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the information contained within the Appendix relates to the financial or business affairs of a particular person, 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 disposal of the property/land 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 purchasers of other similar properties 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.

101 Late Items

There were no formal late items, however, it was noted that prior to the meeting Executive Board Members had received copies of documents detailing the respective comments of Scrutiny Board (Sustainable Economy and Culture) and Scrutiny Board (Health and Wellbeing and Adult Social Care), following both Boards' consideration of the LDF Core Strategy, 3 appendices which detailed further proposed changes to the LDF Core Strategy Pre-Submission Draft and also an updated version of the associated Key Diagram. All such documentation was to be considered as part of agenda item 17, 'LDF Core Strategy: Pre-Submission Changes for Consultation' (Minute No. 115 refers).

102 Declaration of Disclosable Pecuniary and Other Interests

The Chief Executive declared an interest in respect of the matters relating to agenda item 14, entitled, 'Sovereign Street Development Proposals – Update', as a close personal friend was a partner of one of the organisations involved in the development proposals (Minute No. 112 refers).

103 Minutes

RESOLVED – That the minutes of the meeting held on 17th October 2012 be approved as a correct record.

RESOURCES AND CORPORATE FUNCTIONS

104 State of the City Report 2012

The Assistant Chief Executive, Customer Access and Performance submitted a report which presented the second annual State of the City report for Leeds. In addition to highlighting the emerging issues arising from the State of the City document, the covering report proposed that Executive Board recommend to full Council that the State of the City document be received at its meeting on 28th November 2012.

RESOLVED –

- (a) That the issues emerging from the submitted State of the City Report 2012 be noted.
- (b) That Members of Full Council be recommended to receive the State of the City Report 2012 at its meeting on 28th November 2012.

105 Making Leeds a LGBT Friendly City

The Assistant Chief Executive (Customer Access & Performance) submitted a report detailing the work undertaken to date in response to the White Paper Motion considered by Full Council on 28th March 2012 regarding the Leeds lesbian, gay, bisexual and transgender (LGBT) community. In addition, the report outlined a range of proposals which would support the work being undertaken to make Leeds an LGBT Friendly City and which also recognised the contribution that the LGBT community made to the city's success.

Members welcomed the wide range of proposals within the submitted report which were aimed at promoting Leeds as an LGBT Friendly City and reiterated the importance of the city as a whole being inclusive and welcoming to all communities. However, in discussing the report, Members did emphasise that whilst they noted further work was being undertaken on the specific issue of a potential Gay Quarter in the city centre, they would not be supportive of any proposals which would create a sense of segregation for any part of the city centre.

RESOLVED – That the proposals identified within the submitted report, which will support work to make Leeds an LGBT Friendly City, be agreed in principle, subject to the comments made at the meeting regarding further work in regard to a potential Gay Quarter.

106 Social Fund Replacement Scheme

The Director of Resources submitted a report which sought approval for the development and implementation of a local scheme of welfare assistance using funding which would be devolved to local Councils by the Department of Work and Pensions in April 2013.

Responding to a specific request, officers assured the Board that every effort would be made to ensure that the administration associated with the delivery of the Social Fund was as efficient as possible, and that officers would

endeavour to administer the process for less than the administration funding levels which would be received from Government.

In conclusion, the Chair requested that a letter be forwarded on behalf of Executive Board to Government seeking clarity around the proposed funding arrangements in respect of the scheme for 2015/2016 onwards.

RESOLVED –

- (a) That the funding devolved to Councils be used to develop a local welfare assistance scheme.
- (b) That the proposed scheme, as outlined within the submitted report, be approved, with final scheme details being submitted following further consultation.
- (c) That a further report be submitted to the Board in January 2013 detailing the outcomes of the consultation exercise, outlining proposals on funding allocations to the various elements of the final scheme and providing an update of progress made in setting up the associated administrative arrangements.
- (d) That a letter be forwarded on behalf of Executive Board to Government seeking clarity around the proposed funding arrangements in respect of the scheme for 2015/2016 onwards.

107 Discretionary Housing Payment Policy

The Director of Resources submitted a report providing information on the impact of the Housing Benefit changes which were scheduled to come into effect from April 2013, together with details of the additional Government funding which would be introduced and was aimed at supporting certain groups to manage the change. In addition, the report considered the likely demand for additional funding support and included a proposed policy for the assessment and award of support for those groups affected by the changes.

The Board noted the liaison work which had been undertaken by the ALMOs in respect of tenants, highlighted the further liaison work which was to be undertaken and it was emphasised that every effort would be made to ensure that all of those affected would have access to an effective multi-agency support network.

Members highlighted the increased demand on the provision of support and advice which had already been experienced, and was further expected to be experienced by the Council and other agencies as a result of the reforms, and it was requested that further work be undertaken to monitor such demand levels against current resources. In addition, reference was made to the health and wellbeing implications arising from the reforms which were being experienced, both by those affected by the changes and also by the frontline staff supporting them.

With regard to the proposals regarding Elected Member involvement in the appeals process, it was requested that further discussion be had in respect of the political composition of the Elected Members involved.

RESOLVED –

- (a) That the expected impact of the benefit changes, coming into effect from April 2013, be noted.
- (b) That the policy for the award and assessment of Discretionary Housing Payments for 2013/14 be approved.
- (c) That further work be undertaken to monitor the demand levels for the provision of support and advice against current resources, which are experienced by the Council and other agencies as a result of the reforms.
- (d) That further discussion be had in respect of the political composition of the Elected Members who would be involved in the appeals process.

108 Treasury Management Strategy Update 2012/13

The Director of Resources submitted a report providing a review and update of the Treasury Management Strategy for 2012/2013, which was approved by Executive Board on 10th February 2012.

RESOLVED –That the update on the Treasury Management borrowing and investment strategy for 2012/2013 be noted.

109 Financial Health Monitoring 2012/13 - Month 6 Report

The Director of Resources submitted a report setting out the Council's projected financial health position for 2012/2013 at the half year stage.

Responding to a specific enquiry, the Board received further information regarding the current position in respect of income levels generated by planning and building fees.

RESOLVED – That the projected financial position of the authority after six months of the financial year be noted.

110 Capital Programme Update 2012-2015

The Director of Resources submitted a report providing an update on the financial position for 2012/2013. In addition, the report outlined the current position regarding capital resources, detailed a summary of schemes which had been upgraded from 'Amber' status to 'Green' since July 2012 and provided a summary of progress made on some major schemes within the programme. The report also included a specific recommendation regarding the 'Fulfilling Lives Investment Programme'.

Members welcomed the use of a Department of Health grant to support the Fulfilling Lives programme.

RESOLVED –

- (a) That the latest position on the General Fund and Housing Revenue Account capital programmes be noted.
- (b) That the transfer of schemes from the 'Amber' to the 'Green' programmes, as set out within section 3.3 of the submitted report be noted.
- (c) That the use of £765,000 of Department of Health grant in 2012/13 and 2013/14 be approved to support the 'Fulfilling Lives Programme', of which £185,000 will be injected into the capital programme when confirmed in December 2012.
- (d) That approval be given to the injection into the capital programme of £3,500,000 of S106 contributions in order to support the NGT scheme.
- (e) That approval be given to the allocation of £350,000 from the capital contingency scheme to provide for demolition and asbestos removal works on void properties.
- (f) That it be noted that funds allocated to the Lower Albion Street upgrade are no longer required and that approval be given to a scheme being developed for the upgrade of Commercial Street.
- (g) That approval be given to the allocation of £50,000 from the Economic Initiative scheme, which together with a £50,000 private sector contribution will provide for a £100,000 refurbishment of Bond Court.

DEVELOPMENT AND THE ECONOMY

111 Disposal of Richmond Court Hostel, LS9,' to Yorkshire Housing for affordable housing redevelopment.

The Director of City Development submitted a report setting out the options considered for the redevelopment of the Richmond Court site and which sought approval to dispose of the site in order to facilitate the redevelopment of the combined sites to provide 37 units of family accommodation, 18 of which would be provided on the Richmond Court site.

Following consideration of Appendix 3 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the meeting, it was

RESOLVED – That the sale of Richmond Court to Yorkshire Housing at a less than best consideration, as detailed within exempt appendix 3 to the submitted report, be approved in order to facilitate the redevelopment of a new affordable housing scheme of 37 units of family accommodation.

112 Sovereign Street Development Proposals - Update

Further to Minute No. 76, 5th September 2012, the Director of City Development submitted a report providing an update on the offers received in response to the marketing of development plots B and C, Sovereign Street, and which also sought approval to progress with the recommended preferred developer and occupier, as identified within the exempt appendix to the submitted report, for the development of Plot C.

Responding to a Member's enquiry, it was emphasised that the development of a public realm green space at Sovereign Street still remained a priority, whilst officers undertook to provide the Member in question with further information on the delivery of the green space development.

Following consideration of Appendix 1 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the meeting, it was

RESOLVED –

- (a) That the recommended negotiated Heads of Terms with the developer, as outlined within the exempt appendix to the submitted report, be approved.
- (b) That an exclusivity agreement for a period of six months on plot C, be granted to the occupier, in order to allow all parties sufficient time to conclude the legal documentation.
- (c) That authority be delegated to the Director of City Development in order to negotiate the final detailed Heads of Terms.

113 Disposal of Stratford Court, School Lane, Chapel Allerton to Unity Housing Association for Redevelopment.

The Director of City Development submitted a report setting out the options considered for the future of the Stratford Court sheltered housing scheme and which sought approval for the disposal of Stratford Court to Unity Housing Association in order to facilitate the development of a new affordable housing scheme on the site aimed at persons aged 55 and over.

Following consideration of Appendix 4 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the meeting, it was

RESOLVED –

- (a) That the disposal of Stratford Court to Unity Housing Association, at a less than best consideration and on the terms outlined within the exempt appendix to the submitted report be approved, in order to facilitate the redevelopment of a new affordable housing scheme comprising of 30 x 2 bedroom apartments for persons aged 55 and over.

- (b) That it be noted, in light of resolution (a) above, the Director of Environment and Neighbourhoods will suspend lettings and agree decant of the Stratford Court sheltered housing scheme.

NEIGHBOURHOODS, PLANNING AND SUPPORT SERVICES

114 Response to Deputation - 12th September 2012 Council Meeting - Leeds Youth Fight for Jobs

The Director of Environment and Neighbourhoods submitted a report in response to the deputation presented to Council on 12th September 2012 by the 'Leeds Youth Fight For Jobs' organisation, which was in relation to the housing situation faced by young people in the city.

By way of an introduction to the report, the Board received information regarding the actions being taken to improve affordable housing provision in the city, together with the actions being taken to stimulate the housing market.

RESOLVED – That the contents of the submitted report be noted.

115 LDF Core Strategy - Pre-submission Changes for Consultation

Further to Minute No. 197, 10th February 2012, the Director of City Development submitted a report presenting the proposed pre-submission changes to the Publication Draft of the Leeds Development Framework (LDF) Core Strategy and the accompanying Sustainability Report, which had arisen from the consultation exercise undertaken. In addition, the report sought the Board's agreement to submit the documents to full Council for the purposes of formal approval and submission to the Secretary of State for independent examination.

Prior to the meeting, Executive Board Members had received copies of documents detailing the respective comments of Scrutiny Board (Sustainable Economy and Culture) and Scrutiny Board (Health and Wellbeing and Adult Social Care), following both Boards' consideration of the LDF Core Strategy. In addition, Board Members had also received three appendices detailing further proposed changes to the LDF Core Strategy Pre-Submission Draft, together with an updated version of the associated Key Diagram.

In presenting the report, the Executive Member for Neighbourhoods, Planning and Support Services highlighted the further proposed changes which had been circulated to Board Members prior to the meeting and also proposed one further amendment, specifically that Colton was not categorised within the Pre-Submission Draft document as a 'Town Centre'.

Responding to a specific enquiry raised in respect of the term 'sustainability' and its relationship with the Strategy, emphasis was placed upon the importance of ensuring that future developments were sustainable. In addition, the Board was informed that a Sustainability Appraisal had been undertaken in respect of the Strategy, in order to ensure that any developments which were delivered as part of the Strategy were in line with the Council's sustainable principles.

Members discussed the levels of opportunity for Elected Member involvement during the Strategy's compilation, and it was highlighted that attempts had been made throughout the process to ensure that the correct balance was struck between ensuring that comprehensive consultation was undertaken, whilst also moving the Strategy forward.

Board Members thanked all of those officers involved for the work they had undertaken throughout the preparation of the LDF Core Strategy document, together with all Elected Members who had contributed to the process.

In conclusion, the Chief Executive emphasised the ambitious nature of the Core Strategy, and highlighted the need for the development community to work in partnership with the Council in moving forward with the principles of it. In addition, the Chief Executive echoed the comments which had been made regarding the importance of ensuring that future developments were sustainable, specifically highlighting the work being undertaken around the delivery of appropriate infrastructure.

RESOLVED –

- (a) That the pre-submission changes to the Publication Draft of the Core Strategy as detailed within the submitted report and appendices, the further appendices circulated prior to the meeting and via the specific proposal made at the meeting, namely that Colton is not categorised in the Pre-Submission Draft as a 'Town Centre', be approved, together with the sustainability report (addendum).
- (b) That Council be recommended to approve the Publication Draft Core Strategy and the sustainability report for the purposes of submission to the Secretary of State for independent examination pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004.
- (c) That approval be given to a further period for representations to be provided on the pre-submission changes, and that any further representations received be submitted to the Secretary of State at the time the Publication Draft Core Strategy is submitted for independent examination.

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

(The resolutions referred to within this minute were not eligible for Call In, as the Development Plan Document which incorporates the LDF Core Strategy, is part of the Budgetary and Policy Framework. Therefore, the ultimate determination of such matters are reserved to Council, in line with the Council's Budget and Policy Framework Procedure Rules)

116 Scrutiny Inquiry into Affordable Housing by Private Developers

Further to Minute No. 38, 18th July 2012, the Director of City Development and the Director of Environment and Neighbourhoods submitted a joint report responding to the recommendations of the former Scrutiny Board (Regeneration), following the Inquiry undertaken by the Scrutiny Board into Affordable Housing by Private Developers.

Responding to a specific enquiry, officers provided the Member in question with further information on the process by which different types of affordable housing stock could be delivered in Leeds in order to meet demand.

RESOLVED – That the responses to the Scrutiny Board’s recommendations, as set out within section 3 of the submitted report, be agreed.

117 Leeds Supporting People Programme

The Director of Environment and Neighbourhoods submitted a report providing an update on the Leeds Supporting People Programme, focussing upon the recent key changes to the overall funding of the programme, the funding within each of the programme’s main sectors and the effect of such matters upon the design and delivery of the housing support services for a range of client groups.

Members emphasised the importance of the work which continued to be undertaken as part of the Leeds Supporting People Programme, and the positive impact it had upon the quality of people’s lives.

RESOLVED – That the progress, challenges and key achievements of the Leeds Supporting People Programme, be noted.

CHILDREN'S SERVICES

118 Annual Admissions Round 2012

The Director of Children’s Services submitted a report providing statistical information on school admissions into Reception Year, Year 7 and also into Junior School for September 2012. In addition, the report considered the impact of the changes being made to the co-ordination of In-Year Transfers, which were scheduled to come into force from 2013, as a result of the new Admissions Code which came into effect in February 2012.

Responding to a specific enquiry raised, Members were provided with further information on the ways in which the pathfinder project, undertaken in preparation for the forthcoming introduction of new application arrangements, had been successful.

The Board also noted the current position regarding the recent establishment of an all party working group which had been tasked with considering issues in respect of basic need requirements.

RESOLVED – That the information on the annual admission round 2012, as detailed within the submitted report, be noted, including:-

- The percentage of applications for places in September 2012 where the first preference was offered was 84.1%, with 95.2% being offered one of their first three preferences;
- The reducing number of appeals for secondary school places and in year applications with an increase in the number of primary appeals; and
- The continuing success of the online application system.

119 Design and Cost Report for East Moor Secure Children's Home

Further to Minute No. 59, 22nd July 2009, the Director Children's Services submitted a report which sought approval in respect of the proposals associated with the development of the new East Moor Secure Children's Home.

Responding to a specific enquiry, officers undertook to provide the Member in question and the relevant Ward Members with a briefing in respect of the timescales involved around when the balance of the land, arising from the development, would become available.

RESOLVED –

- (a) That the capital proposals for the new East Moor Secure Children's Home, as outlined within the submitted report, be approved.
- (b) That £12,550,000 be injected into the capital programme.
- (c) That programme expenditure of £12,550,000 from capital scheme number 15629/000/000 be authorised.
- (d) That expenditure of £397,600 from capital scheme number 15629/COM/000 for previous design development work be authorised.

120 Leeds Safeguarding Children's Board - Annual Report on the Effectiveness of Safeguarding Arrangements for Children and Young People in Leeds

The Director of Children's Services submitted a report which highlighted the progress being made by, and through the Leeds Safeguarding Children Board (LSCB) to improve safeguarding children practice in Leeds.

Jane Held, Independent Chair of the Leeds Safeguarding Children Board was in attendance. She provided an introduction to the report, highlighted the key themes arising from it and responded to the subsequent questions raised by the Board.

Members thanked the Chair of the Leeds Safeguarding Children Board for the valuable work it continued to undertake, which had enabled positive progress to be achieved in respect of safeguarding practices in Leeds. The strong relationship which was developing between the Leeds Safeguarding Children Board and the Children's Trust Board was highlighted, however, despite the positive progress made, both Members and the Chief Executive emphasised

that there would be no complacency in this area and that the issue of safeguarding children would remain a key priority.

RESOLVED –

- (a) That the contents of the LSCB Annual Report for 2011/2012, together with the comments made during the meeting, be noted.
- (b) That the challenges for 2012/2013, as detailed within the submitted report, including those accepted by the Children's Trust Board, be noted.

LEISURE AND SKILLS

121 Delivering Employment and Business Opportunities through the Council's procurement

The Director of City Development and the Director of Resources submitted a joint report setting out proposals regarding the introduction of an explicit policy for the inclusion of employment and skills obligations within all Council contracts where the value of the contract is greater than £100,000, and where it could be shown to offer appropriate value for money.

Responding to Members' enquiries, the Board emphasised the need for the initiative to be monitored, in order to ensure that it was performing effectively and also to ensure that the proposed contract value of £100,000 was appropriate. As a result, it was requested that further reports were submitted to future meetings as and when appropriate, in order to provide Members with the opportunity to monitor the performance of the initiative.

RESOLVED –

- (a) That the Board's support be given to a policy for Employment and Skills obligations to be considered in contracts where the value of the contract is over £100,000, and where it is shown to offer appropriate value for money.
- (b) That further reports be submitted to future Board meetings as and when appropriate, in order to provide Members with the opportunity to monitor the performance of the initiative.

DATE OF PUBLICATION: 9TH NOVEMBER 2012

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: 16TH NOVEMBER 2012

(Scrutiny Support will notify Directors of any items called in by 12.00 p.m. on 19th November 2012)

Report of the Chief Officer (HR)

Report to Scrutiny Board Resources and Council Services

Date: 17th December 2012

Subject: Personal Service Companies

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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
Is the decision eligible 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

Summary of main issues

- 1 As noted at Full Council in November, it has become apparent that across the public sector there are many instances of staff engaged through personal service companies to fulfil roles in organisations. Full Council committed to bring this practice to an immediate end and were given assurances in relation to the progress made in relation to the small number of such arrangements that existed in the Council in recent times.
- 2 The opportunity has been taken to clarify how the Council fills posts on the structure on a short term basis in relation to this and further work is proposed to strengthen this framework and provide further assurances in this area.

Recommendations

- 3 Members are asked to note the progress made in this area to ensure delivery of the position as set out at full Council and consider the further measures proposed as follows;
 - Updating the contract procedure rules and communicating this to senior officers
 - Reflecting the position in the revised Senior pay policy/statements in 2013
 - Considering the implication of the potential changes to taxation legislation
 - Reporting to Executive Board and back to Scrutiny as required in 2013.

1 Purpose of this report

1.1 To provide Scrutiny Board with an overview of the key issues in relation to personal service companies and how the Council engages people for short term work.

1.2 To also specifically address the following issues as requested;

- The progress made to ensure that no permanent member of staff is being paid off payroll
- Why such arrangements were not challenged in the past
- The issue of ensuring guidelines are in place for senior officers to enable them to sensibly decide how to fill interim positions
- Long term skill planning to reduce the need for relying on external expertise

2 Background information

2.1 There is no clear definition in law of personal service company however the term generally relates to people fulfilling a contract for services who are not on an organisation's payroll, sometimes referred to as 'off payroll spend.' A personal service company is typically a limited company, with a sole director who owns most or all the shares in that company.

2.2 As noted a Full Council in November, it has become apparent that across the public sector there are many instances of staff engaged through personal service companies to fulfil roles in organisations. This included the former Head of the Student Loans Company, and (as referenced at full Council) 2,400 people working in the Civil Service. The Public Accounts Committee recently looked at this practice and cited the importance of the public sector maintaining high levels of propriety in employment practice. The aforementioned Council meeting saw the Council committing to "bring this practice to an immediate end."

2.3 It is important to clarify an important distinction in terms of engaging people to work for the Council, sometimes overlooked in the coverage of these issues. Firstly, there is the issue of how positions on the Council's structure are filled. Secondly, there is the issue of how the Council engages people to do specific, time limited work. This note will deal with these in turn;

3 Main issues

Filling Positions on the Council's structure

3.1 In line with the outcome of the November Council meeting, the approach now being taken is that where there is a need to fill a post on the Council's structure on a short term /interim basis, the Council will either employ someone on a temporary basis through the Council's normal payroll arrangements, or will engage them through a recognised agency. For the former, this would be through either a temporary or fixed term contract, and for the latter, the Council has two main routes the Executive Search and Selection Framework contract

(Gatenby Sanderson and ProVenture) and the vendor neutral agency contract (Commensura). In the case of work secured via one of these agencies, this will mean that the Council will not make any payments directly to the individuals concerned but would pay the agency.

How the Council engages people for specific, time limited work

- 3.2 Where the Council is engaging an organisation or individual to undertake a specific piece of work which is time limited, then normal procurement arrangements and financial procedure rules would apply. This could include contracting with an individual or an individual operating as a personal services company, if they were successfully in being awarded the work. In order to ensure appropriate challenge is provided where services seek to engage an organisation or people to do specific, time limited work, it is proposed that the following checklist is incorporated into the existing Contract Procedure Rules;

“Where the use of external capacity to undertake specific pieces of work is considered, Chief Officers must consider;

- (1) The nature of the unique or specialist skills required,
- (2) The Council’s capacity and ability to redirect resources to undertake such tasks
- (3) Whether or not there is a statutory need for an independent person
- (4) Overall timescales required, and;
- (5) Overall cost effectiveness.

Officers making decisions to procure a service should note why this has been the case and, using the checklist above satisfy themselves that this approach is more appropriate than seeking to create and fill a position on the Council’s structure.”

- 3.3 Scrutiny Board are asked their views on both the position taken in line with the outcome of the Council meeting and the above proposed addition to the Contract Procedure Rules.

Progress on ensuring no permanent member of staff is being paid off payroll

- 3.4 At the time of the Council meeting four of the five individuals identified as covering positions and being paid ‘off payroll’ were no longer engaged in that way. Since the Council meeting the case of the fifth individual has being resolved (the individual having being recruited via a competitive process). HR are not aware of any other instances of posts on the Council’s structure filled by individuals operating as personal service companies. HR continue to work across the Council to ensure that posts on the Council’s structure are not filled by individuals operating as personal service companies, ahead of the formal changes to policy suggested in this note.

Why were such arrangements not challenged in the past?

- 3.5 The arrangements in relation to those five individuals were in place primarily as a means of engaging individuals with scarce skills in a mutually agreeable and entirely lawful manner. The majority of the posts were engaged in Childrens Services providing key capacity in hard to recruit to areas. These arrangements were agreed between the services and the people concerned. The responsibility for ensuring the correct level of taxation is paid rests / rested with the personal service company, not the Council.
- 3.6 As set out in full Council, the government is considering new legislation which potentially would provide more responsibilities on a large employer such as the Council, and work is required to assess the potential impact of this on the existing arrangements in place where services are provided to the Council via the Executive Search and Selection contract, the agency contract or with individuals or organisations delivering time limited work. It is proposed that HR work with colleagues in Finance and Procurement to carry out this work and update Scrutiny in 2013.

Ensure guidelines are in place so officers can sensibly decide how they cover interim positions

- 3.7 In order to further strengthen the arrangements for engaging senior staff it is proposed that the Council's position is reflected as proposed in the Contract Procedure Rules and also included in the revisions required to the Council's Senior Pay Policy/statement in 2013. Subject to the views of Scrutiny Board on the matter it is proposed that a key message is communicated to Directors and Chief Officers to reflect the issues contained in this note, and that services involve HR in the early stages of planning their approach to covering interim positions.

Long term skill planning to avoid relying on external expertise

- 3.8 The Council through its Budget Plus process is developing an updated workforce plan for the forthcoming 3 years, linked to the emerging budget proposals. HR have, in partnership with the Trade Unions, developed the Talent Pool and sees this as a key component in delivering a more flexible workforce. Consideration is currently being given as to the best way of linking the Talent Pool to the current medium term Early Leavers Initiative so that the Council can ensure that it has the right people with the right skills in the right place at the right time.
- 3.9 Scrutiny are also asked to note that there are circumstances where it will remain essential to utilise external expertise, where for example, there is a statutory requirement for an independent person e.g. Chair of the Childrens Safeguarding Board etc. or where highly specialist skills are required often for short periods of time e.g. niche ICT specialists.

4 Corporate Considerations

Consultation and Engagement

4.1 N/a

Equality and Diversity / Cohesion and Integration

4.2 There are no specific implications for Equality and Diversity.

Council policies and City Priorities

4.3 The proposed changes to the Council's Contract Procedure Rules are set out at paragraph 3.2.

Resources and value for money

4.4 The proposals further strengthen value for money considerations and ensure that a clear position is in place in terms of how the Council fills posts on its structure.

Legal Implications, Access to Information and Call In

4.5 N/a

Risk Management

4.6 N/a

5 Conclusions

5.1 The Council has adopted a clear position in not employing senior staff via personal service companies, and strong progress has been made to ensure this in enacted.

6 Recommendations

6.1 Members are asked to note the progress made to ensure delivery of the position as set out at full Council and consider the further measures proposed as follows;

- Updating the contract procedure rules and communicating these to senior officers
- Reflecting the position in the revised Senior pay policy/statements in 2013
- Considering the implication of the potential changes to taxation legislation
- Reporting to Executive Board and back to Scrutiny as required in 2013.

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 Head of Scrutiny and Member Development

Report to Scrutiny Board (Resources and Council Services)

Date: 17th December 2012

Subject: Strategic and Financial Plan 2013/14 to 2016/17 including Initial Budget Proposals for 2013/14

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. In accordance with the Council's Budget and Policy Framework, the Director of Resources submitted to the Executive Board the attached report which sets out the Strategic and Financial Plan 2013/14 including Initial Budget Proposals for 2013/14.
2. The Executive Board on 12th December 2012 will consider the attached report and recommend that it be submitted to scrutiny for review and consideration.
3. Any comments or recommendations made by this Board on the Executive's initial budget proposals will need to be submitted to the Director of Resources no later than 30th January 2013 in order that the Executive Board can consider these comments at its meeting on 15th February 2013 prior to submission of the proposed budget to full Council on the 27th February 2013.
4. Councillor Wakefield has been invited to today's meeting to discuss the Executive's initial budget proposals.
5. The Chair has indicated that she will take questions on the initial budget proposals first and then allow a general question and answer session with the Councillor

Wakefield on issues within his portfolio that have not been covered in the previous discussion.

Recommendations

6. Members are asked to;
 - (i) Consider the Executive's initial budget proposals as set out in the report of the Director of Resources and make any comments or recommendations
 - (ii) Engage in a discussion with the Leader of Council on matters falling within his portfolio

Background documents¹

7. There are no background documents relating to this report

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.

Report of the Director of Resources

Report to Executive Board

Date: 12th December 2012

Subject: Strategic and Financial Plan 2013/14 to 2016/17 including Initial Budget Proposals for 2013/14

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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
Is the decision eligible 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

Summary of main issues

This Report sets out the Initial Budget Proposals for 2013/14 within the context of developing a financial plan for the period 2013/14-2016/17 which is designed to deliver the Council's "best council" ambition, but recognising that there will be further significant reductions in the level of funding available to the authority.

The Council to date has managed to achieve £145m savings over the past 2 years and it is very likely that the next four years will bring further challenges and it is therefore important that there is a very clear direction to inform decision making. By the end of 2016/17 compared to 2010/11 it is forecast that the Council will need to save around £285m and will be a smaller organisation employing a lot less staff. Many of the services we currently provide, we will not provide at all or will be provided by others. This will require many challenging decisions to be taken over the next four years.

Over the four year planning period, although we have a broad understanding of the magnitude of the reductions the council will face, there is uncertainty as to precise figures, and this also applies to 2013/14 as the Local Government Finance Settlement is not due to be announced until late December 2012. Recognising this uncertainty as to the Council's funding for 2013/14, the Initial Budget Proposals need to be seen as a step in the context of a longer term financial plan. The proposals for next year include significant reductions across a broad range of services totalling £51.3m and includes net reductions in staffing equating to 388 ftes by the end of 2013/14.

Recommendation

The Executive Board are asked to agree this report as the initial budget proposals for 2013/14 and for them to be submitted to Scrutiny and for wider consultation.

1.0 PURPOSE OF THIS REPORT

- 1.1 In accordance with the Council's constitution, the Executive is required to publish initial budget proposals two months prior to adoption by full Council, which is scheduled for the 27th February 2013. Importantly, the initial budget proposals for 2013/14 are presented within a longer term financial plan for the Council, setting out how resources will be aligned to the Council's "best council" ambitions for the 4 year period up to 2016/17.
- 1.2 Subject to the approval of the Executive Board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 15th February 2013. It will also be made available to other stakeholders as part of a wider and continuing process of consultation.
- 1.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 11.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

2.0 THE NATIONAL AND LOCAL CONTEXT

- 2.1 The setting of the Council's annual budget has to be done within a context of both new policy agendas being set by the Government and unprecedented reductions in public spending as part of the Government's plans to eliminate the nation's budget deficit by the end of the current Parliament. These spending plans were initially set out in the Government's emergency Budget of June 2010 and in their October 2010 Comprehensive Spending Review. This set out to reduce public spending by £81bn between 2011/12 and 2014/15, with local government funding from central government falling by 20% in cash terms over that four year period, equivalent to a reduction of 28% taking into account their forecast of inflation. In addition, it was clear from the Spending Review that the cuts for local government funding would be front loaded over the four years.
- 2.2 To date the Council has been able to respond successfully to the reduction in government grants, achieving savings of more than £90m in 2011/12 and setting a budget to bridge a funding gap of £55m for 2012/13. Since April 2010 the full time equivalent of around 1,800 staff have left the Council, which excluding school based staff, represents a 12.5% reduction in the Council's workforce. As part of this reduction the Council has reduced its number of senior officers (JNC grade) by 118 over the same period, which equates to a 21% reduction. In addition, over the last two years the Council has reduced spend on non-staffing budgets by around £50m, increased or introduced new charges which have generated additional income of over £4m and reduced our office accommodation space by 237,000 sq. ft. The Council has also closed a number of facilities, including 13 libraries, 1 sport centre, 5 residential homes, 4 day centres, 2 community centres, 1 one stop centre and 3 hostels.

2.3 Executive Board considered a report on the Council's Financial Strategy 2013 to 2017 on the 17th October 2012. 2013/14 is year 3 of the review period, and as set out in the Comprehensive Spending Review, support for local government was planned to reduce by just 0.8%, the smallest reduction in any of the four years. 2013/14 also sees the introduction of the Business Rates Retention Scheme, which although complex and operating within the context of the Government's deficit reduction plans, does enable local authorities to retain some of the benefit of growth in local business rates. The October report provided information about how the new business retention scheme will work and also new local government spending control totals for 2013/14 and 2014/15. As illustrated in Table 1 below, these new spending totals mean that local government is now facing further significant reductions of £1.2 billion for 2013/14 and £1.7 billion for 2014/15, over and above those implied by the 2010 Spending Review, although an element of the New Homes Bonus will be received by the Council in accordance with the scheme.

Table 1

	2012/13 £m	2013/14 £m		2014/15 £m	
CSR	23,385	23,196	-0.8%	21,856	-5.8%
1% Pay Award Cap		-240		-497	
New Development Deals		-20		-20	
Fire Grants		-49		-50	
Neighbourhood Planning		-15		-20	
Capitalisation (accounting)		-100		-100	
Safety Net		-245		-245	
New Homes Bonus		-500		-800	
	23,385	22,027	-5.8%	20,124	-8.6%

2.4 The report to the board, as well as expressing concern as to the scale of these further reductions, also identified a number of concerns as to the way in which these reductions are being implemented, which will mean that they will likely fall most heavily on the most deprived areas of the country.

2.5 The latest forecast from the Office for Budget Responsibility (OBR) suggest that the deficit in the public finances will not now be eliminated by the end of the current Parliament, and most commentators are now of the view that there will be further real term reductions in public sector spending for both 2015/16 and 2016/17, if not beyond. This was confirmed by reductions in public spending for these years published as part of the Government's 2011 Autumn Statement. These indicative spending totals would normally be translated down to departmental totals through a Spending Review which should take place during 2013.

2.6 In the report on the Financial Strategy 2013 to 2017 the forecast was that by 2016/17 our Government grant will have reduced by around £90m. By making assumptions about other factors, this means that the resource envelope on a like for like basis will be around £60m less by then. Taking account of likely levels of inflation and other spending pressures, including demographic demand, it is

forecast that the funding gap by 2016/17 will be in excess of £140m. These forecasts by their nature are uncertain but nevertheless do provide an order of magnitude as to the scale of the financial challenge facing the Council. The forecast of the 2016/17 resource envelope will be subject to regular review and reporting to Executive Board as more information becomes available, but is also subject to variation resulting from decisions made in the years up to 2016/17.

2.7 It is clear that the financial challenge going forward is likely to be as great as that which the Council has already had to deal with. Whilst a pragmatic approach has to date delivered a robust budget, if the Council is to deliver the required reductions, and at the same time deliver the Council's ambition of being the "best council" in the UK, there is a need to develop and refine a more strategic and longer term approach to the Council's financial strategy, which will in turn inform annual budget setting. In 2011, Leeds undertook a Commission on the Future of Local Government (Executive Board received reports in November 2011, April 2012 and July 2012). The vision from the commission is about a new leadership style for local government, where councils become more enterprising, businesses and other partners become more civic and citizens become more engaged. There are five propositions from the Commission that can be used as a vision for the future of local government. They are: Becoming civic entrepreneurs; Stimulating jobs, homes and good growth; Establishing 21st century infrastructure; Devising a new social contract; Solving the English question (which in this context means making the most of devolved powers to make a difference to local people).

2.8 Another significant part of developing these proposals has been to get feedback from our communities. In 2010 residents were asked to list their priorities for the council's budget in the 'Spending Challenge'. In total over 2,000 responses were received from which the top priorities were:

- Tackle the worst anti-social behaviour first
- Encourage people to recycle and throw less away
- Help people stay in their own homes for as long as possible
- Bring services together and make better use of building
- Work to get local jobs for local people

More recently a 'You Choose' campaign has been launched to engage people in the budget challenges. So far, over a thousand responses have been received from people using the simulator to try and balance the budget by cutting services, introducing ways to save and by generating income. The results of this work will be reported in detail in the final budget report in February 2013, but early indications show that:

- respondents are making proportionately the largest budget reductions to all Culture and Leisure services, and economic and planning-related services.
- All child-related services have received proportionately the lowest budget reductions
- In the 2010 'Spending Challenge' consultation, residents made 'supporting older and disabled residents' a top priority. In 2012, related service areas are, so far, neither the most nor the least 'protected'

- Two income generating proposals were supported by 50% or more of the respondents. These were bulky waste charges and increased income through sports centres.

2.9 As part of the wider “You Choose” consultation, a separate session was arranged to engage with a group of young people on the Children’s Services budget. The group was tasked with saving £14m, and proposed that the majority of savings would have to be made in Children’s social care, whilst putting additional money into preventative and early intervention measures.

3.0 DEVELOPING THE COUNCIL’S FOUR YEAR FINANCIAL PLAN

3.1 Using the Best City ambitions and the future of local government propositions, a Best Council Blueprint for 2013/14-2016/17 has been developed to deliver these ambitions with the aim of becoming an “enterprising council”. This blueprint is at a high level, but is about :

- Demonstrating strong democratic leadership, both city-wide and local
- Achieving city priorities through commissioned and directly provided services
- Having locally responsive, integrated front line services
- Having an enabling corporate centre
- Having a values base, enterprising culture

3.2 A set of organisational values are also in place to underpin and drive individual and collective behaviour. These values are :

- Working as a team for Leeds
- Being open, honest and trusted
- Working with communities
- Treating people fairly
- Spending money wisely

3.3 This clearer longer term approach is aimed at creating some stability and certainty around the budget direction, thereby enabling the Council to continue to manage budget cuts sensitively and methodically whilst working towards the strategic ambition.

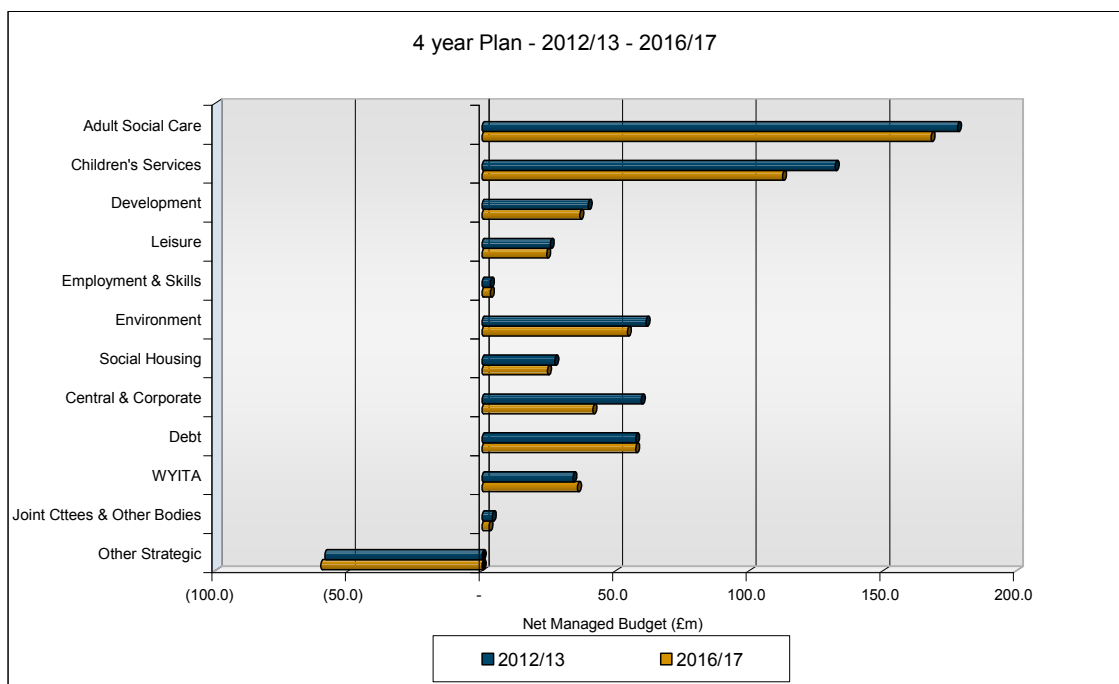
3.4 Based on an exercise to project forward the likely level of resources available to the Council by 2016/17, using the best information available, including forecast public sector expenditure totals published by the government in the 2012 budget announcement, it is forecast that the Council’s net revenue budget will decline by around £60m over the period; in real terms this reduction would amount to £112m.

3.5

Chart 1 below is an attempt to set out what the potential impact of this reduction could have on the Council's activities by 2016/17. The key features of this projection are as follows:

- a) No Council service will have more cash to spend in 2016/17 than in 2012/13, and this will mean at best a real terms reduction of 8.2%.
- b) All other back office functions will be reviewed as part of a business management review and in general support functions will see a cash reduction of 30% over the period.
- c) The plan assumes that the Council will reduce its spend on looked after children by at least 15%, through a range of preventative interventions which will lead to better outcomes for children.
- d) Whilst demographic growth for older people is recognised in the plan, assumptions are also made that cost reductions can be achieved through improved operational efficiencies and the modernisation of services.
- e) A key element of the Council's financial position will be to achieve both housing and business growth in the city. In recognition of this, spend on services such as planning and economic development are protected as far as possible.
- f) In order to maintain the condition of the road network following many years of capital investment, the highway maintenance budget is maintained at current levels.
- g) An increase in spend on transport over the period demonstrates the Council's commitment to the West Yorkshire Transport Fund as set out in the City Deal.
- h) Debt will be maintained as far as possible at current levels, unless further investment leads to further revenue savings, or essential service improvements.
- i) The plan reflects savings arising from the implementation of the Council's waste strategy including savings arising from the construction of a new waste treatment facility.

Chart 1



- 3.6 This four year financial plan can only be as good as the financial projections that it is based on and there continues to be considerable uncertainty around many of the figures. However, the plan itself attempts to provide a broad financial framework within which the Council can make service plans and to indicate the relative financial priorities of the Council.
- 3.7 The plan also provides an opportunity to enter into meaningful dialogue with other partners across the city to identify over the next four years how the combined resources of the Council and its partners can be best utilised in the best interests of the Leeds community.
- 3.8 In order to deliver the Council's services within the funding envelope implied by this plan, there are a number of workstreams which the Council needs to prioritise over the next 12-18 months and approach as a coherent programme delivered at pace. This includes:
- reducing and making better use of the Council's assets
 - maximising the potential for income generation through charging and trading
 - looking at the way the Council is organised including consideration of alternative delivery models
 - implementing a business improvement programme
 - improving the approach to locality working
 - reducing the cost of looked after children through improved early intervention and prevention
 - progressing the better lives programme in Adult Social Care
 - implementing significant changes to the management of waste
 - working with others to drive economic growth in the city and deliver increases in business rates and new homes bonus
 - continue to focus on the values and staff and member development
- 3.9 The following sections set out the initial budget proposals for 2013/14, but these need to be seen within the context of the strategic and financial direction as set above.
- 4.0 ESTIMATING THE FUNDING ENVELOPE FOR 2013/14**
- 4.1 Although the Government's spending review covers four years, the local government settlement confirmed on the 31st January 2011 covered just two years, namely 2011/12 and 2012/13. Taking account of variations in core grants, the settlement meant a cash reduction for the Council in 2011/12 of £51.4m and for 2012/13, £26.4m.
- 4.2 The Council's net revenue budget for 2012/13 was set at £563.1m, supported by the use of £6.9m general fund reserves. Further details of the 2012/13 budget can be found in Appendix 1.
- 4.3 At the time of writing, the Council has not received its finance settlement for 2013/14, and it is not expected until late December 2012. Given this position, the Council's initial budget proposals for 2013/14 have had to be developed based upon an estimate of the grant settlement. This takes account of:

- The new national total for Local Government funding for 2013/14.
- Specific grants transferring into the formula grant system as follows:
 - Council Tax Support Grant
 - Early Intervention Grant (except for funds to provide free education to 2 year-olds)
 - Homelessness Prevention
 - Lead Local Flood Authorities
 - Learning Disability & Public Health Reform Funding
- The transferring out of the formula grant system into a specific grant of £1.218bn nationally in respect to funding for central education functions (LACSEG) , responsibility for which is transferring to DfE. This will used as the basis for reducing funding from Local Authorities in respect to future academy transfers.

4.4 The estimate of these transfers in 2013/14 is summarised in table 2 below:

Table 2

	2012/13 £m	Transfers 2013/14 £m	Variation 12/13 - 13/14 £m
LACSEG	-17.155	-17.155	0
Council Tax Support	46.930	41.610	-5.320
Early Intervention Grant	32.724	23.914	-8.810
Homelessness Prevention	1.040	0.921	-0.119
Lead Local Flood Authorities	0.270	0.146	-0.124
Learning Disability & Public Health	10.227	10.527	0.300
Sub-Total Transfers	74.036	59.963	-14.073

4.5 As well as identifying the transfer from specific grants to formula grant, the above table does also highlight a reduction in these of £14.1m. Generally variations in specific grants will be dealt with within the directorate initial budget proposals, but two are worthy of comment at this point:

- In accordance with the Government's scheme for the localisation of Council Tax benefit in which benefits will be replaced by discounts, the current subsidy from 2013/14 will be replaced by a government grant which is based upon just 90% of the level of Council Tax benefits in 2011/12. The Council's scheme following consultation is the subject of another report on this agenda, and our financial forecasts reflect the recommendations of that report.
- For 2013/14, the Early Intervention Grant is abolished with an estimated £23.914m being transferred to formula grant – a reduction of £8.810m. Whilst an element of this will be transferred to the Dedicated Schools Grant there remains a pressure of £5.4m which will effectively reduce the

funding available locally to support services to our most vulnerable and challenging children and young people. There are specific concerns as to the implications of these changes and these are further discussed within the directorate initial budget proposals.

4.6 Our forecast of formula grant for 2013/14 is £342.946m, which on a cash basis is an increase of £48.168m from 2012/13. However, after taking account of the above net transfer of £59.963m, our estimate is that our formula grant on a like for like basis will reduce by £11.795m, as set out in table 3 below.

Table 3

	£m
Formula Grant 2012/13	294.778
Estimated Formula Grant 2013/14	342.946
Cash variation	48.168
less transfers	59.963
Like for like variation	-11.795

4.7 Clearly until grants are announced it is not possible to confirm these estimates. There is an additional degree of uncertainty as to methodology changes and the updating of data which it has not been possible to factor into our calculations. Several changes are proposed to the formula grant process, which will provide the starting point for the new system. They are:

- changes to the concessionary travel formula;
- a number of changes to sparsity adjustments to help rural areas;
- restoring the Relative Resource Amount to the same absolute level as in 2010/11 which means changing the percentage from -26.6% to -31.3%, with the Relative Needs Amount being held at 83.0%, and the Central Allocation being increased from 46.6% to 48.3% to compensate.

The data used in the calculation of formula grant is to be updated as far as possible. The most important are population data. DCLG proposes using figures derived from the 2011 Census. The Census figures for Leeds has a population of 751,500 in 320,600 households, compared to a population of 788,686 in the latest previous estimates the ONS provided. This is a drop of over 37,000 or 4.71%, when compared to the population estimate included in our current formula grant, and is likely to reduce the funding for Leeds, but this will depend upon the changes relative to others, and also the mix of the population change.

4.8 Under the new funding regime, what would have been formula grant will be split between Revenue Support Grant (RSG) which will come from the Government, and a baseline level of business rates, which will be the starting point for the retention of business rates. Any increase in business rates over and above this

base level or starting figure will then be shared with the Government on a 50:50 basis. Our assessment of RSG and the starting point for business rates for 2013/14 is follows:

RSG	£191.2m
Business Rates base	<u>£151.7m</u>
Total	£342.9m

4.9 In determining the funding envelope for 2013/14 there are a number of other factors and further assumptions that we need to make. These include:

- The withdrawal of the Government's 2012/13 Council Tax freeze grant, which for Leeds was £6.7m and was, unlike the 2011/12 freeze grant, awarded for one year only
- Changes in the Council Tax base - our forecast is for an additional 2,250 properties for 2013/14, either being new or brought back into use. The Council not only benefits from the additional Council Tax raised from these properties, but also through the additional funding provided by the Government in the form of the New Homes Bonus, which for 2013/14 is estimated as an additional £3.4m. In addition, the estimated change in the Council Tax base reflects the proposed changes to the Council Tax discounts for empty properties which has been subject to consultation, but a final decision will be made by Full Council as part of their decision on the Council Tax base.

The impact of these changes are shown in the table below:

Table 4

	£m
Council Tax 2012/13	268.3
Council Tax Base - additional properties	2.6
Council Tax Support - switch from grants	-46.9
Council Tax Support scheme	4.2
Discounts etc	6.4
Council Tax 2013/14	234.5
Cash variation	-33.8
less transfers	41.6
Like for like variation	7.8

- It is assumed that business rates will grow by 2.4% over and above our base line figure, and that our share of this increase will be £3.4m in 2013/14.
- In the current year, the forecast use of General Fund Reserves is £5.4m. In addition, the budget assumed the usage of £11.4m from earmarked reserves. For 2013/14, only £1.2m of these earmarked reserves will be available. It is assumed that, in order to maintain General Fund reserves above the minimum level, which has been calculated as £17m, the 2013/14 budget will be supported by £3.0m, as shown in the table below. This is dependent upon delivering the current year within the approved budget and the Council will continue to review its level of reserves in the light of its risk based approach to assessing the adequacy of its reserves.

Table 5

	2012/13 £m	2013/14 £m
Balance 1st April	25.4	20.0
/less net usage in year	-5.4	-3.0
Estimated Balance 31st March	20.0	17.0

- 4.10 For 2011/12 and 2012/13, the Council Tax freeze grant received by the Council was equivalent to the amount that would be generated by increasing council tax by 2.5% in each year. On 8th October 2012, the Government announced a further Council Tax freeze scheme for 2013/14. However, local authorities that take up the offer will receive a grant equivalent to a 1.0% increase in council tax, and will receive it for both 2013/14 and 2014/15. Any authorities that do not take up the offer will be limited to an increase of 2%, excluding levies. Any authority wishing to exceed a 2.0% increase would need to hold a referendum.
- 4.11 The initial budget proposals assume that the Council accepts the Council Tax freeze grant, but this will be subject to further review once the settlement is announced and the detail of precisely how the cap will be calculated is known. On the assumption that a council tax freeze is accepted, the Leeds element of the Council Tax for 2013/14 will be as detailed below (the precepts for Police and Fire are matters for the Police and Crime Commissioner and the Fire authority to determine).

Table 6

	2012/13 £	2013/14 £
Band A	748.99	748.99
Band B	873.82	873.82
Band C	998.66	998.66
Band D	1123.49	1123.49
Band E	1373.15	1373.15
Band F	1622.82	1622.82
Band G	1872.48	1872.48
Band H	2246.98	2246.98

4.12 Although the Council has not received its financial settlement, based upon the above, our best estimate of the funding envelope for 2013/14 is a reduction of £15.7m, summarised in table 7 below:

Table 7

Change in Resources:	£m
Government Funding:	
RSG/NNDR	11.8
2013/14 Council Tax Freeze Grant	-2.3
Withdrawal of 2012/13 Council Tax freeze grant	6.7
	16.2
Properties	
New Homes Bonus	-3.4
Tax Base	-2.6
	-6.0
Locally Determined	
NNDR growth	-3.4
Council Tax	-5.2
Change in Use of Reserves	14.1
Sub-Total	5.5
Total reduction	15.7

5.0 INITIAL BUDGET PROPOSALS 2013/14

- 5.1 This section provides a strategic overview of the initial budget proposals for 2013/14. Further detailed information is provided in Appendix 2 as to how the proposals relate to individual directorates.
- 5.2 After taking into account provision for a 1% pay award, essential price inflation and unavoidable directorate pressures the funding gap is estimated at £51.3m.

Table 8

	Pressures £m	Savings Options £m	Net £m
Reduced Resources	15.7		
Inflation	7.9		
Adult Social Care	7.2	-9.4	-2.2
Children's Services	10.8	-18.3	-7.6
City Development	2.3	-6.0	-3.7
Environment & Neighbourhoods	3.7	-6.3	-2.6
Central & Corporate	1.6	-6.5	-5.0
Debt	2.0		2.0
Strategic - general procurement		-2.0	-2.0
Investment of New Homes Bonus	0.1		0.1
Reduction in contingency fund		-1.5	-1.5
Other efficiencies		-1.2	-1.2
	27.6	-51.3	-23.6
Total	51.3	-51.3	0.00

5.3 The key pressures are as follows:

- 5.3.1 General Inflation of £7.9m - After taking account of further reductions in staff numbers, the initial proposals for the 2013/14 budget provide for a 1% growth in staffing budgets; this reflects an assumption that following two years of a general pay freeze, there will be a need to provide for an increase in staff pay in line with the Government's funding assumptions. Despite cost inflation currently running at 2.6% (September 2012), no provision will be made for inflation on running cost budgets, other than where there are specific contractual commitments and in the cost of utilities.
- 5.3.2 An inflationary allowance has been applied to the level of fees and charges and this is estimated to generate an additional £1m. There are a number of specific proposals where it is felt that the market will bear an above inflationary increase.

These are detailed in the attached Appendix 2 and overall they are forecast to generate additional income of £1.3m.

- 5.3.3 An assumption has been made that the Government will increase the price of allowances in respect of the Carbon Reduction Commitment Energy Efficiency scheme from £12 per tonne of carbon dioxide emitted to £16 per tonne in 2013/14.
- 5.3.4 Adult Social Care – Demographic factors form a key element of the strategic context for Adult Social Care. People are living longer and consequently an increasing number have higher levels of need. This has been most evident in relation to adults with learning disabilities for some time and for older people, the average cost of care packages to support people living at home continues to increase. More people are also being supported to live at home through increased use of direct payments and personal budgets. The budget proposals include additional provision of £3.8m to address the estimated additional pressures from demography and demand, of which £2.7m relates to people with a Learning Disability. These pressures have been partly offset by a £1.9m saving which will be manifested in the ongoing reduction in residential bedweeks and reduced care packages.
- 5.3.5 Children’s Services – provision of £3.1m has been made for continued investment in SEN support, temporary social work capacity, additional in-house fostering and adoption capacity. From April 2013, Government proposed changes to the core Early Intervention Grant will create a net budget pressure of £5.4m in 2013/14. This will effectively reduce the funding available locally to support services to our most vulnerable and challenging children and young people. Following the progress in 2012/13, the demand-led pressures within the placement budgets are forecast to reduce further into 2013/14 and the proposals include potential savings of £7m around reducing placement numbers and changing the funding mix across the externally provided residential and fostering placement budgets.
- 5.3.6 Health Funding – health funding of £6m was budgeted for in 2012/13 to support Adult and Children’s Social Care. There is no certainty that funding will continue in 2013/14, and a prudent estimate of £3m is included in the initial budget proposals. In addition, the Adult Social Care budget in 2012/13 included additional funding in relation to reablement and other one-off funding, and the fall out of this funding in 2013/14 gives rise to a net reduction of £1m. This is offset by a £2m increase in former NHS social care funding which was transferred to the Council in the 2011/12 budget.
- 5.3.7 Public Health – The public health function will transfer from the Primary Care Trust to the Council from 1st April 2013. The current spend is around £32m and the initial budget proposals assume that the service will continue to receive ring-fenced funding at this level, although this will not be confirmed by Government until late December 2012 as part of the Local Government finance settlement.
- 5.3.8 City Development – the release of Sovereign street for development will result in reduced income of £0.38m, together with a £0.6m reduction in income to reflect income trends due to the continuing economic climate. Additional provision of £0.25m has been made to maintain surplus properties prior to disposal.

5.3.9 Environment and Neighbourhoods – provision has been made for the £8 per tonne increase in Landfill Tax from April 2013. The closure of Quarry Hill car park together with other income reduction amounts to £1.0m.

5.3.10 Welfare Reform - The 1st April 2013 sees the introduction of a number of changes as part of the Government's welfare reform agenda. These include the localisation of Council tax benefit, caps on certain benefits, changes to local housing allowances and the devolvement of the social fund to local authorities. These changes will have implications which will impact upon both the resources of the Council and on workloads.

From April 2013 Council Tax benefit will be replaced by a local scheme of discounts which is being funded through Government grant, but at a level equivalent to just 90% of previous spending on benefits. The government grant towards Council Tax discounts will not be known until the announcement of the Local Government Finance settlement which is not until late December, but our best estimate at this stage is that for 2013/14 the grant will be £41.6m. Based upon previous spending levels this represents a cost to the Council of £5.3m, as the Government are assuming that case loads are declining. A separate report on this agenda deals with these issues in more detail, but this report reflects the recommendation of that report which is for a scheme which overall is estimated to result in a pressure of £1.1m. However, it needs to be appreciated that any in year increases in volumes will fall to be met by the Council.

The way in which the local scheme of Council Tax discounts will operate will be through the Council's tax base, in that there will be more Council Tax demands sent out against which an amount, net of discounts, will need to be collected. The initial budget proposals includes additional provision of £650k within the Revenue and Benefit service to deal with the additional collection burden of the new local discount scheme and also the administration of the social fund which is being devolved to local authorities. In addition £200k is provided within Customer Services to deal with the anticipated additional enquires resulting from the various welfare reforms. The Council will receive some additional government grant towards administering the social fund. It is also felt prudent, at this time, to reduce our assumed collection rate from 99.2% to 99%, although clearly every effort will continue to be made to collect sums due.

5.3.11 Capital Charges – It is currently estimated that as a minimum capital financing costs will increase by around £2m in 2013/14 in order to deal with existing capital commitments. This still assumes the strategy of keeping new borrowing short term to take advantage of low rates and includes a target reduction that will need to be achieved through a combination of:

- A rigorous review of the capital programme beyond the extent of the current review and restricting further capital commitments;
- Funding new commitments through selling assets; and/or, using asset sales to repay debt.

5.3.12 Investment of New Homes Bonus – to help achieve Leeds’ ambitions of growth and prosperity, it is proposed to invest an amount of New Homes Bonus in the housing market. Executive Board approved in September 2012 the development of an investment programme which will use £1.5m of New Homes Bonus to bring empty properties back into use and provide an equity loan scheme targeted at new build properties. This will generate additional New Homes Bonus for the Council, giving a financial return over the life of the scheme. These proposals include provision of £0.1m to fund the borrowing cost of the £1.5m investment.

5.4 Directorate detailed proposals for bridging the £51.3m gap are provided in Appendix 2 but a summary of savings areas is provided below:

5.4.1 Employees – in response to the Spending Review 2010, the Council recognised that it would be necessary to significantly reduce its workforce. The Council has operated a voluntary retirement and severance scheme in both 2010/11 and 2011/12 which has resulted in a reduction in the workforce of 1,795 ftes at the 31st March 2012. The current year’s budget assumed that the equivalent of around 180 ftes would leave the Council (excluding Schools) and a new Early Leavers scheme has recently been launched covering the period up to and including March 2016. Excluding the inflationary impact, staffing reductions of around £4.1m are included in the 2013/14 initial budget proposals.

The Council’s expectation following the Spending Review was that there would be a reduction of around 2,500 – 3000 ftes over the 4 year period 2011/12 - 2014/15.

As in previous years, this will mean that staff will leave the authority from across the whole range of services and it will be necessary therefore to continue to manage this very carefully and make arrangements to retrain and redeploy staff where appropriate.

The initial budget proposals provide for a net reduction in anticipated staff numbers of 388 ftes by 31st March 2014, as shown in Table 9 below:

Table 9

	Increases ftes	Decreases ftes	Net Movement ftes
Adult Social Care	27.1	-216.8	-189.7
Children's Services	146.4	-131.3	15.2
City Development	4.0	-89.0	-85.0
Environment & Neighbourhoods	8.4	-25.7	-17.3
Central & Corporate:			
Commercial services		-15.0	-15.0
Revenues and Benefits	10.0		10.0
Customer Access & Performance	3.0		3.0
Support Services		-109.2	-109.2
Total	198.9	-587.0	-388.0

5.4.2 Procurement – The Council has achieved significant procurement savings since 2011/12, with around £25m being achieved in 2011/12 and a further £15m budgeted for in 2012/13. These savings are being achieved through:

- Contract renewals and renegotiations
- Strict adherence to corporate contract arrangements
- Further contracts put in place where they do not currently exist
- Minimising the number of officers with the authority to commit the Council to further spending, including challenging the need to spend at all
- Cash limiting running cost budgets

In addition to limiting inflation on running cost budgets to essential items only, which is expected to save around £7m in 2013/14, the initial budget includes proposals to save a further £7.5m from procurement activity including:-

- £2.0m within Children's Services from regional framework contracts in respect of externally provided residential and fostering placements as well as savings on other commissioned budgets
- £0.6m in respect of the disposal of recycled materials, the recent retendering of the weedspraying contract and the advancement of the PFI procurement process towards contract implementation
- Budget rebasing and efficiencies

5.4.3 Transport – The Council aims to reduce the cost of transporting children from home to school/college by £2.8m. The current policy includes discretionary provision represented in the availability of free home to school travel to faith schools; post 16 mainstream transport to schools/colleges and also home to school/college transport for young people with special educational needs (SEN) between the ages of 16 and 25. These proposals recognise the need to review, with effect from September 2013, the continuing discretionary provision around mainstream and SEN post-16 transport and also the free provision of transport to faith schools.

5.4.4 Within Environment and Neighbourhoods there is a proposal to implement the alternate weekly collection of recyclable and residual waste. By the end of the year it is anticipated that 150k or 44% of household will receive this enhanced service for the collection of recyclables.

5.4.5 Income - as explained in paragraph 5.3.2 above, the initial budget proposals do include some increases in the level of fees and charges in particular services. In addition, a number of further income sources are included within the detailed directorate proposals at Appendix 2. These are estimated to generate an additional £1.8m.

Within Children's Services, a review of subsidised and traded services, including Learning Improvement and the Music Services, is expected to generate an additional £0.8m, and a proposal to reduce subsidised childcare provision in children's centres through increasing nursery fees by £2 per day is forecast to generate an additional £0.1m.

Within Adult Social Care, consultation in respect of charges for non-residential services is currently underway and it is anticipated that revised charges will be proposed that could generate additional income of up to £0.7m in 2013/14. This reflects Leeds remaining lower than comparator authorities in terms of both levels

of charges and income generation, which in turn reflects on our ability to commission and deliver services at a comparable level with other local authorities.

Within City Development, £0.75m is provided for the possibility of the introduction of charges for permits issued through resident parking schemes which are currently provided free of charge.

Other new sources of income are detailed in the directorate proposals at Appendix 2.

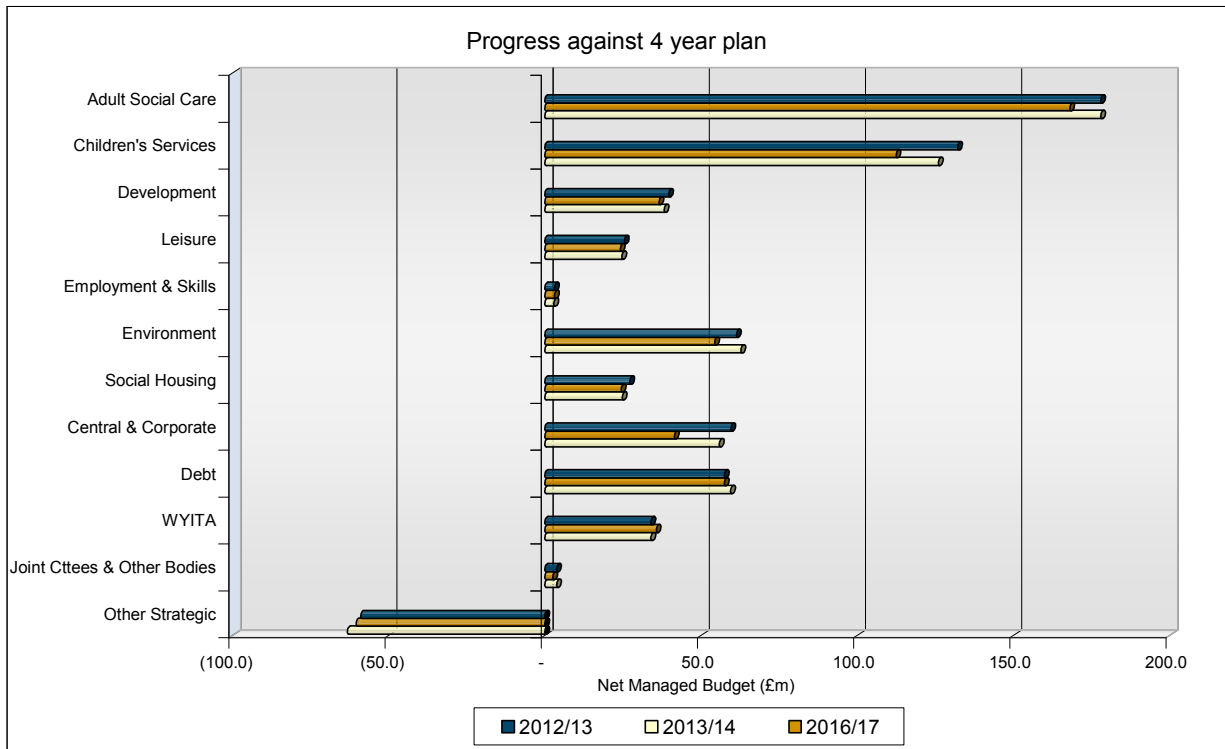
- 5.4.6 The proposals outlined above are reflected in table 10 below which gives a subjective breakdown of the Council's initial budget in 2013/14, compared to 2012/13.

Table 10

	Budget 2012/13 £m	Adjusted 2012/13 £m	Budget 2013/14 £m	%age variation £m
Employees	430.0	430.0	430.6	0.1%
Other running expenses	208.0	208.0	193.8	-6.8%
Capital Charges	58.7	58.7	60.7	3.4%
Payments to External Service Providers	302.6	302.6	295.8	-2.2%
Fees & Charges/Other income	-200.3	-200.3	-206.6	3.1%
Specific Grants	-217.5	-190.4	-192.6	1.2%
Use of Reserves	-18.3	-18.3	-4.2	-77.0%
Net Spend before grants	563.1	590.2	577.4	-2.2%
Funded by:				
Formula Grant	-294.8	-368.8	-342.9	-7.0%
Council Tax	-268.3	-221.4	-234.5	5.9%
Total funding	- 563.1	- 590.2	- 577.4	-2.2%

- 5.4.7 The following graph shows the extent to which the initial budget proposals for 2013/14 make progress towards achieving the Council's intended financial shape for 2016/17 as set out in section 4.

Chart 2



6.0 THE SCHOOLS BUDGET

- 6.1 The Schools Budget is funded by the Dedicated Schools Grant (DSG). The DSG is a ring-fenced grant and may only be applied to meet costs that fall within the Local Authority Schools Budget. Any under or over spend of grant from one year must be carried forward and applied to the Schools Budget in future years. The Schools Budget comprises of Individual School Budgets delegated to schools, the 15hrs of free early years education for 2, 3 and 4 year olds attending private, voluntary and independent settings, the cost of supporting pupils with high needs and a number of prescribed services and costs in support of education in schools.
- 6.2 The DSG for 2013/14 is to be split into three separate blocks. These will be known as The Early Years Block, The High Needs Block, and the Schools Block.
- 6.3 The Early Years Block will be used to fund the free early education of 3 and 4 yr olds, and the early education of vulnerable 2 yr olds in Schools, Academies and Private, Voluntary and Independent settings. The grant will be based on the number of 3 and 4 yr olds on the January 2013 and January 2014 census, multiplied by a figure of £3,883 per full time equivalent pupil. The funding for the 2013/14 financial year will therefore not be finalised until after the end of the year. Funding for 2yr old provision will be based on a DfE target for 2yr old places.
- 6.4 The High Needs Block will be used to fund Special Schools, Resourced SEN places in Mainstream Schools, Pupil Referral Units and Education other than at School. The funding will be paid as a block grant based on the 2012/13 level of

expenditure on services falling within this block. The 2012/13 baseline for the High needs Block is £53.77m. The baseline will be adjusted for population changes and funding available to the DfE, with additional funding for post 16 SEN responsibilities transferring from the Education Funding Agency.

- 6.5 The Schools Block funds the delegated budgets of Primary and Secondary Schools for pupils in reception to year 11, and a number of prescribed services and costs in support of education in schools. The grant for 2013/14 will be based on pupil numbers in Leeds (including those in Academies) as at October 2012, multiplied by a unit rate of £4,538. It is estimated that pupil numbers will increase by 1,060 year on year and the Schools Block will increase by £4.8m.
- 6.6 The delegated Schools Budget will be allocated to Primary and Secondary Schools including academies through the use of a simplified funding formula. The funding allocated to academies through the funding formula will be top sliced from the Schools Block paid to the City Council.
- 6.7 Pupil Premium - The Pupil Premium grant is paid to the Local Authority to be passported on the individual Schools based on pupils eligible for free school meals or looked after. The government has announced that the grant rate for 2013/14 will be £900 per qualifying pupil. This will deliver a year on year increase of £9m to schools including academies in Leeds.

7.0 HOUSING REVENUE ACCOUNT (HRA)

- 7.1 The HRA includes all the expenditure and income incurred in managing the Council's housing stock, and, in accordance with Government legislation operates as a ring fenced account. Following the implementation of self financing for the HRA from April 2012, and the abolition of housing subsidy, maintaining the sustainability of the HRA places a premium upon sound finances.
- 7.2 The HRA Business Plan, to be received at Executive Board in February 2013, will detail and update members in respect of the delivery of key housing priorities.
- 7.3 The 2013/14 budget will be influenced by the Council's rent strategy that was agreed by Executive Board in February 2012. This adopted policy smoothed the incidence of the rent increases that had been assumed by Government in their debt settlement with the Council following the implementation of HRA self financing in April 2012. It is proposed to increase rents by an average of 5.9% in accordance with the agreed rent strategy.
- 7.4 From April 2013 the impact of the government's welfare reforms in respect of under occupation and universal credit will be felt by Council tenants. It is anticipated that this will have implications for the level of rental income that is receivable by the Council and this will be reflected in assumptions that will have to be made as to how much an additional contribution will have to be made to the bad debt provision. The implementation of welfare reform will also result in increase in turnover as the Council will seek to mitigate its impact by transferring those tenants who request a move, to appropriately sized properties.

- 7.5 Any variation in the rental income stream will impact upon the level of resources that are available to deliver the essential investment strategy to maintain and improve the Council's housing stock.
- 7.6 The Housing investment plan is to be refreshed and will have particular focus on new build, in response to the lack of affordable housing in the city, improving sheltered housing and multi storey properties. In addition the investment strategy will be closely linked to adult care objectives around older person's housing. Investment in Little London and Beeston is expected in the forthcoming financial year.
- 7.7 The HRA budget will be determined against the background of the ongoing review of housing management arrangements that was reported to Executive Board in October 2012, and on which, option(s) for the future governance and delivery arrangements for the management of council housing in Leeds are to be considered at Executive Board in January. The outcome of the review of housing management is uncertain but a key objective will be to deliver efficiencies through the eradication of duplication between ALMOs and the Council.

8.0 CAPITAL PROGRAMME

- 8.1 Over the period 2013/14 to 2015/16 the existing capital programme includes investment plans which total £504m. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing will be included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £3.5bn excluding the value of community assets such as highways and parks, and the Council's debt stands at £2.0bn. For every £1 of debt the Council has assets of £1.75.
- 8.2 When capital investment is funded from borrowing, there is a cost to the revenue budget both in terms of interest and minimum revenue provision. When capital expenditure is funded by borrowing, councils are required to make an annual minimum revenue provision (MRP) charge to the revenue accounts. This is the means by which capital expenditure which has been funded by borrowing is paid for by the council tax payer. In recent years the annual MRP charge has averaged around 4% of the amount borrowed to fund capital and for 2012/13 is around £36m.
- 8.3 Over the next 4 years there is a proposal to get to a position where the Council funded capital programme is restricted to the level of MRP so that the level of borrowing overall does not increase. However, before we can get to that position there are a number of capital investment plans which are either contractually committed or are of strategic importance to the city which the Council will need to provide for, for example Flood Alleviation, Changing the Workplace and New Generation Transport. Borrowing to fund these and other projects will mean that for 2013/14 the revenue cost of debt will need to increase by at least £2m.
- 8.4 There are a number of key annual expenditure programmes which need to be provided for within the capital programme each year. These total £33.7m each year and are shown in the table below. Based on a Council funded capital

programme of £36m per annum, this leaves £2.3m available for new investment. For each additional £1m of capital investment funded by borrowing, a budget of £80,000 per year would be required in the revenue budget. If an additional £1m of revenue budget was available each year, an additional £12m of capital investment could be carried out.

CAPITALISATION / ANNUAL PROGRAMMES	
	£000
Capitalisation	
General Capitalisation	4400.0
PFI capitalisation	830.0
Library Books	700.0
Highway Maintenance	1,500.0
Capital Programme Management	500.0
Annual Programmes	
S278 grant used in revenue	5,000.0
Adaptation to Private Homes	400.0
Contingency	1,000.0
Maintenance of Council buildings	1,500.0
Disabled Facilities Grants	3,930.0
General Refurbishment of Schools	1,500.0
Highways Maintenance	10,000.0
ICT Essential Services Programme	1,200.0
Traffic Management Programme	200.0
Demolition and asbestos removal	1,000.0
Total Annual Programmes	33,660

8.5 A review of all uncommitted schemes within the existing capital programme is being undertaken to draw up a proposed programme for the future based on the debt budget available.

9.0 CORPORATE CONSIDERATIONS

9.1 Consultation and Engagement

9.1.1 As explained at section 2 above the initial budget proposals have been informed through a number of consultations including a 'You Choose' campaign to get people engaged in the budget challenges. Subject to the approval of the board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 15th February 2013.

9.1.2 Consultation is an ongoing process and residents are consulted on many issues during the year. It is also proposed that this report is used for wider consultation with the public through the Leeds internet and with other stakeholders. Consultation is on-going with representatives from the Third Sector, and plans are in place to consult with the Business sector prior to finalisation of the budget.

9.2. Equality and Diversity / Cohesion and Integration

9.2.1 Leeds City Council has a leading role in the city to promote equality and value diversity. During 2012 work has continued to take place to make equality an integral part of our work and in particular in how we deliver services, how we employ people, how we work with our partners and how we make decisions. This builds on the work that was outlined in last years initial budget proposal report.

9.2.2 The Council's business plan has a cross cutting priority that 'Every year we will be able to evidence that equality issues have been considered in 100% of major decisions'. It is therefore important that in all cases the relevance of equality is determined and where relevant evidence that due regard to equality has been given is included within decision making report. All key and major decisions undertaken by the Council are now subject to a robust qualitative and quantitative analysis process to ensure that relevance to equality has been considered.

9.2.3 In addition the Equality Improvement Priorities 2011 – 2015 were developed and approved. Closer alignment with the Vision for Leeds, the City Priority Plan and the Council Business Plan were built into the development of the priorities and has provided the foundations for a move towards a city wide approach to equality.

9.2.4 This approach sets out the Council's continued commitment to equality. It outlines the council's equality objectives, identifies how progress will be measured and how we will continue to improve and further embed the equality agenda.

9.2.5 A strategic approach to giving due regard to equality has been used to consider the initial budget proposals outlined in this report. This has determined whether or not there is any relevance to equality for all the proposed pressures or savings that have been identified.

9.2.6 Many of the proposals contained in this paper will be subject to separate decision making processes.

9.2.7 Where relevance to equality has been determined further work on each individual proposal will be undertaken within the normal decision making process, which gives due regard to equality through use of screening and equality impact assessments.

9.3 Council Policies and City Priorities

9.3.1 The initial budget proposals seek to ensure that the policies and priorities of the Council are supported by directing financial resources towards the Council's policies and priorities.

9.4 Resources and Value for Money

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

9.5 Legal Implications, Access to Information and Call In

9.5.1 This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, 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 2013 meeting of this board at which proposals for the 2013/14 budget will be considered prior to submission to full Council on the 27th February 2013.

9.5.2 The initial budget proposals will, if implemented, have significant 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 managed by individual directorates.

9.5.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 11.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

9.6 Risk Management

9.6.1 A full risk assessment will be undertaken of the Council's financial plans as part of the normal budget process, but it is clear that there are a number of risks that could impact upon these plans put forward in this report; some of the more significant ones are set out below.

- Demand pressures in Adult Social care and Children's services could be greater than anticipated. In addition, anticipated funding from the health service may not be secured in full
- Reductions in government grants are greater than anticipated. Grant figures for the Council for 2013/14 will not be known until later in the planning period
- Inflation and pay awards could be greater than anticipated
- Other sources of income and funding could continue to decline
- Increase in the Council Tax base could be less than anticipated
- Growth in business rates could be less than anticipated, or base could decline
- Council Tax discounts could be greater than forecast
- The delivery of savings from the Council's transformation agenda and other saving options could be delayed or less than anticipated
- Changes in interest rates could impact upon capital financing charges
- Asset sales could be delayed requiring the Council to borrow more to fund investment

- Impact of Government welfare reforms could have a greater impact upon the delivery of the Council's services than currently anticipated
- Reductions in staffing numbers from early leaver initiatives and natural turnover could be less than anticipated
- Failure to understand and respond to the equality impact assessment

9.6.2 A full risk register of all budget risks in accordance with current practice will be maintained and will be subject to quarterly review. Any significant and new risks are contained in the budget monitoring reports submitted to each meeting of the Executive Board, together with any slippage on savings.

10.0 CONCLUSIONS

- 10.1 This report has shown that the current position continues to be the most challenging faced by local government in post-war period. Government are radically changing the way that local government is financed, but without specific figures the picture remains uncertain. The Council is committed to providing the best service possible for the citizens of Leeds and to achieving the ambition for the city of being the best in the UK. In order to achieve both the strategic aims and financial constraints, the Council will be more enterprising, working with business and partners to be more civic, and working with the public to be more engaged.
- 10.2 The Council's approach to the medium term financial strategy is consistent with previous years in that it is designed to provide an overall financial framework to ensure that the Council's key priorities can be supported within the available funding over the planning period, and to inform the delivery of the Council's annual budget. 2013/14 is the third year of the Spending Review, and the Council is again facing the need to generate savings of £51.3m. The initial budget proposals for 2013/14 set out in this document, subject to the finalisation of the detailed proposals in February 2013, will, if delivered, reduce the Council's spend by the required amount.
- 10.3 In the current budget year the Council needs to save £55m with reductions and pressures combined. For the four year spending review period the expectation is the Council's resources will reduce by around £60m. Reserves have to date helped significantly to meet the financial pressures but for the future the Council will need to be focussed on changing the way services are provided and commissioned and direct spend to counter disadvantage and reduce inequality.
- 10.4 The challenge is significant, and the council has responded well so far, recognising the need to change. For the future the Council will continue to reduce in size, but will aim to become a bigger one in influence, becoming an enterprising council and transforming the way it works with partners and communities. As such the relationship with the people of Leeds will change, but with the ultimate aim of making Leeds a better place to live for all the people of Leeds.

11.0 RECOMMENDATION

11.1 The Executive Board is asked to agree this report as the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

12.0 Background documents¹

12.1 There are no background documents relating to this report.

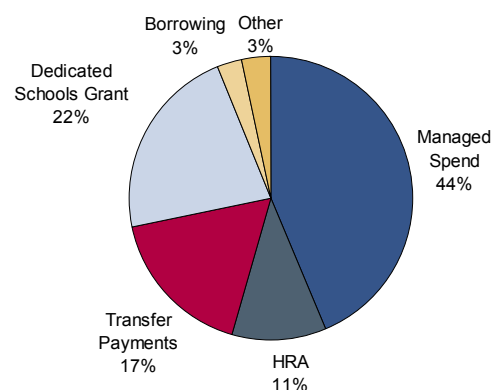
¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

THE COUNCIL'S 2012/13 Budget

The Council's net revenue budget for 2012/13 was set at £563.1m supported by the use of £6.9m general fund reserves. However, the Council actually spends around £2bn each year although the Council does not have full freedom to decide how to spend all of this money because much of it is given by central government as "ring-fenced" grants, which reflect past borrowing decisions or has other legal constraints. This means, for example, that certain funds can only be spent on schools, or on benefit payments, or on council housing. These constrained areas account for 56% of the Council's spending, so any savings can only be delivered from the remaining 44%.

Analysis of Revenue Budget 2012/13

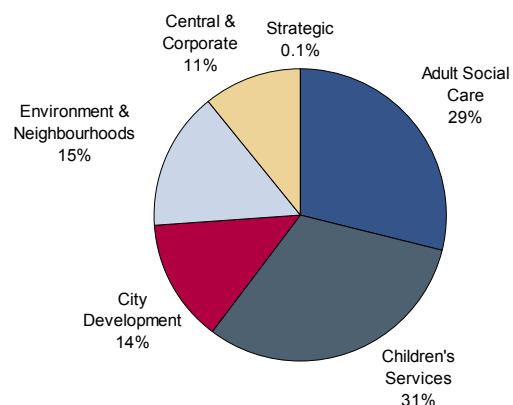
	2012/13 £m
Managed Spend	862.3
Housing Revenue Account (HRA)	215.0
Transfer Payments	341.2
Dedicated Schools Grant	437.6
Borrowing	58.65
Other	64.2
Total	1978.9



The managed expenditure from which savings can be made totals £862.3m, and is summarised by service below:

Managed Spend by Directorate

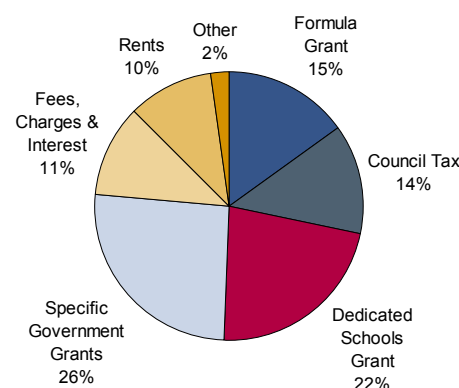
	2012/13 £m
Adult Social Care	249.2
Children's Services	269.9
City Development	118.7
Environment & Neighbourhoods	131.6
Central & Corporate	92.1
Strategic	0.8
Total	862.3



Around 63% of the Council's funding comes from Government as illustrated below, with just 14p in each £1 coming from local Council Tax payers.

Where the money comes from

	2012/13 £m
Formula Grant	294.7
Council Tax	268.4
Dedicated Schools Grant	437.6
Specific Government Grants	510.0
Fees, Charges & Interest	220.9
Rents	201.7
Other	45.6
Total	1,978.9



The Council collects £268.4m each year in Council Tax. The band D level of Council Tax (including Police and Fire precepts) in Leeds is currently £1,306.40, and is the 7th lowest amongst the metropolitan authorities and the second lowest amongst the eight Core Cities.

INITIAL BUDGET PROPOSALS 2013/14

ADULT SOCIAL CARE

Adult Social Care has a statutory duty to assess people's needs and, where their needs meet the Council's Fair Access to Care criteria, to ensure that services are available to meet those needs. Demographic factors form a key element of the strategic context for Adult Social Care. People are living longer and consequently often have higher levels of need. This has been most evident in relation to adults with learning disabilities for some time and for older people, the average cost of care packages to support people living at home continues to increase. More people are also being supported to live at home through increased use of direct payments and personal budgets. The budget proposals include additional provision of £3.8m to address the estimated additional pressures from demography and demand, of which £2.7m relates to people with a Learning Disability. The greater use of personal budgets as customers exercise choice and control will, over time, reduce the demand for traditional services and will require greater flexibility in how services are delivered. These budget proposals include provision for the estimated demand for personal budgets, together with proposals for the reconfiguration of existing traditional service models to support that changing demand.

Achievements in 2012/13

Our strategy continues to be to move resources from expensive acute interventions to interventions designed to cost effectively maintain people's independence in their own homes and communities.

To this end, significant advances have been made over the past year in reablement services geared to preventing unnecessary admission to hospital or residential care, and to helping people regain their independent living skills following a spell in hospital or an illness. In addition to reablement in a person's own home, work is now under way at the former older persons' home, Harry Booth House, to create the city's first-ever residential reablement facility, jointly developed, managed and staffed by Adult Social Care and the NHS.

All of the city's Neighbourhood Networks have now been awarded contracts to continue their work to support older people living at home and remaining independent. The contract status has already meant that a number of Neighbourhood Networks have gained significant funding from other grant-giving bodies, greatly adding value to the Council's contribution. Some Neighbourhood Networks have begun to extend their services beyond the traditional luncheon clubs and shopping services and to move to an approach that is also aimed at preventing hospital admission. Here, Neighbourhood Network staff use their skills and local knowledge to identify older people at risk of needing a healthcare intervention, sourcing and commissioning extra support locally to prevent a health problem escalating.

The Council's Telecare services continue to grow and have extended to the use of technology hitherto unexplored in a social care setting, such as GPS tracking for people prone to wandering away from home. Plans are well advanced to create the city's first assistive technology 'hub' at New Dock in south Leeds, where services including Care-Ring, aids and adaptations, telecare and blue-badge assessments will all be housed under one roof.

In the Council's directly-provided older people's services, attendance at day centres continues to fall, as services offered by voluntary and independent organisations become more varied and people use direct payments to source daytime support of their own choosing. As a result, the Council has been able to make efficiencies by moving 116 people from in-house day care to support in the community and has reinvested the savings made in the independence and reablement support for older people described above.

With a growing market in independent-sector older people's housing, the Council's ageing stock of residential accommodation for older people struggles to compete in terms of quality of amenity (though our standard of care remains as high as ever). Ninety-six people have been successfully moved from council residential care to better accommodation in the independent sector, many of them in friendship groups as they wished. All have settled well in their new surroundings and the savings made have been reinvested in social care services. Thanks to the Council's preventive and reablement effort, the overall number of bed-weeks in residential care continues to fall.

A major piece of work to analyse and understand the cost and dynamics of the residential care market in the city has resulted in the establishment of a fees framework for Council-purchased, independent sector residential care. In a landmark consultation process, involving the close co-operation of elected members of all parties, providers, stakeholders and commissioning officers, a fee structure was agreed and is in the course of being implemented. It will deliver payment for quality, allow close monitoring by the Council and result in rising standards as care home owners improve the quality of their offer to achieve higher rates of payment.

In learning disability services, the Independent Living Project is now complete, with all of the Council's old, hostel-type accommodation now being closed and their former residents now living as tenants in new, purpose-built flats and apartments, with support tailored to individual needs and abilities. There are many inspiring stories of people finding new confidence and independence through de-segregation and their new-found presence in communities.

Focus has now moved to daytime services for people with learning disabilities and a similar approach to providing activities in small bases, such as in leisure, community and sports facilities. People are enjoying a wide variety of activities, ranging from art to drama and sport to volunteering. Two of the large and isolating Fulfilling Lives centres have now closed and work is under way to create a city-wide network of community bases to provide learning disabled people with choice and variety in their daytime activities that will unlock potential and allow people to make the most of community life. To support this, a network of 21 Changing Places lavatories has been developed (with more planned) and a Safer Places programme put under way so that learning and physically disabled people can get out and about in the city safely, enjoying more of what the city has to offer than ever before.

Integrating services so that people can benefit from more than one public service at a single visit is the theme of the new 'Holt Park Active', which is currently under construction. Here, people of all abilities will be able to gain access to sport, older people's services, services for people with mental health needs and learning disabilities, is a setting that also provides for leisure, community and socialising activities. A Changing Places toilet will be included.

Work to integrate front-line Adult Social Care and Health teams has made good progress, with social workers, occupational therapists, GPs, district nurses and community matrons working together at a number of pilot sites across the city. Further integrated teams will

continue to be developed and this will be strengthened in April 2013 when responsibility for Public Health transfers to the local authority.

Budget proposals

Over the past year, the Adult Social Care directorate has furthered its theme for service developments for the future, which is entitled 'Better Lives for People in Leeds'. The 2013/14 budget has been developed in accordance with the 'Better Lives' principles and also takes account of the recently-developed 'Best Council Blueprint', through which the authority will become smaller in size and larger in influence. This last concept, strongly influenced by the Commission on Local Government, sees local authorities in future acting as 'place shapers' and catalysts both for existing markets and for stimulating entrepreneurs within communities, with decision-making and service delivery being devolved as closely as possible to the people and communities being served.

To achieve our Best Council, Best City ambitions, the Council's Blueprint envisages the organisation developing strong, democratic leadership at both the city-wide and local levels. It sees public services, either directly provided or, increasingly, commissioned, being focused on achieving the city's priority outcomes to ensure services are targeted where they are needed most. The Blueprint envisages locally responsive, integrated front-line services co-ordinated by an enabling corporate centre and encouraging a values-based, enterprising culture.

The Adult Social Care 'Better Lives' themes reflect and develop the Council Blueprint through a commitment to creating the means by which people in Leeds can live 'Better Lives' than they do now. The vehicles for delivery of this ambition are Better Lives through enterprise; through housing, care and support; and through integration. The 'Better Lives' budget proposals seek to realign expenditure in order to develop these three strands.

Better Lives through enterprise

Building on the success of the learning disability day service reconfiguration, Adult Social Care will develop new ways of developing personalised day services for older people and those with mental health needs. This will require a further review of daytime services in these two service areas, together with work to develop a market to provide a wider variety of new and different services from within the independent, voluntary, faith and community sectors. These combined reviews are anticipated to deliver better outcomes for 935 people whilst also reducing costs by £0.4m in 2013/14.

Options for re-providing other services through user-led or social enterprises will be explored, with options appraisals being undertaken for new models of delivery in Learning Disability Services and the Shared Lives Service. In addition, the budget assumes that further efficiencies of £0.2m can be made in the operation of Roseville Enterprises. New models of delivering social work-type activities (e.g. care management and brokerage) will be developed with the city's third sector, notably Neighbourhood Networks, building on the pilots now successfully operating in three areas of the city.

Better Lives through housing, care and support options

Greater emphasis on care and support to help people remain living in their own homes for longer means that there are new requirements for extra care housing for older people. The Council is actively pursuing a bid against the £300m recently announced nationally by the Department of Health, to enable further development of such facilities. Much of the Council's existing stock of long term residential care homes is unlikely to remain viable as a source of older people's housing. The budget proposals include savings of £0.6m from the

on-going review of residential services for older people. This will require a further review of the Council's older people's options for long-term care, together with greater focus on reablement services.

This focus will result in the city's first Joint Intermediate Care Unit, which will provide a short term rehabilitation and reablement service, opening in April 2013. The service is designed to reduce inappropriate admissions to, and facilitate timely discharge from, acute hospital care. The Unit will be operated by Leeds Community Healthcare Trust with an integrated staff team drawn from the former residential care home, Harry Booth House. The service will also contribute to a reduction in the number of bed-weeks to be purchased by the Council in long term care settings and the budget proposals reflect the realignment of resources to deliver the new unit. The continued roll out of the citywide reablement service is also estimated to improve outcomes for up to 2000 people per annum and reduce the costs of long term care for those service users by £0.9m in 2013/14. Focussing all available in-house Older People's Community Support resources on reablement services is also estimated to save a further £0.5m in 2013/14.

The continued capital investment in Telecare Services will also support an additional 240 people to continue to live independently in their own homes for longer than they would have been able to and will also contribute to the reduction in the costs of long term care by £0.2m in 2013/14. The current service supports over 2000 new clients a year. Plans are also being finalised in relation to the development of an Assistive Technology Hub in Leeds, which will bring together a range of Assistive Technology Services into one location within the City to enable the further promotion of Telecare, Telehealth and other forms of Assistive Technology to support independent living.

Better Lives through integration

Integration with NHS partners, both in front line delivery, management and strategic commissioning levels will continue apace. The budget assumes that by working in partnership through Integrated Community Based Teams, the opening of a jointly operated Intermediate Care Unit and closer co-operation through the Health and Social Care Transformation Board, this will deliver better outcomes for those people affected and also allow for the redirection of £1.9m of resources into meeting the increased demographic and demand pressures outlined above. In the medium term further efficiencies may also be achievable by consolidating roles.

Although there are clear improved outcomes for people as well as financial benefits from Integration with Health, there are also significant 'up front' (non-recurrent) investment costs, together with on-going (recurrent) cost pressures incurred in achieving these benefits. Through the Health and Social Care Transformation Board, Adult Social Care has received significant non-recurrent support in recent years. Similarly NHS ABL has passported recurrent funding to the Council in respect of reablement services. Whilst the amount of support budgeted has reduced from £7.2m in 2012/13 to £4.7m in 2013/14, the budget still places a heavy reliance on funding from Health partners. This funding is required to both support the continued transformation work to deliver integrated services and also to maintain and increase reablement services.

In the 2010 Spending Review the Government provided additional funding for Adult Social Care. This is intended for measures that support social care, which also benefit health, delivering better quality and more efficient service across the health and social care system. In 2012/13 Leeds received £8.9m and for 2013/14 this will increase by £2.0m.

In addition, the provisions of the Health & Social Care Act and intentions set out in the 'Caring for the Future' white paper will have significant implications for Adult Social Care and the way that we work with partners. The White Paper signalled an additional £100m being provided nationally in 2013/14 to support the implementation of the government's proposals. The exact allocation for Leeds is not yet known, however, there will be a range of additional expenditure pressures to deliver on the increased requirements, in conjunction with our partners, including:

- Developing measures to reduce social isolation and loneliness
- Further incorporation of preventative practice and early intervention
- Improvements in Information and Advice Services
- Implementing a national eligibility threshold
- Further support for Carers, including a Carers needs analysis

Other Efficiencies and Income

As well as reshaping services to deliver Better Lives for people in Leeds, Adult Social Care will continue to focus on delivering efficiencies, building on the substantial savings delivered over recent years.

The directorate is in the process of taking over the management of £11.7m of contracts from Environments and Neighbourhoods. These contracts were formerly funded by Supporting People grant and either fund support to people in receipt of directly provided services or are ones where the contract is jointly commissioned with Adult Social Care for external services. The transfer comes with a 5% efficiency target previously agreed with E&N colleagues. The directorate has agreed a series of actions with colleagues from Environments & Neighbourhoods to manage this pressure within its overall resource allocation, whilst at the same time seeking to minimise the impact on any particular client group.

There continues to be a focus on addressing the remaining anomalies with respect to charges for non-residential services. Consultation is currently underway and it is anticipated that revised charges will be proposed that could generate additional income of up to £0.7m in 2013/14. This reflects Leeds remaining lower than comparator authorities in terms of both levels of charges and income generation, which in turn reflects on our ability to commission and deliver services at a comparable level with other local authorities.

The directorate has determined to make the Community Meals service self-financing, and £150k efficiencies have been set for the service. Discussions are on-going with Commercial Services, the service provider, to determine how this will be achieved, options currently being reviewed are a mix of increased turnover, cost efficiencies and charging.

The Council's overall budget proposals for 2013/14 include a target of £7.5m to be delivered through procurement savings of which £0.4m are expected to be delivered against expenditure incurred by Adult Social Care. These savings will be delivered through Corporate Procurement negotiating improved contract terms for supplies and services.

Key Risks

The demand led nature of the services provided, together with our statutory responsibility to ensure that all assessed needs are met means that the expenditure requirements to be met from the Adult Social Care budget cannot be predicted with absolute certainty. Notwithstanding the volatile nature of the budget itself, the ambitious proposals outlined above are also not without significant risks in terms of their delivery and achievement.

In particular, the Charging Review is still undergoing consultation and the final proposals may not achieve the amounts initially anticipated. A number of different service delivery models are the subject of on-going and future consultations, and again the final proposals may not achieve the savings originally anticipated.

The budget again relies on £2.3m of currently unsecured funding being secured from Health Commissioners. Given the current transformation of the NHS, and in particular, commissioning decisions being taken by the 3 Clinical Commissioning groups from 1st April 2013, the securing of such levels of funding remains a critical risk in delivering these budget proposals.

Adult Social Care

Pressures/Savings	2013/14 £m	2014/15 £m	FTEs	Is this relevant to Equality & Diversity Y/N
Budget Pressures				
a) Demography and Demand				
Provision for the projected population growth for over 85s	0.6	0.3	0.0	N
Increased personal budgets taken as cash payments	0.5	1.5	0.0	N
Increased number of new and enhanced learning disability care packages	2.7	2.7	0.0	N
b) Health Funding				
Health funding of £3m was budgeted in 2012/13 to support service transformation, the overall budget strategy assumes that £1.5m of that funding will not recur.	1.5	0.0	0.0	N
In total, the 2012/13 budget assumed £7.2m funding from Health, including the £3m above, with the balance in relation to reablement and other one-off funding. There is currently no agreement that this funding will recur in	3.3	0.0	0.0	N
c) Supporting People Funding				
Supporting People contracts are being transferred from Environments and Neighbourhoods with an associated efficiency target to be delivered.	0.5	0.0	0.0	N
d) Demand Management				
Changing the way we work in partnership with health to mitigate the impact of demand and demography, which will be manifested in the ongoing reduction in residential bedweeks and reduced care packages for people living independently in the community.	-1.9	-1.7	0.0	N
	7.2	2.8	0.0	

Savings				
<u>Efficiencies through Better Lives for People in Leeds</u>				
a) Older People's Residential and Day Care Strategy	-0.7	-0.7	-115.3	Y
Reducing excess day care capacity and developing more specialist provision				
Increasing the use of more cost effective independent sector residential placements				
b) Home Care and Reablement	-1.5	-0.2	-63.6	N
Increased productivity in directly provided services, including focussing all available resources on reablement services, offset by costs of transport and rota allowances.				
Reduced ongoing care needs following a period of reablement				
Increased use of more cost effective independent sector care				
c) Mental Health Day Services	-0.3	0.0	-8.3	Y
New model of service providing a greater focus on recovery and delivering efficiency savings				
d) Roseville Enterprises	-0.2	0.0	0.0	Y
Revised service delivery model to better meet the employment support needs of people with disabilities				
<u>Other Efficiencies</u>				
a) Procurement Savings	-0.4	0.0	0.0	N
More cost effective procurement of supplies and services				
b) Community Meals	-0.2	-0.1	0.0	Y
Efficiencies in meal preparation and delivery				
<u>Income</u>				
a) Charging Review				
Proposed changes to the financial assessment methodology and introducing new charges				
	-0.7	-1.2	0.0	Y
The charging review proposals would enable Supporting People and Housing Revenue Account funding to be released				
	-0.5	0.0	0.0	N
b) Health Funding				
Assumes one off funding of £1.5m to support transformation, together with the full passporting of funding to support reablement from Health Commissioners				
	-2.3	0.0	0.0	N
An increase in the additional health funding earmarked by the Department of Health for social care. It is intended for measures that support social care and also benefit health to deliver a better quality and more efficient service across the health and social care system.				
	-2.0	0.0	0.0	N

<p>c) Other Funding</p> <p>Funding has been set aside in previous years to deliver modernised services. In addition, funding will be available to support the "Caring for the Future" White Paper responsibilities. Work will be undertaken to attempt to identify where any duplication of expenditure requirements may arise. A target of £0.5m will be pursued.</p>	-0.5	0.0	0.0	N
<p>d) Net effect of other variations</p>	-0.1	-0.2	-2.5	N
	-9.4	-2.4	-189.7	
<p>Total</p>	-2.2	0.4	-189.7	

Initial Budget Proposals Children's Services

There are 180,000 children and young people in Leeds aged under 19 and the Council has a statutory responsibility and a duty to safeguard and promote their welfare. Working in partnership with families, communities, schools, businesses and Children's Trust Board partners, there is a clear and agreed vision for Leeds to be a truly child friendly city, built around a commitment to put the child at the heart of everything we do and where children and young people have voice and influence. Our ambition is for Leeds to be the best city in the country for children to be born, grow-up, learn and have fun, which we will achieve through the delivery of our Children and Young People's Plan (CYPP).

The Children's Trust Board has set out a framework for delivering this vision through the CYPP, which articulates 5 strategic outcomes, 11 priorities and 16 key indicators which, when combined, will help to deliver our ambitions. In addition, the focus on our 3 over-arching strategic 'obsessions', areas where we need unrelenting activity to drive rapid and sustained change, is continuing. These 3 strategic 'obsessions' are;

- Reducing the need for children to become looked after
- Improving behaviour, attendance and achievement
- Increasing numbers in young people in employment, education or training

Within a context of sustained demand for services and consequential financial challenges, 2012/13 has been a year of significant change, progress and improvement across Children's Services. The fundamental restructure is becoming embedded and is helping to deliver real improvements in how services integrate and work together to respond quickly to children's needs and support vulnerable children, young people and families better. In terms of achievements, we have/are;

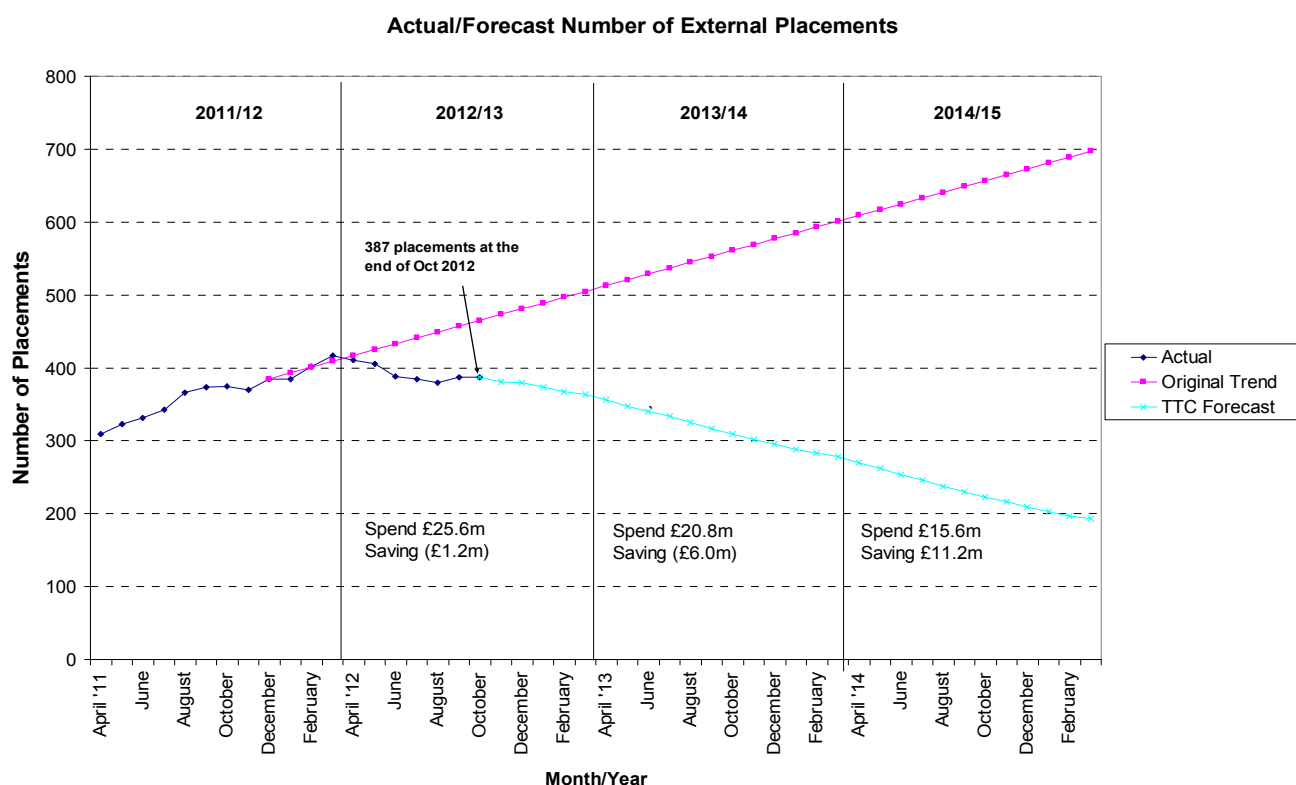
- Helping more children and young people earlier and more effectively, enabling more of them to remain safely with their families rather than entering into the care of the local authority.
- Supporting more children and young people to engage in learning, as demonstrated through our best ever school attendance figures.
- Improved our 'front door' arrangements to improve our help for the children and families who face the biggest challenges and risks, which in turn helps us to manage referrals better and ensure they get the help they need at the right time.
- Restructured our social work teams bringing a stronger focus to our social care support.
- Set-up a new integrated safeguarding unit, new targeted services and voice and influence teams through which we will continue to strengthen the voices of children and families.

What is critical as we move ahead is how we work together across the partnership to deliver improvements at a local level, in every community and in every neighbourhood in Leeds. Restorative practice is key to our new approaches. We know that we can get better outcomes for children and young people when we work with them and their families to come up with safe, shared solutions.

Recognising that the available resources will reduce over the next few years there are significant challenges ahead in terms of how we target resources so that we can continue to improve outcomes for all and in particular our most vulnerable children and young people.

Delivering on the 3 strategic obsessions, and further strengthening our early intervention and preventative services, are key to preventing risks escalating and becoming harder to resolve. Government has rightly raised expectations of standards, particularly in safeguarding, and is driving a wide range of reform across the whole system. This includes a stronger focus on promoting permanence and adoption as a key route to improving the lives of children and young people in care.

Following the progress in 2012/13, the demand-led pressures within the placement budgets are forecast to reduce further into 2013/14 and the proposals include potential savings of £7m (with a further £4.2m in 2014/15) around reducing placement numbers and changing the funding mix across the externally provided residential and fostering placement budgets. These savings recognise the impact of the additional investment into work around prevention and intervention and the changing mix of placement provision through additional investment into in-house provision, special guardianship orders and adoption support. In addition, the proposals include £1.1m of procurement savings arising from the framework contracts for residential and fostering placements that have been negotiated, agreed and implemented across the region. The graph below shows the numbers of externally provided placements over recent years and also the impact of the turning the curve action plan.



In 2012/13, the Early Intervention Grant (EIG) for Leeds in 2012/13 is £32.7m and is used to fund key priority services such as Sure Start Children's Centres, short-breaks and respite provision for disabled children, targeted/specialist information, advice and guidance as well as support for teenage parents and specialist family intervention services. Under Government proposals, the EIG will cease from April 2013 with £1.7bn of the £2.4bn national total (£23.9m for Leeds) being built into formula grant calculations from 2013/14 (£1.6bn in 2014/15, £22.5m for Leeds). Nationally, £534m (£760m in 2014/15) will be 'top-sliced' and transferred into the Dedicated School Grant (DSG) in order to fund the expansion of early learning and childcare for disadvantaged 2-year olds. In addition, Government is intending to retain £300m nationally across both years to fund centrally run initiatives and schemes.

These changes will effectively reduce the funding available locally to fund the services that support our most vulnerable and challenging children and young people. As mentioned above, the estimated net impact for Leeds in 2013/14 is a pressure of £5.4m which recognises the transfer of the existing 2-year old costs to the DSG and some flexibility around grant funding infrastructure development costs, although this flexibility will only be available until 2014/15.

Maintaining and increasing investment across the range of preventative and early intervention services is a cornerstone of the budget strategy and the proposal is therefore to mitigate the immediate impact of the changes by borrowing up to £4m in 2013/14 from school balances. This would then be repaid by March 2017, through savings on the looked after children budgets.

In spite of the changes to the EIG funding, the budget strategy continues to support the strategic obsession around reducing the need for children to be looked after, by maintaining and prioritising resources into preventative and early intervention and to target resources to those vulnerable children and families who need support the most. To this end, an additional £2.5m (£1.7m funded through the Families First programme) has been provided to expand family group conferencing, family support, increase the multi-systemic therapy provision and to continue to invest in targeted locality services.

The current Children's Services Transport Policy was produced following the Education and Inspections Act 2006. The current policy includes discretionary provision represented in the availability of free home to school travel to faith schools; post 16 mainstream transport to schools/colleges and also home to school/college transport for young people with special educational needs (SEN) between the ages of 16 and 25. The budget strategy for 2013/14 and 2014/15 recognises the proposal to cease, with effect from September 2013, the discretionary provision around mainstream post-16 transport and also the free provision of transport to faith schools. These proposals will save £1.3m in 2013/14 with a further £0.9m saving in 2014/15.

Recognising the availability of targeted pupil premium funding to all schools across Leeds, the budget strategy also proposes to cease the provision of school clothing allowances from April 2013, with estimated savings of £0.6m.

As mentioned previously, the Children's Services budget strategy continues to seek to prioritise resources to support the most vulnerable and challenging children, young people and families across Leeds. To this end, the proposals recognise the need to review and reduce discretionary services and as part of this strategy the budget seeks to increase traded income in Learning Improvement and reduce the current net cost of Artforms (including the Music Service). In addition, as part of developing the budget, all budgeted vacant posts have been reviewed across the Directorate and an estimated £0.5m of cost reductions have been included in the budget in respect of take-up of the Early Leavers Initiative. As part of the medium-term strategy around prioritising resources to front-line provision, the budget strategy includes savings of £0.3m in 2013/14 and a further £0.2m savings in 2014/15 around the continuing review of back-office functions.

The proposals contained in the Youth Review seek to end generalist youth provision, restructure the targeted service by September 2013 and commission new targeted youth contracts by April 2014. In addition, a small grants framework will be setup, based around Area Committees, to stimulate the development of activities for young people. The estimated net savings from the Youth Review proposals in 2013/14 are £0.4m with a further £0.7m of savings in 2014/15.

The fundamental reforms to schools funding from April 2013 will potentially have a significant impact on individual school budgets and those services that are currently funded from the central schools budget. These changes include the transfer of the Local Authority Central Spend Equivalent Grant (LACSEG) from the Council's formula grant into a specific revenue grant which, from April 2013, will then be reduced in-year to reflect any maintained schools that become academies from April 2013. A specific report around the changes to schools funding is on the agenda for the Executive Board in December 2012.

Children's Services

Pressures/Savings	2013/14	2014/15	FTEs	Is this relevant to Equality & Diversity
	£m	£m	£m	Y/N
Budget Pressures & Additional Investment				
a) Early Intervention and prevention - provision for the further expansion of preventative and early intervention services as part of the 'Turning the Curve' programme around reducing the need for children to be in care.	0.8	0.7	32.1	Y
b) Early Intervention Grant - net impact from the top-slicing of the EIG to fund the expansion of early learning for disadvantaged 2-year olds.	5.4	1.3	0.0	N
c) Demand-led pressures, including placement sufficiency - continuing additional investment in SEN support, additional temporary social work capacity, additional in-house fostering and adoption capacity, including provision to review fees and allowances as well as additional fostering support.	3.1	0.8	34.7	Y
d) Health Funding	1.5	0.0	0.0	N
	10.8	2.8	66.8	
Savings				
a) Reducing the need for children and young people to be in care - the financial impact from the 'Turning the Curve' programme in terms of reducing the number of looked after children, changing the mix of placement provision and financial contributions	-7.0	-4.2	0.0	Y
b) Home to School/College Transport - work with partners to improve access to children and young people across the City. This will include reviewing the current transport policy with a proposal to cease the provision of discretionary post 16 (mainstream and SEN) home to school/college transport and also transport to faith schools with effect from September 2013.	-2.8	-2.0	0.0	Y
c) School Clothing Allowances - with effect from April 2013, cease the provision of school clothing allowances	-0.6	0.0	0.0	Y
d) Youth Review - implementation of the Youth Review to end generalist youth provision, restructure the targeted service by September 2013 and commission new targeted youth contracts by April 2014. Setup Area Committee based small grants framework to stimulate activities for young people.	-0.4	-0.7	-12.6	Y
e) Procurement savings - estimated savings from regional framework contracts in respect of externally provided residential and fostering placements as well as savings on other commissioned budgets.	-2.0	0.0	0.0	Y
f) Income & cost reductions - review of subsidised and traded services, including Learning Improvement and Artforms.	-0.8	-0.5	-15.0	Y

g) Income - proposal to reduce subsidised childcare provision in children's centres through increasing nursery fees by £2 per day (2.88% above inflation) from April 2013.	-0.1	0.0	0.0	Y
h) Business Support functions - explore opportunities to rationalise back-office functions.	-0.3	-0.2	-7.1	Y
i) Impact of School Funding Changes - recognition of the general fund impact of the school funding reforms, including a provision for a potential in-year reduction of LACSEG funding. Also includes a proposal to borrow of up to £4m from school balances in 2013/14 to offset in part the impact of the reduction in Early Intervention Grant funding.	-2.2	3.2	-14.7	Y
j) Budget rebasing, efficiencies and other staffing savings - review of the base budget reflecting spend/income trends as well as continuing reductions in running cost budgets. In addition, a range of proposals including ongoing vacancy management, provision for a number of leavers under the early leaver initiative and savings on capitalised pensions.	-2.2	0.6	-2.2	Part
	-18.3	-3.8	-51.6	
Total	-7.6	-1.1	15.2	

Initial Budget Proposals - 2013/14

City Development

Background to the Budget Proposals

The City Development Directorate is responsible for the Council's physical, economic and cultural services. The range of services and functions that it provides makes a significant contribution to the life, growth and vitality of the city, whether this is through the maintenance of more than 3,000 km of public highway, the management of all planning applications and new developments, the delivery of a range of events and cultural activities, the city's network of sport centres, libraries and museums, or the development of a multi billion pound property portfolio.

Since 2010/11 the Directorate has managed significant reductions in spending and staffing, including over £11m of savings in the 2011/12 budget. These savings included reductions to maintenance budgets and the rationalisation of sport and library services. Staffing levels have reduced by approximately 20% over the last 3 years. With the funding reductions that the Council faces over the next four years it is recognised that the Directorate will need to contribute to this by identifying further savings proposals. Whilst further service budget cuts and efficiencies will inevitably form part of the budget strategy the Directorate will also seek to strengthen the connection between the budgets of services and their ability to attract new opportunities for funding. The Directorate will also pursue alternative service models and a greater utilisation of shared services and in some cases services delivered directly by and for the community. The budget reductions will, however, mean a review of current service provision and further reductions in staffing across the directorate

The Directorate will actively support and develop the concept of Civic Enterprise for example improving the skills and job opportunities for young people through apprenticeships and will continue working closely with other directorates to support social enterprise in initiatives such as linking financial inclusion with fashion to engage with young people living in areas of deprivation. We are seeking to strengthen delivery against all five propositions of the Commission for Local Government but have a particular focus on ensuring the Council continues to develop its role in:

- Stimulating jobs, homes and good growth
- Establishing a 21st Century Infrastructure
- Devising a new social contract

Stimulating jobs, homes and good growth

The Directorate will continue to provide strong City Leadership on the economy, well being and sustainability. The Directorate will take a lead role in maximising income for the Council and will provide a focussed and high calibre economic and development service that create the environment for private, public and third sectors

to thrive for example through support for businesses and enterprise and acting as client for the Council's services and objectives delivered through Leeds and Partners. The Directorate will seek to maximise the use of the Council's land and property assets to stimulate economic growth, promote the development of key sectors and develop a quality environment for people to both live and work. It will also make full use of new freedoms afforded by government to develop additional revenue in the form of the retention of business rates and New Homes Bonus. Similarly, housing investment to increase the supply of new houses and deliver new affordable homes is currently being achieved in a wide variety of ways including the HCA funded Affordable Housing Investment Programme, work with developers to deliver affordable housing via the planning system and LCC direct investment in new homes. The Development services will target good growth as a means of optimising revenue from these sources and seek to make a stronger link between operational budgets and performance in achieving good growth.

City Development has taken a lead role in managing the Leeds interface with the City Region and in particular the work emanating from the City Deal relating to the £400m Investment Fund and the £1bn Transport Fund for the city region over the next 10 years. We will also develop new partnerships to stimulate economic growth with both the private, public and third sectors and all of this clearly sits within the structure provided through developing the Core Strategy and Local Development Framework. This will also link with initiatives such as the Apprenticeship Training Agency in partnership with the City College.

The Directorate will continue to lead on supporting key developments in the city such as the Trinity Development and the Eastgate and Harewood, developing the Enterprise Zone status for the Aire Valley, the development of the Leeds Arena and developing a strategy for Kirkgate Market.

Establishing a 21st Century Infrastructure

The Directorate will continue to lead on the development of the City's infrastructure including transport, flood alleviation and broadband and to optimise external funding opportunities whilst working in partnership at a local, regional and national basis. Where appropriate we will seek to deliver efficiencies through a combined authority model.

The Council is the largest owner of land and property in Leeds. The Council's asset base is a valuable resource that has a fundamental impact on the quality of life in the city. As part of the budget plus process the Directorate will deliver an effective investment programme to ensure that the council's assets are fit for purpose and a linked asset rationalisation programme that will help to pay for it by undertaking a full asset review project over the next 4 years.

As part of a review of service delivery the Directorate will consider community asset transfers in instances where the management of local assets can be delivered better by the community and develop our approach to neighbourhood planning to ensure that we fully support local communities to develop robust and coherent neighbourhood plans that inform the future development of local areas. Local regeneration initiatives will continue to be promoted by working collaboratively with

communities and land owners to bring forward well formed solutions that meet local need

Devising a new social contract

The Directorate will seek to make stronger links between our leisure services and Health including initiatives such as shared use of leisure facilities for people with learning difficulties and the autumn opening of the Holt Park Wellbeing centre and continue to take a more proactive and targeted approach to the use of our leisure resources to mitigate against the long-term impact of unhealthy lifestyles. We will also work alongside Health and Sport England to promote improving health to those who currently don't participate in any activity, and using less busy times in our sites to achieve these objectives. We will base this on an existing successful project happening in another authority.

Through working closely with Children's Services in areas such as the hugely successful Breeze, and a range of other Library, Arts and Heritage service led initiatives. We will also continue to support the aspirations of being a Child Friendly City.

2013/14 initial budget proposals

The draft budget for 2013/14 includes both savings and income generation proposals and also provides some additional funding for specific budget pressures. The ongoing difficult economic conditions have continued to have an impact on the Directorate's income base. It is proposed that a number of income budgets are to be reduced reflecting trends in 2012/13 which are expected to continue into 2013/14. These include reductions to rental income and advertising income budgets and income from work on PFI schemes. The planned disposal of part of the sovereign street car park site during 2013/14 will lead to a reduction of income of approximately £380k. The cost of securing and maintaining void properties increased significantly in 2011/12 and has continued to be an issue in 2012/13. This has been mainly as a result of the asset rationalisation programme which has increased the number of void properties. Proactive management of the properties has seen the number of properties and cost reduce during 2012/13 but the base budget going forward needs to be increased for the next two years to reflect the increase in void properties. It is proposed to increase the void property budget by £250k next year, it is anticipated that costs will then reduce as options for the void properties are brought forward. Other funded expenditure pressures include an additional £350k for energy costs in Sport and an increase in the Planning and Development staffing budget of £150k to provide for additional staffing to support the development of the Core Strategy and Neighbourhood Planning. As in previous years the Directorate will continue to look to reduce staffing numbers where appropriate. A saving of £2m on the staffing budget has been included in the 2013/14 budget proposals. It is anticipated that reductions will be achieved through the Early Leaver Initiative and through further service restructures which will aim to reduce areas of duplication and ensure efficient service support and focused service delivery. Restructures are planned to be implemented in Asset Management and Regeneration, Heritage Services, Highways and Transportation, Building Control, Economic Development and Leeds Lights. These will lead to a reduction in posts and to refocused and reduced service provision. It is

estimated that there will be a net reduction of approximately 85 FTEs in 2013/14. The budget proposals include some provision for increases to fees and charges but as in 2012/13 these will be kept to around inflation levels. Planning fees are set by the Government and the last increase was in 2008/09. The Government is proposing an average increase in Planning fees of 15% from late November 2012. This is estimated to result in additional fee income of approximately £350k. Fees and charges in the Directorate have been reviewed and the scope for increases and raising additional income assessed. The potential for new sources of income will be explored including the possibility of the introduction of charges for permits issued through resident parking schemes which are currently provided free of charge.

A target saving of £1.1m has been included in budget proposals to be realised from a review of operational budgets and anticipated savings from improved procurement arrangements. To achieve a reduction in operational spend service provision will have to be reviewed and could include reductions on advertising and promotional budgets and spend such as equipment and maintenance. Other expenditure savings include a reduced cost of insurance in Highways and Transportation following a reduction in claims and further street lighting energy savings from installing energy saving technology.

Sport and Library facilities were reviewed as part of the 2011/12 budget proposals and although it is not proposed to further reduce service provision significantly, it is proposed that the scope for reduced opening hours at the costliest Sport Centres is explored together with other options such as examine whether other service delivery models could be appropriate for some services and seasonal closure of some Heritage facilities. Savings from these proposals will include reductions in staffing levels which will also contribute to the £2m staffing reduction target. A review of the Events programme and budget will be carried out to identify proposals for further reducing the net cost of events in the City with a target saving of £330k.

A key part of the Council's Budget Plus proposals will be a review and ultimately a reduction on the number of assets that the Council owns. Although the majority of savings will be in service budgets a target saving of £100k has been included in City Development's budget proposals for 2013/14. As part of the Budget Plus process the links between Corporate Property Management and Property Maintenance will be reviewed with the aim of identifying the scope for savings.

City Development

Pressures/Savings	2013/14 £m	2014/15 £m	FTEs	EIA required Y/N
Budget Pressures				
a) Disposal of sovereign st car park site	0.38	0.36	0.0	N
b) Energy costs in Sport	0.35	0.0	0.0	N
c) Rental income shortfall	0.35	0.0	0.0	N
d) Main bill board advertising contract reduced income following re tendering	0.25	0.0	0.0	N
e) Void property budget	0.25	-0.10	0.0	N
f) Income from PFI project work in planning and economic development	0.20	0.0	0.0	N
g) Neighbourhood consultations including East Leeds	0.05	0.0	0.0	N
h) Base budget staffing adjustment in planning and economic development	0.30	0.0	0.0	N
i) Additional planning staffing resource requirement for Core strategy etc.	0.15	0.0	4.0	N
j) Holt Park PFI affordability gap	0.00	0.20	0.0	N
	2.28	0.46	4.0	
Savings				
Stop Doing/Service reductions				
a) Staffing reductions across the directorate from ELIs and restructures across some services Includes planned restructures in Asset Management and Regeneration, Heritage Highways, Building Control, Economic Development, Leeds Lights. As a result there will be a reduction in the number of posts and reductions in service provision and with a realignment of service prioritisation.	-2.00	-1.00	-83.0	Y
b) Street lighting energy savings following roll out of pilots	-0.12	0.0	0.0	Y
c) Reduced openings at 5 of the costliest sport centres per visit	-0.15	-0.05	-3.0	Y
d) Seasonal closures - Heritage services	-0.03	-0.02	0.0	Y
e) Review net cost of events programme	-0.33	0.0	0.0	Y
f) Reduced Operational spend All services bringing forward proposals for reductions to operational spend. Includes reductions to spend in the City Centre and on advertising, promotional budgets, reductions to planned spend on equipment and maintenance.	-1.10	-0.40	0.0	Y

Partnership Working				
g) Pursue social enterprise/CAT for Leisure facilities	-0.05	-0.05	0.0	Y
h) Review CPM, property maintenance, building control	-0.10	-0.10	-3.0	Y
i) Asset rationalisation	-0.10	-0.10	0.0	Y
Income Proposals				
j) Fees and charges increases and review across the directorate includes price increases for licences and street trading, other planning charges, highway charges, other leisure charges	-0.20	-0.20	0.0	Y
k) Review of residents parking	-0.75	0.0	0.0	Y
l) Sport price increases	-0.25	-0.10	0.0	Y
m) Planning fee increase (average 15%) (set by central government)	-0.35	0.0	0.0	N
n) Neighbourhood Planning grant	-0.10	0.0	0.0	N
Other				
o) Highways insurance charges	-0.35	0.0	0.0	N
	-5.98	-2.02	-89.0	
Total	-3.70	-1.56	-85.0	

Initial Budget Proposals 2013/14

Environment and Neighbourhoods

The Department manages a diverse set of functions which, nevertheless, combine to form some of the key foundations of strong communities. Clean streets, well maintained green spaces which people can use, sound housing which meets people's needs, safe neighbourhoods - these are marks of desirable places to live. Some services, such as refuse collection are taken for granted but when not delivered are immediately noticed. At a time of significantly diminishing resources, priority has been given to ensure that these bedrock services are maintained.

The Department, beyond its universal duties, also serves some of the most vulnerable in the city. As well as providing advice to the many thousands in housing need, the Department supports many others to sustain their tenancies. The department intervenes in the private sector to tackle some of the worst housing conditions in the city. Through close working with the police and health service, services are commissioned to help people leave a life of drug dependency.

There is also a longer term agenda. Work to improve and add to the city's housing stock has importance for many years to come, as do the environmental choices we make today.

The Key Outcomes

Based on the above, the Department has a number of key priorities which the budget is designed to support. They are as follows:

- preventing homelessness;
- improving the quality of private sector housing
- reducing crime and anti social behaviour
- reducing fuel poverty and providing sustainable energy
- providing a reliable refuse and recycling service
- minimising the amount of waste that ends up in landfill by promoting reuse and recycling;
- clean neighbourhoods, reflecting local needs;
- green spaces which people can enjoy

To achieve these outcomes, the budget brings forward proposals clustered around a number of key themes which are detailed below:

Stopping services or subsidies which don't support social need

At a time when the Council is hard pressed to deliver services, the Council has to prioritise. This budget contains a number of proposals to stop or eliminate subsidy where there is no strong case of social need being met. It is proposed to end the

subsidisation of bereavement charges. The Council provides cremation and burial services at a loss to everyone in the city, regardless of income and increases in charges will seek to remove the subsidisation for these services over a period of three years. Hardship grants are available to those in financial need.

A review of Bowling Greens in 2010 identified that the cost of Bowling Greens to the Council equates to a subsidy of £133 per bowler and that Leeds had more bowling greens than any other core city. As a result, a number of options are being explored that aim to reduce the overall cost of bowling to the Council. Some parks have multiple greens, which enables the Council to consolidate without affecting access. Other options under consideration include the transfer of ongoing bowling green maintenance to some of the existing bowling clubs with a high number of active members. Support will be given to clubs who are not in a position to sustain bowling greens themselves.

The Parks and Countryside service runs 97 allotment sites in Leeds at a cost of £175k. Income from allotment holders generates £45k. At present the rental charge for a full plot is £37 per annum for a full plot (£53 with water supply). Allotment gardening is very popular and there is a huge demand for plots and waiting lists have to be managed for many of the allotment sites. It is proposed that charges to allotment tenants and organizing committees are reviewed with the aim to eliminate the subsidy on this service, thereby saving the Council £130k.

It is proposed to close Middleton Park and Gotts Park golf courses. Both courses run at a loss and the numbers using them continue to decline. There is no evidence that those who use the courses would be unable to access other facilities in the city. The explosion in golf provision has brought down the cost of golf significantly and ensured places to play across the city. Middleton golf course is adjacent to another private course and there are other nearby alternatives to Gotts Parks. Returning the golf courses to parkland will achieve savings and also open up large areas of land to general public usage.

Increasing numbers of commercial companies are accessing Household Waste Sites across the City for the illegitimate disposal of commercial waste. As a result Leeds City Council is currently subsidising these businesses by paying for the disposal of their waste. It is therefore proposed for Leeds to adopt the position taken by many other Local Authorities and enforce a ban on the acceptance of commercial waste at all Household Waste sites, by directing marked commercial vans to Kirkstall Road and East Leeds, where appropriate arrangements exist to facilitate charging businesses for the disposal of their waste.

Ending Duplication

The budget proposals contain a number of proposals to consolidate work within the Authority to avoid duplication of effort.

The cessation of the Supporting People ring fence facilitates the transfer of half of this budget to Adult Social Care. Not only are they best placed to deliver efficiencies but it allows the services to be commissioned from one place which creates a better overview of the whole activity.

The provision of the housing management function, currently provided by the ALMOs, is under review. Regardless of the outcome of this review, it is proposed that resources that deal with improving the environment within both the ALMOs and Environmental Action are combined. Not only will this deliver an enhanced service that is responsible for the environmental wellbeing of areas, but it would also clarify responsibilities and accountability for service delivery as well as realising efficiencies.

Working in Partnership

The cost of the Environmental Health function will be reduced through a combination of reviewing the level of resources required to delivery statutory requirements and progressing proposals to work more closely with other West Yorkshire Authorities in the delivery of statutory responsibilities.

A reduction in the amount of waste that is collected by the bulky waste service and then land filled will be targeted. In order to achieve this it is proposed to work more closely with Third Sector organisations to recycle and re-use more of the items that are collected. In addition options to determine an appropriate charging arrangement for the collection of bulky household items is to be developed.

Utilising external funding to support energy efficiency. There is also the opportunity to tackle carbon reduction, reduce fuel poverty and provide an income stream to the Council through renewables.

Income generation

Within the Parks and Countryside service it is proposed to increase the level of income receivable thorough trading activity. Through increased marketing it will seek to sell its expertise in landscape contract management, forestry, sponsorship, Rights of way and natural habitat management primarily to other public sector bodies as well as continuing to develop the expansion of its nursery business activities.

Following the receipt of the Car Parking review report at Executive Board in September 2012, a consultation exercise is now underway. In the context of this review, proposals are being developed around a charging policy for Sunday parking in the City Centre along with the extension of evening car parking charges to cover all off street car parks as well as on street parking.

In 2011/12 CCTV and Security functions were consolidated within the Community Safety service. In addition to the realisation of efficiencies that have already been delivered by this action, further cost savings can derive by aiming to consolidate responsibility within Community Safety for the management of this type of activity council wide. The service will also seek to expand by engaging with both public and private sector organisations with a view to providing them with both security and CCTV related functions.

Innovation

In September 2012 Executive Board received a report with set out as series of proposals to increase the supply of affordable housing in the City. In order to progress this objective an allocation of New Homes Bonus will be used to resource a staffing structure that will deliver on the targeted level of increases to the housing stock in the City and the consequential increases in Council Tax and New Homes Bonus receivable. In the past twelve months the amount receivable as new Homes Bonus will increase as a result of 1024 successful interventions which has reduced the number of empty properties in the City.

It is proposed to implement alternate week collection of recyclable and residual waste citywide. By March 2014, this enhanced service for the collection of recyclables will have been rolled out to 150k or 44% of properties in Leeds. Further rollouts will occur in the following financial year with the intention that 80% of households will ultimately be in receipt of this service. Not only will this development lead towards a reduction in the Council's waste disposal costs but it will also contribute towards increasing the overall level of recycling across the City.

Other

It is anticipated that the retendering of recycling contracts in respect of the contents of the green bin, along with separate glass and textiles contracts, will continue to deliver further procurement savings.

Charges to the Housing Revenue Account will increase to more accurately reflect the cost of maintenance and landscaping work at recreation areas on Council estates, activity levels in respect of the nuisance service and the level of support that is required to ensure that vulnerable adults can continue to live in their own homes.

Developments relating to services funded through the Housing Revenue Account (HRA) are dealt with separately in this report.

Environment & Neighbourhoods

Pressures/Savings	2013/14 £m	2014/15 £m	FTEs	EIA required Y/N
Budget Pressures				
a) Closure of Quarry Hill Car Park	0.4	0.0	0.0	N
b) Landfill Tax	1.6	1.6	0.0	N
c) Within the refuse collection service additional costs will be incurred through a combination of largely providing cover for agency staff who have now been taken on as full time employees and a review of resource requirements on routes.	0.2	0.0	8.4	N
d) Income variations are largely due a combination of a reduction in the number of Penalty Charge Notices for parking offences (£0.2m); a reduction in the market price of scrap metal (£0.1m); a reduction in sales at visitor attractions shops and cafes (£0.1m) and less electricity being produced from gas emitted from the closed landfill site at Gamblethorpe (£0.1m)	0.5	0.0	0.0	N
e) Cessation of the asylum contract impacts upon the contribution made to the Council's costs.	0.1	0.0	0.0	N
f) Increased cost due to the retendering of the Pest Control contract	0.1	0.0	0.0	N
g) Closure of Union Street/Markets Car Park. (On street and Off street)	0.0	0.9	0.0	N
	2.9	2.5	8.4	

Savings				
a) To remove the subsidy on bereavement charges by increasing them at 4.5% above inflation for the next two years.	-0.1	-0.2	0.0	Y
b) Realisation of procurement savings in respect of the disposal of recycled materials (£0.3m), the retendering of the weedspraying contract (£0.1m) and the advancement of the PFI procurement process towards contract implementation (£0.2m)	-0.6	0.0	0.0	N
c) Staff working on the delivery of private sector regulation will be funded using New Homes Bonus	-0.2	0.0	0.0	N
d) Charges to the Housing Revenue Account (HRA) will increase to reflect more appropriately the work undertaken in respect of recreation areas on estates (£0.3m). activity levels in respect of the Noise Nuisance service (£0.2m) and the provision of support to ensure that vulnerable adults can remain in their own home (£0.7m).	-1.2	0.0	0.0	N
e) Implementation of alternate week collection of recyclable and residual waste. By the end of the year it is anticipated that 150k or 44% of household will receive this enhanced service for the collection of recyclables.	-0.7	-1.4	-5.7	Y
f) Reduce the cost of Environmental Health Services to deliver statutory requirements and through working more closely with other West Yorkshire Authorities.	-0.1	0.0	-2.0	Y
g) Close Middleton and Gotts Park golf courses	-0.1	0.0	-2.0	Y
h) Asset transfer re bowling greens	-0.2	0.0	-6.0	Y
i) Remove subsidy on allotments	-0.1	0.0	0.0	N
j) Supporting People payments will be reduced through a combination of reviewing priorities and extending housing benefits funding to other housing management related functions.	-1.0	0.0	0.0	Y
k) Utilise the ALMO review to realise efficiencies and improvements by consolidating responsibility for the delivery of services.	-0.1	0.0	0.0	Y

l) Reduction in the amount of waste that is landfilled from the bulky waste teams and implement a charging policy for removing bulky waste from properties. This could involve the Third Sector having some responsibility for the delivery of the service.	-0.1	0.0	0.0	Y
m) Marketing Parks and Countryside services to the private sector and other public sector bodies.	-0.1	0.0	0.0	Y
n) Disposal of commercial waste at Household Waste Sites is stopped and that it be redirected to Kirkstall Road and East Leeds where it would be charged for.	-0.1	0.0	0.0	Y
o) Car Parking Review	-0.2	-0.1	0.0	Y
p) Consolidate responsibility for the delivery of CCTV and Security functions and develop opportunities to provide these services to the private sector and other public sector organisations.	-0.2			Y
q) Line by Line savings across the Directorate (£0.2m) and staffing derived from a combination of ELI and the deletion of vacant posts (£0.2m).	-0.4	0.0	-10.0	Y
	-5.5	-1.7	-25.7	
Total	-2.6	0.8	-17.3	

Initial Budget Proposals - 2013/14

CENTRAL AND CORPORATE

Resources

During the past 3 years total savings amounting to £22m, 12.6% of budget, have been delivered within Resources. Within this context, the Directorate is continuing the transition to being an 'enabling corporate centre' by a fundamental review of all support services to ensure they represent an appropriate, proportionate and quality level of support. In the context of the 'funding envelope' for the next years, it is assumed support service budgets will reduce by around 30% over this period, representing around £3m per annum.

The professional support services are already adapting to the challenge. A fundamental change within ICT will be to build upon the current Essential Services Programme which is a step change in the infrastructure and workplace technologies to a completely Microsoft environment. As well as delivering savings in ICT Services itself through technology and contract consolidation, these new workplace technologies will provide tools that increase the productivity of the whole workforce.

Leeds was the lead authority in setting up the Yorkshire and Humber Partnership Management Board which includes 42 Local Public Service partners from across the region. The role of this board and associated programmes is to specify and commission shared ICT services such as the Public Service Network. The aspiration is the development of a regional strategy, architecture and commissioning function to service this requirement and drive it further forward.

Within Financial Services and HR, whilst the early leavers will help scale down the workforce further, numerous specific initiatives are already underway, such as a cross Council review of training administration and colocation of some HR services.

A review of business administration support across the council, lead by BSC, aims to generate annual savings of £9m by 2016/17.

Next year sees a massive change in the area of benefits: the new Council Tax Benefit scheme commences in April followed later in the year by Universal Credit. As well as dealing with these changes, the Revenues and Benefits services will also facilitate the transfer of the 'Social Fund' to the Council in 2013/14. The overall impact of the additional costs combined with funding changes means an additional cost to the Council of £400k in 2013/14.

As the Directorate operates many 'trading services', a key focus over the next four years will be whether the current operating models provide the Council with best value for money, or should alternative solution be pursued. Traded services currently provide a return of £8.5m to the Council. Within this context, where appropriate, further trading opportunities will be pursued and additional income is reflected in the budget submission. Joint working between property maintenance and facilities management targets a £600k reduction in building cleaning. In addition, a number of initiatives to reduce the operating costs of the building portfolio are proposed.

Customer Access and Performance

The Customer Access and Performance directorate continues to deliver a range of corporate functions which supports the strategic development and operational service delivery of the Council and city partnerships. The Directorate has undergone a fundamental restructure in the past 12 months across all its functions, delivering significant efficiencies whilst promoting a culture of more collaborative and integrated working. Further savings will be achieved in 2013/14 through service redesign and integration both within the Directorate and across the Council, ELI, budget and vacancy management and through exploring potential income generation activity.

Over the past two years, the directorate has embraced the demand for change and the call to action around becoming more enterprising. To this end, and with a continued focus on strategic and corporate policy development, locality and partnership management, using intelligence to drive improvement and striving to enhance and improve the customer experience, the directorate remains at the forefront of change within the Council and at the heart of the key changes planned for the next four years. These include:

- Maximising the delivery of integrated services within localities by ensuring that locality working is enabled through appropriate delegation and accountability, targeted commissioning of service, flexible and modern ways of working with associated asset rationalisation and consolidation, efficient business support and management processes and integrated intelligence.
- Improving the customer experience through making more of our services available on-line and available 24/7 and ensuring the council's customer services offering is fully integrated with services to reduce avoidable contact and deliver more things 'right first time' or resolved much earlier.
- Driving a new approach to partnership which focuses on flexible and creative strategic and delivery partnership arrangements which reflect a civic enterprise approach.
- Introducing new ways of working for colleagues across the city centre through the introduction of mobile technology, efficient and effective business management arrangements and new, rationalised office space.
- Implementing an "open data" architecture to support the provision of real-time data and intelligence for use by other local authorities, the private sector, the citizen and the wider community, to aide operational management, commissioning, strategic/policy development activities and 'digital community' developments.
- Ensuring that cross-council strategic functions led by the Directorate become smaller, more responsive and largely centralised with a strategic presence remaining within directorates.

Legal Services

The core business of the Service is to provide legal advice and related support to the Council in delivering its priorities as set out in the City Priority Plans and the Council's Business

Plan. The objective of the Service is to be the best local authority in-house legal service in the UK. Key elements for delivering this objective and which form part of the Service's Development Programme, are as follows:-

- Fully aligning the Service to corporate and directorate priorities, including the priorities which will emerge from the Budget Plus review.
- Delivering better Value for Money ("VFM") for the Council and taxpayers by, for example, reducing our accommodation costs; improving our flexibility by up skilling lawyers in new areas of expertise; improving the economy, efficiency and effectiveness of our systems, processes and procedures; reducing the cost of outsourced work; and providing enhanced cost information for clients. This requires empowering and engaging staff at all levels of the Service to play an active role in the delivery of the Service's Vision.
- Working with clients to reduce demand for legal services by, for example, helping directorates to become more self-supporting with training and encouraging clients to adopt a proportionate risk based approach to determining whether legal advice and support are needed.
- Working more collaboratively with internal clients and with our West Yorkshire partners (WYLAW) and continuing the delivery of joint initiatives to enhance VFM.
- Continuing to improve the culture of the Service to become more client focussed, "can do" and less risk averse and thereby improving the reputation of the Service amongst clients and partners.
- Exploring and where appropriate, pursuing, opportunities for income generation.

Client Directorates were asked to identify priority and non-priority areas for legal spend, and work closely with the Service to reduce overall spend on legal services. No directorate has indicated that there will be any reduction in their requirements for legal advice and support at this time. Conversely, the Service is under pressure at least to maintain its current resource in respect of social care legal (children and adults) and to increase its resources in other areas, in particular: planning enforcement, planning support for major developments, housing management and equal pay claims.

Significant work to reduce the cost of providing legal services to the Council has been taking place for approximately the last 18 months. The Service has reduced its headcount by 19% and £1.3m savings were delivered during 2011/12 - thus most of the "easy wins" have already been delivered. Given this and with 85-90% of Legal Service's costs being spent on employing staff, further significant budget reductions will result in a substantial reduction in the headcount. Inevitably, this would significantly impact upon the ability of the Service to provide legal advice and support to clients.

As part of the work to reduce the cost of providing legal services, in 2011 it was agreed that the five West Yorkshire Legal Services would look at a number of areas below in order to share resources and best practice wherever possible and to reduce the overall cost of legal services. This is called “WYLAW” and saw savings of £2.5m across the region in 2011/12 (£782k for Leeds). Initiatives which have facilitated these savings, include for example, the Service employing a dedicated Cost Draftsman who works specifically on reducing the bills of costs where we have settled claims. Each year the savings are in the region of £1m for LCC and this year the savings are expected to be in the region of £1.2m. An additional post has now been employed and funded by WYLAW in order to undertake this work for all five West Yorkshire authorities. A number of other areas are also currently being investigated by WYLAW where shared services and joint working could result in further savings.

Public Health

The public health function will transfer across from the Primary Care Trust to the Council from 1st April 2013. The gross budget is around £32m and the funding allocation will be confirmed by the Government in December 2012.

Resources

Pressures/Savings	2013/14 £m	2014/15 £m	FTEs	EIA required Y/N
a) Professional Support Services			-88.6	
The budget proposals are based on the target of most services achieving a 30% reduction in annual cost by year 4. Running costs are minimal, so the savings have to be made from staffing. Whilst the services are already pursuing initiatives such as embracing ICT to change and streamline processes and also ceasing all activities that add little value, the proposed savings will mean service reductions				
<i>Specific initiatives:</i>				
Review of cross council training administration	-0.22	0.0		Y
Better use of technology - reduction in paper invoices and roll out of self service for staff and managers in 2014	-0.18	-0.18		Y
Review of business management	-0.20	0.0		Y
Reduction in external audit fee	-0.19	0.0		
Staff savings: delayering: enabling corporate centre. This will include reductions in some services to clients within the Council, possible reduction in support for projects, reduction in internal audit coverage and concentration on priority work	-1.40	-1.40		Y
The savings will be part achieved through the use of the early leavers scheme and non-replacement of leavers, but it will also require restructure of services to realise the necessary reductions in staff.				
Stringent review of all running cost budgets, including expansion of the purchasing 'hub'.	-0.3	0.0		N
YPO 'associate member' credit and exploitation of other opportunities for external income	-0.25	0.0		N
ICT: Reduced costs due to joint working and shared services as part of Public Services Network	-0.2	0.0		N
Unavoidable costs associated with maintaining the existing network and estate of pc's	0.15	0.0		N

b) Trading Units: Commercial Services and Public Private Partnership Unit (PPPU)				
Increase in take up of school meals	-0.20	0.0		N
Fleet services: productivity improvement and procurement savings	-0.40	0.0		Y
Increased productivity and income in Property Maintenance and Cleaning (particularly around work for the ALMO's)	-0.40	0.0		N
PPPU: target of £250k additional surplus in respect of work for external organisations	-0.25	0.0		N
c) Democratic and Central Services			-25.00	
<i>Pressures:</i>				
The main pressure on the service's budget is utility costs for city buildings, including carbon reduction increases and expected NNDR	0.40	0.0		N
<i>Savings and efficiencies:</i>				
Facilities management: various initiatives and changes in respect of the operation of city buildings, including a proposal to significantly reduce the frequency of cleaning	-0.60	0.0		Y
Additional income: Registrars and Licensing	-0.30	0.0		N
No election in 2013/14	-0.45	0.40		N
d) Revenues and Benefits				
The service is currently preparing for a number of fundamental changes: the new Council Tax Benefit scheme commences in April followed later in the year by Universal Credit. In addition, the 'Social Fund' will transfer to the Council in 2013/14				
Net impact of changes to government funding	-0.30	0.41		N
Cost of new responsibilities: administration of 'social fund' and new council tax scheme ('new burdens')	0.65	0.0	10.0	Y
Increase in discretionary NNDR relief and impact of lower volumes of summonses raised for court costs	0.2	0.0		N
e) Target carry forward of £0.5m underspend from 2012/13	-0.50	0.5		N
Total	-4.94	-0.27	-103.6	

Customer Access and Performance

Pressures/Savings	2013/14 £m	2014/15 £m	FTEs	EIA required Y/N
Budget Pressures				
a) Regional Policy team restructure - opportunity to access significant European funding from 2014/15	0.09	0.0	2.0	N
b) Fallout of Macmillan funding (welfare rights)	0.03	0.0	0.0	
c) Impact of benefit changes - significant increase in customer contact expected	0.20	0.0	1.0	N
	0.32	0.0	3.0	
Savings				
a) Use of early leavers initiative and non-filling of posts to achieve staffing reductions in Corporate Support, Intelligence and Improvement, and Localities and Partnerships	-0.3	-0.3	-8.6	Y
	-0.3	-0.3	-8.6	
Total	0.02	-0.30	-5.6	

Legal Services

Pressures/Savings	2013/14 £m	2014/15 £m	FTEs	EIA required Y/N
Savings				
a) Review of Admin Support	-0.05	0.0	-2.0	Y
b) See narrative in terms of wider areas for saving across the Council				
	-0.05	0.0	-2.0	
Total	-0.05	0.0	-2.0	

Strategic

Pressures/Savings	2013/14 £m	2014/15 £m	EIA required Y/N
Budget Pressures			
a) Debt	2.0	0.0	N
b) WYITA Assumes the levy is held at 2012/13 level	0.0	0.0	N
c) Flood Defence Levy	0.034	0.030	N
d) General procurement target	-2.0	0.0	N
	0.034	0.030	
Total	0.034	0.030	



Report author: Heather Pinches
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Report of Assistant Chief Executive (Customer Access and Performance) / Director of Resources

Report to Resources and Council Services Scrutiny Board

Date: 17th Dec 2012

Subject: 2012/13 Q2 Performance Report

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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
Is the decision eligible 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

Summary of main issues

1. This report provides a summary of performance against the strategic priorities for the council relevant to the Resources and Council Services Scrutiny Board.

Recommendations

2. Members are recommended to:
 - Note the Q2 performance information 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 to scrutiny a summary of the quarter two performance data for 2012-13 which provides an update on progress in delivering the relevant priorities in the Council Business Plan 2011-15.

2 Background information

- 2.1 The Council Business Plan 2011 to 2015 sets out the priorities for the council - it has two elements - five cross council priorities aligned to the council's values and a set of directorate priorities and targets. The Business Plan includes some of the key priorities and indicators from the People Plan but arrangements are in place for more detailed updated to be provided to the Board on the full range of People Plan priorities.

- 2.2 This report includes 4 appendices:

- Appendix 1a – Performance Reports for the 5 Cross Council Priorities which are based on the Council values
- Appendix 2a – Resources Directorate Priorities and Indicators
- Appendix 2b – Customer Access and Performance Directorate Priorities and Indicators
- Appendix 2c – Other Directorate Priorities and Indicators relevant to the Board. NB these are provided for information and completeness as they relate to areas within the remit of the Board.

3 Main issues

Quarter 1 Performance Summary

Council Business Plan - Cross Council Priorities

- 3.1 There are 5 cross council priorities in the Council Business Plan which are supporting the delivery of the council values. Of these 1 is assessed as red, 2 are green and 2 are amber. This is an improvement on the position at Q1. The red priority is:

- **Consultation/Engagement:** This remains rated red overall although there has been an increase from 62% in Q1 to 73% in Q2, but there is more work to do to secure a 100% score by Q4. Many decision reports are still not clear enough in terms of whether consultation is required or not, do not provide evidence on what consultation was done and how it influenced the decision or relied on the views of a limited group of stakeholders (e.g. members) rather than residents / service users. However, there were also some very strong examples of good practice (particularly in Adult Social Care) and some directorates have implemented robust approval processes (eg City Development). Support continues to be provided in terms of training for report writers and a more proactive approach with input offered for reports in their draft stages. The Best Council Board continues to monitor progress in terms of the indicator

and will also shortly be discussing means of further developing and embedding best practice.

- 3.2 In terms of good performance **appraisals** have improved from amber to green at Q2 with 97.2% of full-year appraisals completed at the end of August, which is the council's highest ever recorded total. Three directorates (Adults Social Care, Customer Access and Performance, Legal) achieved 100% completions. Mid-year reviews are currently underway with a new objective for all staff around service improvement and delivering budget savings. Continued focus is needed to ensure improvement is sustained.

Council Business Plan - Directorate Priorities and Indicators

- 3.3 There are 19 Directorate Priorities which support the delivery of the Resources and Council Services priorities most of these are drawn from Resources and Customer Access and Performance directorates – although there are a few from other directorates that directly link and these have also been included for completeness (see appendix 1d). Of these none are red, 5 are amber and 14 are green. These are supported by 35 performance indicators and of these 4 are rated as red, 3 are amber, 13 are green, 7 are not given a RAG rating and for 8 there is no result as these are annual indicator which will be provided later in the year. The red indicators are:
- 3.4 **Sickness:** Whilst the figure is 0.95 days per fte above the corporate target, a continuing downward trend of nearly 0.5 days per fte has been seen over quarter 2 compared to the Q1 figure. The Health and Wellbeing Framework for Council employees is now in place and will support improved health within the workplace and reduced absence.
- 3.5 **Processing time for Council Tax Benefit /Housing Benefit new claims and updates:** The quarter 2 position (15.99 days) is improved compared to the position at quarter 1 with action taken to reduce the outstanding work ensuring that the average speed of processing New Claims is on target and is a much improved position. New Claims performance is 21 days against a target of 20 days. At Q2 last year new claims performance was 33 days which is a 12 day improvement in comparison. For Changes, performance in September was 13.46 days against a target of 10 days and the overall Q2 position improved by 1.5 days compared to the Q1 position. Looking forward we have put in place additional resources to improve our performance on speed of processing changes.
- 3.6 **Increase average score (out of 10) given by staff that a) the values influence how they do their job and b) they recognise the values in how their colleagues work:** The results for these indicators are: a) 6.4 and b) 6.3 and have fallen since the baseline survey. Budget Plus is providing a major opportunity to tackle workplace culture; how we deliver our agreed organisational blueprint and demonstrate our values through engaging leadership are integral to the process - this was discussed, debated and agreed with Best Council Leadership Team, the Leader and Chief Executive at their last meeting on 4 September, is informing the leadership event on 12 October 2012 and the follow up activity. A discussion on behaviours and values has been formally included

into mid-year review process of appraisals in the lead up to an assessment at the end of the year.

- 3.7 **Energy and water bills:** Despite consumption of gas and electricity continuing to fall at quarter 2, the Council are projected to overspend on energy costs by over £800k. This is in part as a result of the unseasonably cold weather but mainly due to the increase in energy costs generally, and the uncertainty over estimated billing which should be resolved once all sites are on board with providing actual readings. Work continues on the TEAM software which will provide a 'live' and more accurate picture of performance.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 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 and Leeds Initiative websites and is available to the public.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This is an information report and not a decision, so due regard is not relevant. However, this report does include an update on equality issues as they relate to the various priorities.

4.3 Council policies and City Priorities

- 4.3.1 This report provides an update on progress in delivering the council priorities in line with the council's performance management framework.

4.4 Resources and value for money

- 4.4.1 There are no specific resource implications from this report; however, it includes a high level update on the Council's financial position as part of the cross council priority of "spending money wisely".

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 All performance information is publicly available and is published on the council and Leeds Initiative websites. 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.

4.6 Risk Management

- 4.6.1 The Performance Report Cards include an update of the key risks and challenges for each of the cross council priorities. This is supported by a comprehensive risk management process in the Council to monitor and manage key risks. These processes also link closely with performance management.

5 Conclusions

- 5.1 This report provides a summary of performance against the strategic priorities for the council relevant to the Resources and Council Services Scrutiny Board.

6 Recommendations

- 6.1 Members are recommended to:

- Note the Q2 performance information 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.

7 Background documents¹

- 7.1 Council Business Plan 2011 to 2015

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

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Value: Working as a team for Leeds

Priority: Staff have a clear understanding of their role as well as clear objectives and performance targets which are monitored through high quality appraisals.

Why is this a priority - Appraisals are important for ensuring staff perform at their best, enabling us to improve the services we deliver and help the council face its challenges. Appraisals also encourage staff to build skills and expertise and fulfil their career ambitions.

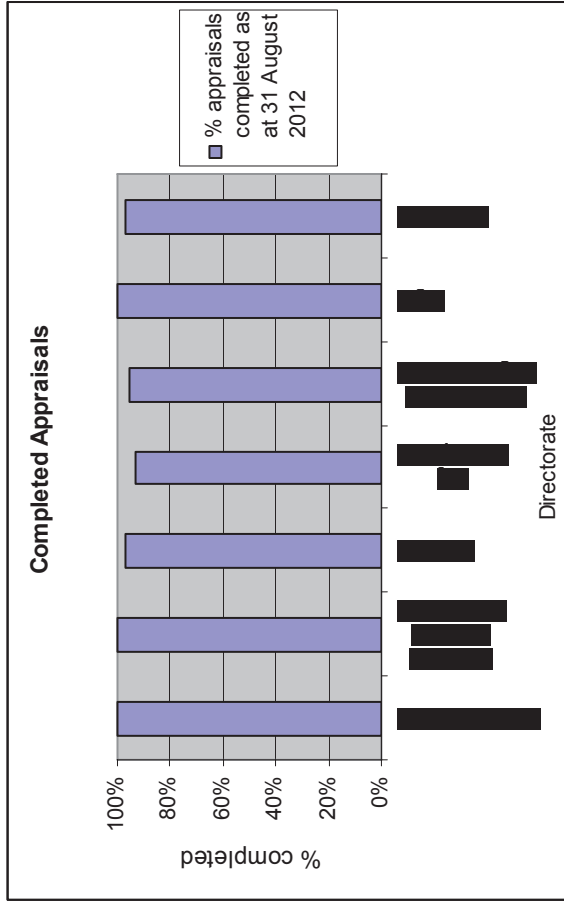
Overall Progress
GREEN

Story behind the baseline

Progress we have made

The reporting period was extended to the end of August to ensure that all completed appraisals were recorded accurately in the PAL system.

- 97.2% of appraisals were completed. This is the Council’s highest ever recorded total.
- Three areas (Adult Social Care, Customer Access and Performance, Legal) achieved 100% completions.
- 410 reviews across the council were outstanding, these are being addressed by CLT and services.
- In addition to the 410 outstanding appraisals, there were just under 1500 on-line appraisals that were awaiting final sign off in the system. The majority of these were in Children’s Services (629) and City Development (476). Again, CLT was asked to chase.
- 54% (over 8,000 employees) of all appraisals are completed online.
- Appraisals continue to play a pivotal role in embedding the council’s values and behaviours.



<p>What do staff think - Via our Engagement Survey work, we know that quality appraisals are really important to staff. We also know that staff rate the quality of existing appraisals highly, and that, via focus groups, feedback on the new approach is mainly favourable. A number of improvements for using the Performance and Learning system (PAL) have also been identified, and will be put in place for mid year reviews.</p>	<p>New Actions</p> <ul style="list-style-type: none"> • Mid year reviews are timetabled in to take place across the organisation between mid-October and December. Again, the emphasis is on a quality discussion between line manager and employee – to check progress at the mid year point • In terms of the PAL system, key pieces of work (relating to structures and data) are currently being completed, prior to the mid year appraisal task being pushed out. • Appraisal champion training, and training for HR staff was in place for early October • Communication slots on directorate leadership teams are planned for mid October • E-learning and programme of training launched • The Council and Best Council leadership teams are engaging in 360 feedback exercises. • Effective communications and training with all stakeholders on Performance Ratings will be critical leading up to their introduction in April 2013. <p>Data Development</p> <ul style="list-style-type: none"> • Improve and maintain the accuracy of structures in SAP • Improve appraisal reporting and the way we manage absent employees
<p>What we did</p> <p>As an organisation, we are committed to Quality appraisals for all staff, and a number of important principles have been adopted, as part of our refreshed appraisal approach for 2012/13.</p> <p>The focus on appraisal centres around a quality discussion between employee and line manager, with preparation and input from both.</p> <p>We have also introduced our new Performance and Learning system in 2012 and now look to further embed this into everyday practice.</p> <p>Through our discussions the Trade Unions have confirmed that they are in overall support of the new approach to appraisal.</p>	<p>What Worked Locally /Case study of impact</p> <ul style="list-style-type: none"> • Focus groups with staff have identified areas for improvement, particularly in relation to use of the PAL system • Key message: Quality of appraisals is as important as the quantity. • A 'lessons learned' exercise was carried out by HR in September 2012. Whilst feedback about the new appraisal approach from staff focus groups was mainly positive there were some issues relating to technical aspects of the new PAL system, training and communication which are currently being addressed. <p>Risks and Challenges</p> <ul style="list-style-type: none"> • There are some important differences for on-line mid year reviews compared to what we have done so far with on-line work. For mid year reviews, the on-line appraisal task will be sent to employees first – to complete a self review – as opposed to the manager. We need to ensure that all 8000+ employees are prepared and ready for conducting their on-line self reviews. • New style performance ratings are also being introduced from April 2013 onwards – to be discussed with all staff as part of mid year reviews. Everybody needs to feel comfortable and confident with performance ratings, conducted for the first time at year end. • A wider programme of communications and support around creating our Performance Culture has been developed, and will be shared with directorate leadership teams in October.

Value: Being open, honest and trusted

Priority: Staff are fully involved in delivering change and feel able to make an impact on how services are delivered

Why is this a priority - Effective staff engagement is essential to help the council meet the many challenges it faces, including improving productivity and service delivery. We recognise that there are many factors that influence staff engagement. These include the quality of leadership as well as whether staff feel listened to and valued and whether we are seen to be living the council values.

Overall Progress
AMBER

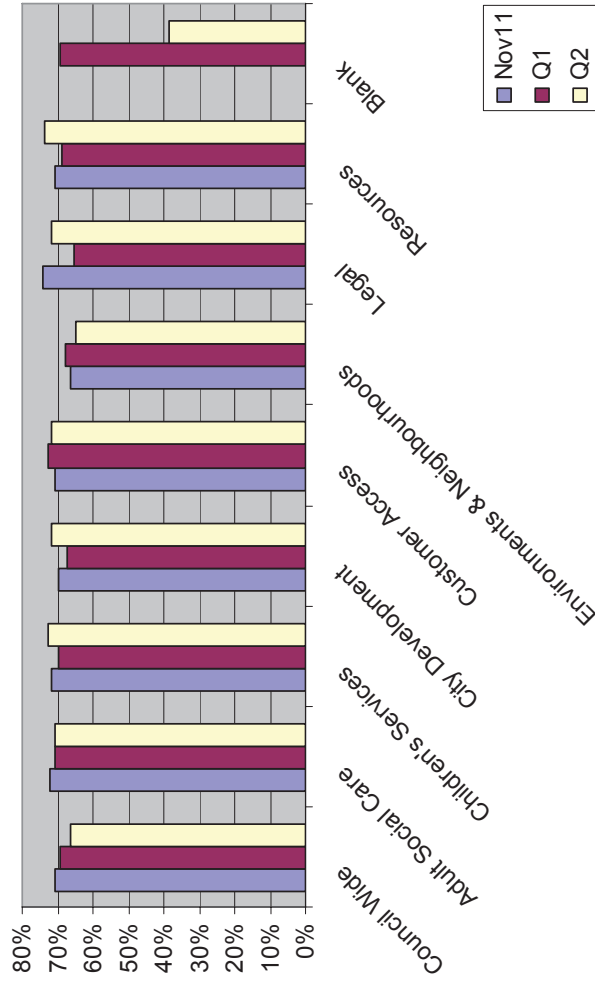
Story behind the baseline - Following on from the council-wide benchmarking survey in November 2011, 'pulse' surveys are now carried out each quarter, with Q1 being held in May 2012, and Q2 during August 2012. The Q2 sample comprised 3772 employees (2387 online; 1385 postal). CLT have agreed three main areas for improvement council-wide: 1. Fully embed the values and behaviours expected from our leaders and managers; 2. Quality two-way communications; 3. Managing change.

Key Findings – There are 3 key measures from the Q2 engagement survey:

- Response rate** (compared to Q1 2012 data): decreased from 42% to 34% council-wide. Online responses decreased from 60% to 41%, and postal responses increased from 14% to 21%. These figures are slightly lower than Core Cities data (range is 36% to 51% overall).
- Engagement level** - the graph shows the overall engagement scores by directorate. The target for 2012/13 was set at 73% council-wide (or +2% from November 2011 for each directorate). The council-wide engagement measure has fallen from 71% in November 2011 to 69% in Q1 and 66% in Q2. However, this includes 198 staff (16% of all respondents) who did not state their service area/directorate and for whom the engagement levels were only 38%. At directorate level, only Resources and City Development met the target of +2% compared to November 2011, although Children's Services and Legal also increased their engagement scores since the Q1 survey.
- Performance gap** – The average Performance Gap has decreased very slightly (from -1.5 in Q1 to -1.4 in Q2, and down from -1.8 in November 2011), indicating that we are closing the gap overall between Importance and Performance. The Importance and Performance scores have decreased for virtually all 21 questions since Q1; and the overall average Importance and Performance scores have shown a steady decrease since November 2011. In summary, survey items seem to be less important, and we're performing less well on them.

Over the last Quarter, directorate leadership teams have been working developing and refining action plans to increase staff engagement, and best practice has been shared between directorates through the HR Engagement Champions group that (set up in January 2012). The top 3 Performance scores were all within the 'Your manager' section; the lowest were related to leadership, managing change, and staff feeling their opinions matter at work. These patterns are similar to the Q1 results. However, these are also areas where the Performance Gaps have improved since November 2011, which is encouraging as leadership teams have been focussing their efforts on these areas (but there is still some way to go). There has been very little change in the 'Extra Mile' results since the Q1 survey, with responses indicating high levels of willingness to go the extra mile (relating to employees being willing to learn new skills, go beyond their normal duties, speaking positively about their job/the council etc).

Directorate Employee Engagement



What we did

- In Q1 2012, there was some 'drop out' where respondents completed their service area/directorate, but exited the survey before completing all of the questions. For Q2, the questions about service/directorate were moved to the end of the survey, so that responses could be collected for all questions, even if people did not want to indicate their service area (all other questions were unchanged in content and format). This resulted in 198 respondents providing data but no service area. Whilst a significant number, it is important to recognise that if we are interested in evaluating engagement levels, the service area, whilst important, is less critical than engaging with staff to gain their views via the survey.
- Carrying out a Q2 survey inevitably was likely to hit the summer period, and thereby result in lower response rates. To mitigate against this, all staff who were known to work term-time only were removed from the Q2 sample, and the 'window' for replies was extended from 3 to 4 weeks.
- Results of the previous 2 surveys (Nov2011 and Q1 2012) have continued to be shared at all levels of the organisation to ensure participants believe 'something happens' as a result of completing surveys (through tailored communications to directorate leadership teams; posters, targeted at all work place locations; email and internet communications [including dedicated intranet page]; Trade union meetings
- Activities reported in Q1 have continued within directorates. HR have worked with managers to really increase understanding of the data; managers are now more aware of the survey, the rich information it can provide and how to interpret the information to understand where action is needed.
- Examples of good practice of engagement activities happening across the Council have been collated and will be shared on the engagement intranet page.

Risks and Challenges – There is a risk that insufficient time between surveys to really embed and evaluate actions could result in lower engagement and lower response rates in future. Small sample sizes in some service areas (as a result of sampling only 25% of the workforce) means that there may be significant variances in the data which are due more to sampling than real changes in engagement levels. This in turn could lead to managers losing confidence in the data/survey process. There is also a risk that managers may not fully use the opportunities offered by through appraisals to really embed the things that will drive up engagement levels (e.g. our behaviours and values through effective self-evaluation and feedback on performance against the behaviours/values).

New Actions

- Continue to feedback results to staff through service management teams.
- Continue to try and increase understanding of what the engagement measure is telling us
- Carry on with the implementation of directorate action plans, and communicate progress, outcomes etc to staff at all levels
- Carry out the next quarterly survey (Q3 2012, to be launched Nov2012) to evaluate the impact of engagement activities
- Work with services with lower response rates to try and identify practical solutions to increase uptake
- Present proposals for topics for the Employee panel to Best Council Board, to implement a programme of work for the next 12-24 months
- Continue to work with the 'Digital Divide' exercise to maximise the numbers of staff who can access the staff survey electronically
- Use the forthcoming appraisals to really embed the values and behaviours that will make a difference
- Review the current format (style, frequency etc) of the current survey format and prepare proposals for any changes (to be implemented after Q4). Also review the resource implications of setting up, administering and analysing quarterly surveys compared to the resources required for less regular surveys (quarterly costs: £1,600; also staff time required is 4 x greater for quarterly surveys than annually etc)

Data Development - Work is being undertaken to increase the number of staff who can participate electronically in the survey to try and overcome the 'digital divide' problem.

Value: Working with communities

Priority: Local communities are consulted about major changes that may affect their lives.

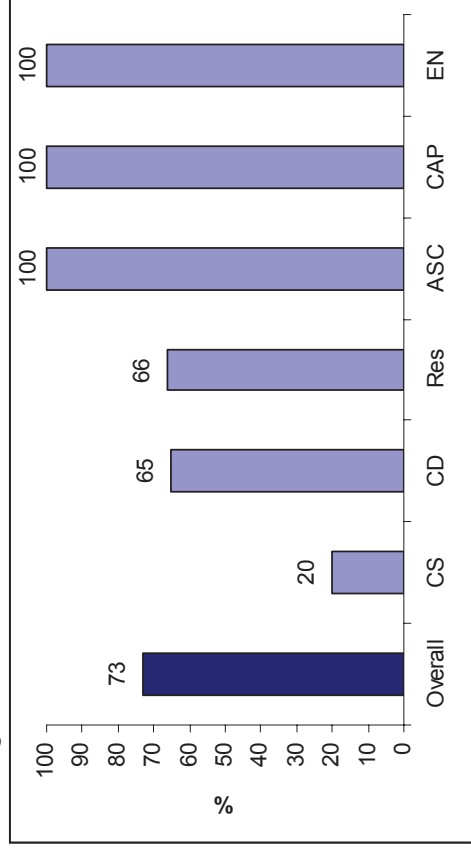
Why is this a priority - At a time when resources are limited we need to make sure we are providing the services that the public need in the most appropriate way. By providing clear evidence of public consultation we can ensure communities are effectively able to influence what we do.

Overall Progress

Story behind the baseline

- Decisions continue to be closely scrutinised and challenged through the courts with any perceived weakness in the process - particularly around the quality and timeliness of public consultation targeted. We need to be confident that decision makers are able to make relevant decisions which are supported by clear evidence of public consultation that is timely and appropriate.
- There has been an increase in the overall score from 62% in Q1 to 73% in Q2, but there is more work to do to secure a 100% score by Q4. Progress has been faster in some directorates than others, for example, E&N have increased their score from 50% to 100% in one quarter.
- As in Q1, many reports simply do not make it clear if a lack of consultation evidence is acceptable, and if so why.
- All Executive Board decision reports have been quality assured, as well as a random 25% sample of the delegated decision reports.
- Other than the failure to explicitly state if consultation was not required and why, the QA process highlighted that some reports lack detail and clarity on what consultation was done, while some focus on the institutional stakeholders consulted rather than residents / service users. There were also some very strong examples of good practice, however.

Headline Indicator: Every year we will be able to evidence that consultation has taken place in 100 per cent of major decisions affecting the lives of communities



- Briefing sessions on VAL3 and the associated VAL4 indicators have continued to be delivered to colleagues in City Development, with excellent feedback from participants.
- Not all directorates have yet taken the opportunity, discussed at Best Council Board, to use these sessions to support improvement for all report writers.
- Directorates have worked to put in place processes to check content in reports before they seek approval, however not all reports as yet get included in these processes. Discussion with directorates suggests that a far higher proportion of reports that follow such processes do meet the VAL3 criteria, than among reports that are not 'vetted'.

<p>What do people think 2012 data from the Healthy Communities Survey reveals how residents feel about getting involved and influencing decisions:</p> <ul style="list-style-type: none"> • 55% of respondents feel aware of ways to get involved in local decision making • 43% of respondents feel the council involves residents when making decisions • 19% of respondents feel that they have influence over local decision making • 43% of respondents trust the council to make fair decisions • 48% of respondents trust the council's communications most or all of the time. 	<p>What we did</p> <ul style="list-style-type: none"> • Citizens' Panel surveys and focus groups continue to inform service development, and the development of the 2012 Budget consultation has been shaped by feedback on drafts by Panel members. • Continued to provide feedback and briefing sessions to report writers on using consultation to inform decision reports. c200 officers with report-writing responsibilities have attended this training. • Draft content for new community engagement toolkits and community engagement training. • Continued to support 'public engagement in Leeds' research project (University of Leeds). • Completed design of 2012 Budget Consultation, including resident piloting (see above) and co-design of materials with Voluntary Action Leeds. Launch planned for 11 October 2012. • Explored role of locality working in community engagement through Area Review. 	<p>New Actions</p> <ul style="list-style-type: none"> • Ongoing delivery of Community Engagement Operating Framework including full set of Toolkits by end November 2012, new introductory training sessions piloting in November 2012, review of coordination and approval of consultation and the role of the Talking Point system starting December 2012. • Use of intranet MySite functionality to establish searchable network of officers with consultation and engagement skills. • Transfer of engagement-related pages to new Website. • Recommend that a programmed roll-out of the Equality and Consultation report writing briefing sessions take place to cover as many report-writers as possible. • Customer Strategy Board to regularly discuss the coordination of significant consultations • Collating next year's calendar of Citizens' Panel consultations • Defining future role of partnership Strategic Involvement Group <p>Data Development</p> <ul style="list-style-type: none"> • All directorates to consider the best process to check the content of reports before seeking approval, and how best to increase compliance with these local processes. 	<p>What Worked Locally /Case study of impact</p> <ul style="list-style-type: none"> • Early involvement of residents and Third sector organisations in the design of the Budget consultation tools helped to shape the consultation, as well as increasing sense of shared ownership across organisations, with many offers of support in promoting the consultation on the council's behalf. <p>Risks and Challenges There are still challenges associated with community engagement in Leeds, including reducing financial resources which is impacting the way we deliver engagement, the need to improve the coordination and efficiency of activity, and to robustly give evidence of the impact community engagement has on the decisions we take.</p>
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Value: Treating people fairly

Priority: Equality is given due regard in council policy and decision making.

Why is this a priority - We are committed to ending unlawful discrimination, harassment and victimisation and to advancing equal opportunities and fostering good relations. In order to achieve this we need to ensure that equality and diversity are given proper consideration when we develop policies and make decisions. By providing evidence that we have done this for our most important decisions, we can be sure that we are meeting our legal and moral obligations

Amber

Story behind the baseline

A full quantitative analysis has been undertaken of the 54 major decision reports which fall within scope for this indicator. 91% (49) reports provided sufficient evidence, however 9% (5) did not include sufficient evidence to meet the specific criteria for this indicator. The Directorate breakdown of reports that met the criteria is; Adult Social Care 80%, Children’s Services 80%, City Development 95%, Customer Access and Performance 100%, Environment and Neighbourhoods 100%, Resources 67% and Legal, Licensing and Registration 100 %.

There has been a slight improvement since the last reporting period in the percentage of major decision reports that meet the criteria. Evidence of how due regard to equality in decision making is explicitly referenced within reports, and how it still an issue in some areas.

Once again a qualitative analysis exercise undertaken to support the quantitative analysis has highlighted that some minor improvements to ensure reports are robustly meeting the council’s legal obligations.

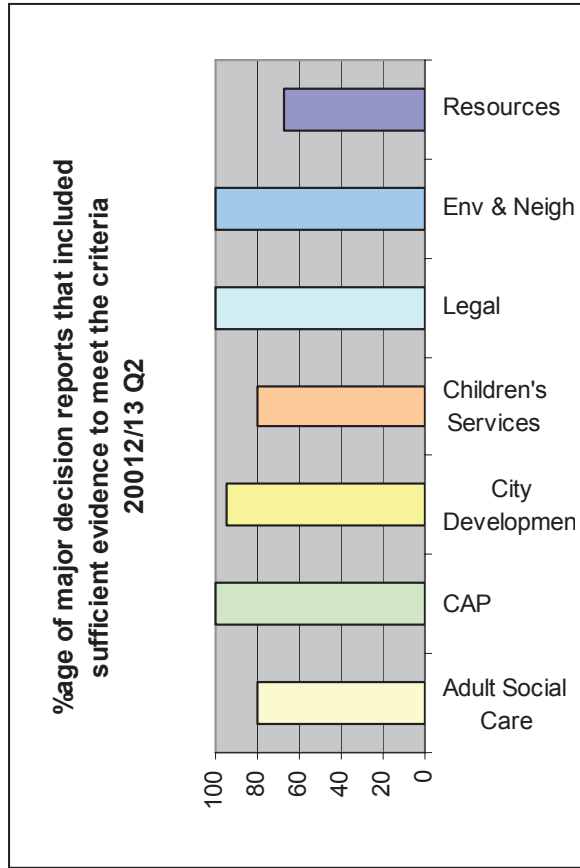
In September 2012 the new requirements for dealing with background documents and Equality Impact Assessments for Executive Board reports was introduced. If an EIA has been undertaken in preparation for an Executive Board report, the relevant Assessment document should be appended to the report. If a screening assessment has been undertaken and concluded a full EIA is not necessary then the screening document should also be appended to the report .

Communication targeted at report writers across directorates has continued and improved directorate report clearance processes put in place. However, this work needs to continue to ensure that improvements are made not only to reduce the number of reports that are continuing to provide insufficient evidence to meet the indicator but also to ensure that the council meets its legal obligations.

What do people think: 2012 data from the Healthy Communities Survey reveals residents perceptions and views on how people from different backgrounds get on and whether the council treats people fairly:

- 71.7% of respondents agreed that, overall, people from different backgrounds got on well in their local area and their overall perception was that had changed from 65.9% in the previous year
- 55.1% of respondents feel the council treats all people fairly
- 39.3% of respondents feel the council is limiting the impact that reductions in its budget have on people like them

Headline Indicator: Every year we will be able to evidence that equality issues have been considered in 100 per cent of major decisions



What we did

- The areas for improvement which were considered by Best Council Board in May 2012 were implemented.
- This included an increased focus on the number of reports reviewed as part of the QA exercise (all Executive Board reports and 25% of Delegated Decision reports were within scope). This continues to ensure that the council has a robust approach to meeting its legal obligations.
- Due regard to equality sessions continue to be delivered to staff from across directorates. These are now offered as part of the council's equality training offer in it's Learning and Development Pathway. For quarter 2 an additional 42 staff attended briefing sessions.
- Corporate report writing guidance has been strengthened following feedback and review of this indicator during 2011/12.
- The Area Committee Chairs considered the Equality Improvement Priorities in July 2012 and have asked for a specific piece of work to take place to consider the impact of these for each locality
- The Member Champions Group continue to provide challenge on the progress of the Equality Improvement Priorities
- Immediate feedback, support and challenge is still provided on EIA's, screenings and decision reports when requested by directorates.
- Reviewed the publication of EIA's and these will now be added and published with Executive Board reports
- Revised equality monitoring guidance was produced in July 2012.

What Worked Locally /Case study of impact

- Transform Leeds is an 18-month programme of work which aims to radically improve support and development services for frontline third sector organisations . Leeds City Council has worked with Transform Leeds on providing advice and guidance on equality impact assessments and will support the work of their Equality Impact Assessment panel.

Risks and Challenges

Failure to evidence that due regard is given in decisions and policy making can result in; legal challenges e.g. in the form of judicial reviews which can be costly and time consuming; negative national publicity impacting on reputation; undermining of relationships with local communities and wasted officer and member time.

New Actions

- Feedback to Directorates following the QA exercise for Q2 will continue in Q3
- A three monthly quality assurance exercise will be undertaken on the new approach for the publication of EIA's with decision making reports
- The Member Champions Group have now agreed a work programme which provides on going challenge to Directorates on their progress against the Equality Improvement Priorities
- Targeted briefing sessions with Children's Services Leadership Team as part of their Leadership Development Programme will be carried out in Q3
- The annual equality improvement priorities progress report will be produced in Q3
- The BME Challenge Forum which is a task and finish group which reports to the Stronger Communities Partnership have now met twice. They are positive about the approach adopted and have started to provide challenge on the progress of the two key outcomes identified with a view to having a longer term approach to this area of work.

Data Development

- All directorates have considered or put in place an appropriate process to ensure reports are able to demonstrate due regard to equality has been considered and meets the criteria for this indicator

Value: Spending money wisely

Priority: All directorates deliver their budget action plan and stay within their approved budget

Why is this a priority - The financial climate we are in is challenging. Our funding from government is reducing and we have greater demands on our services. Through our budget-setting process we have developed a plan to manage with less, including doing things more efficiently, reducing the size of the council and changing the way services are delivered. It is vital that we stick to this plan and that all council services stay within their agreed budget and deliver on their budget action plans

**Overall Progress
GREEN**

Story behind the baseline

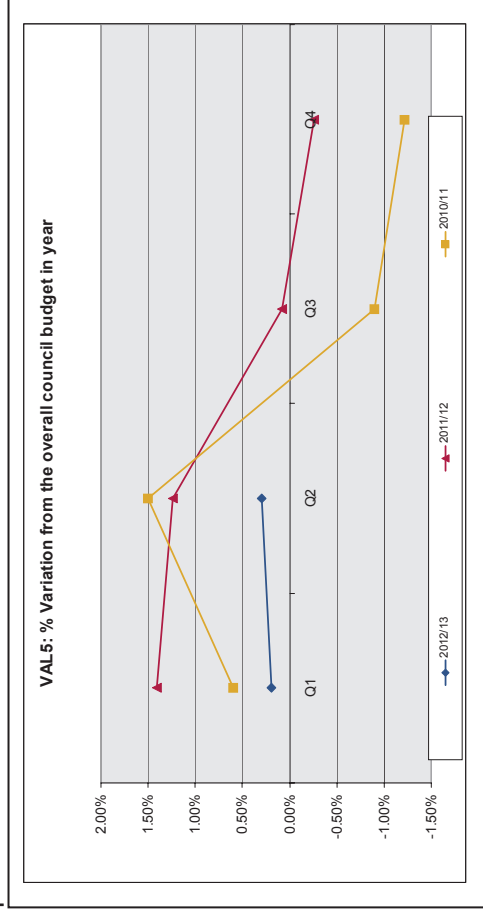
The 2012/13 budget was based on the second year of a two year funding settlement and the loss of government grant plus pressures on spending resulted in the Council needing to identify around £55m of savings.

By the use of one off funding sources, the scale of reductions required of services is significantly less than in 2011/12. It remains imperative that all actions agreed in the budget are delivered, and should identified savings not be achieved alternative funding options will be needed.

The position at the end of the half year is a projected overspend of £1.7m, which represents 0.3% of the approved budget. Whilst most directorates are projected to be largely in line with their budget, there are continuing cost pressures within City Development and Environment and Neighbourhoods. Within City Development the main pressures relate to energy and a projected shortfall in advertising income. Within Environment and Neighbourhoods there are continuing pressures around staff currently in managing workforce change and ongoing route backup pressures in refuse collection.

In respect of these services, work will continue to help ensure that a balanced budget is achieved at the year end.

Headline Indicator: No variation from agreed directorate budget in the year



Directorate	Total (under)/overspend £000
Adult Social Care	49
Children's Services	(82)
City Development	1,110
Environment & Neighbourhoods	766
Resources	(173)
Legal Services	(0)
Customer Access and Performance	(2)
Total	1,668

<p>What do key stakeholders think The Council's Initial Budget Proposals for 2012/13 were the subject of public consultation via the internet site and a very limited number of responses were received. These comments, in addition to responses received from two Scrutiny Boards, the Third Sector and the Youth Council, have been incorporated into the final budget report.</p>	<p>What we did</p> <ul style="list-style-type: none"> As part of the budget monitoring process, action plans built into budgets have been reviewed and the overall projection assumes the continuing delivery of action plans both corporately and within directorates. Work has progressed well on the review of residential and nursing placement fees and a report was approved at June's Executive Board. Reducing the number of children and young people being looked after was one of the three obsessions identified within the Children and Young People's Plan in order to 'turn the curve'. The strategy adopted by Children's Services and partners is working and there are now less placements than anticipated in the budget model. Within Libraries, Arts and Heritage funding of £1.7m from the Arts Council was received after the budget had been set. The grant will fund a number of projects to improve facilities and exhibitions and increase community participation and visitor numbers. <p>What Worked Locally /Case study of impact</p> <ul style="list-style-type: none"> 2011/12 was the first year of operation of the Council's new projections module, through which budget holders are required to input year end projections for their cost centres. Completion rates are monitored on a monthly basis, and at the half year, almost three quarters of cost centres had been completed in the period, compared to 62% at the start of the year. 	<p>Risks and Challenges The Council prepares and maintains a financial risk register which provides details of risks and consequences, existing controls to mitigate against these, the value in monetary terms, review dates and progress towards managing the risks. The register is prepared before the start of each financial year and is monitored on a regular basis. The current risk register shows that there are no very high risks, 2 high risks and no increasing risks.</p>
	<p>New Actions</p> <ul style="list-style-type: none"> The void property budget was overspent in 2011/12 and this trend has continued in 2012/13. Whilst the service is proactively working to reduce the cost of void properties through demolitions and disposals, a release from the central contingency fund has been agreed pending the agreement of options and actions to address the issue going forward. A pilot budget consultation exercise has taken place using a budget simulation tool, and this is now being rolled out to a wider audience including paper based returns and discussion workshops. As part of the Council's Top 25 priorities for the year, CLT have developed a new 'Budget plus' process which will establish a 4 year strategy combining our ambitions for the city with the resources available and recognise a different relationship between the Council and the city as a whole. <p>Data Development</p> <ul style="list-style-type: none"> Higher income collection has been achieved in Adults Social Care following the centralisation of the billing team in 2011/12. Following amendments to the FMS projections module, it has been possible to shorten the reporting period by a week. 	

Resources Directorate Scorecard

Reporting Period :

Quarter 2 2012/13

Contribution to Cross Council Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolios
Resources Lead									
Staff Appraisals	97% of appraisals completed by the deadline. In line with LCC figure. Mid year reviews to take place prior to 31 December 2012. Appraisal training is being promoted across the directorate to ensure the focus is on quality appraisals.	Green	100% staff have had an appraisal	100%	-	97%			Neighbourhoods, Planning and Support Services
Staff Engagement	Q2 survey results show an increase in the level of employee engagement to 74% (from 69% in Q1). This is in comparison to a decrease in council -wide engagement from 69% in Q1 to 66% in Q2. The response rate within Resources has fallen slightly to 32% but this is not unexpected given that the survey was issued in August. However, please note that 16% of respondents council-wide did not state which Directorate they worked in, for which the 'Extent to which the council is delivering what staff need to feel engaged' level was only 38%. Given the high numbers, it is possible some of these respondents are Resources employees.	Amber	Extent to which the council is delivering what staff need to feel engaged – Achieve an Engagement score of +2% from the 2011 baseline for the Directorate (70.70%)	73%	69%	74%			Neighbourhoods, Planning and Support Services
Approved directorate level revenue budget in year	The net managed budget for Resources is £43.6m. An underspend of £173k is projected at the year end.	Green	No variation from approved directorate level revenue budget in year (Under spend) / Overspend £000s	£0	(£3k)	(£173k)			Leader
PPI Lead									
Consultation on key and major decisions	66% (6/9) of reports met the criteria. Three reports failed to meet them as they Failed to say if residents/service users should have been consulted or not, or give detail of any such activity. Quality assurance of other reports showed evidence of user / resident consultation. However, more detail could be given to help provide assurance that the consultation was meaningful, and if it has shaped services (e.g. in the Phase 1 Changing the Workplace Exec Board report), specifically how?	Amber	Every year we will be able to evidence that consultation has taken place in 100 per cent of major decisions affecting the lives of communities	100%	25%	66%			Leader
By March 2012 100% of key and major decisions have evidence that equality issues have been fully considered	Overall 67% (6/9) reports met the criteria. Improvements have been made this quarter. The reports that did not provide sufficient evidence to meet the criteria, did not explicitly reference how relevance of due regard to equality had been determined. The QA which was carried out showed that reports failed to articulate the work that is taking place or provide explanation and evidence why equality does not need to be considered. The outcomes from the QA exercise will be discussed within the Directorate to inform future reports and the report clearance process.	Amber	Every year we will be able to evidence that equality issues have been considered in 100 per cent of major decisions	100%	55%	67%			Leader

Directorate Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolios
Deliver financial planning and management which makes sure we keep adequate reserves	The minimum level of reserves has been calculated as £17m using the risk based reserves strategy. General Fund reserves at 1st April 2012 stood at £25.5m. Taking into account the budgeted in year use of reserves, and the expectation that the Council will deliver an overall balanced budget, it is anticipated that reserves will be £18.6m at the year end.	Green	Value of Revenue Reserves	£17.1m	£18.6m	£18.6m			Leader
Manage the reduction in the size of our workforce whilst retaining the right skills/experience and through developing our staff	Plans for a new Early Leavers Initiative are underway and at the end of October staff will be asked if they might be interested in voluntary severance or early retirement in the next three years. This information will feed into the workforce plan, budget plus reviews and the organisational development plan to ensure a structured approach to succession planning. The plans will be reviewed quarterly.	Green	Reduction in staff headcount (including percentage of leavers who are BME , Disabled or Women monitored against current staff profile) Baseline: Total Staff = 17,260 (Apr 2010)	2500 (cumulative total by March 2013 i.e. 14,760)	2219	2,222			Neighbourhoods, Planning and Support Services
			Percentage of senior officers who are women	Not Set	50.33%	50.65%			
			Percentage of senior officers who are from BME communities	Not Set	9.80%	9.33%			
			Percentage of senior officers who are disabled	Not Set	4.36%	4.57%			
			Improve percentage of the workforce by following characteristics: Age; Disability; Sex; Ethnicity; Sexual orientation; Religion, faith, beliefs,	Not Set	Please see Equality Scorecard				
Reduce number of days staff sickness (per full time equivalent) - Council Figure	8.5 Days	2.20 (Current year-end forecast is 9.86)	4.21 (Current year-end forecast is 9.45)						
Improve the Information Communication Technology (ICT) infrastructure to support the delivery of priorities	Essential Services Programme (ESP) - The process for deploying the new desktop has been refined and is now working successfully. A rollout schedule covering Oct - Dec '12 has been developed and approved by the programme board. Feedback from the pilot users (including additional pilots undertaken this quarter) is positive. Further work has been completed to improve data centre air-conditioning/cooling at Apex, work at Civic data centre has been delayed due to asbestos removal programme but will recommence in Oct '12. Work to relocate the Contact Centre Avaya servers to Apex Data Centre (where they will benefit from more resilient electrics) is underway with next stage of moved planned for early Dec. Implementation of a new data backup solution improving the speed of backup and recovery capabilities is complete. Customer satisfaction (relating to resolution of a customers ICT issue) remains broadly positive.	Green	Maintain percentage time ICT Systems are available	99%	99.80%	99.86%			Neighbourhoods, Planning and Support Services
			Increase satisfaction of users with ICT Services (measured via SOCITM survey)	70%	The SOCITM User Satisfaction survey was not undertaken during 2011/12. Subject to budget availability, this will next take place when the Essential Services Programme is completed.				
			Increase satisfaction of users with ICT Services (measured via ICT Helpdesk survey)	-	84.30%	89.46%			
			Increase user satisfaction with the quality of ICT training	Previously measured via SOCTIM survey but this will now be drawn from the new performance and learning system with a new baseline established during 2012/13.					

Directorate Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolios
Ensure there are good rules and procedures to govern the council's business, including elections and referenda as may arise	<ul style="list-style-type: none"> • May 2012 Elections and Mayoral Referendum successfully completed. Planning meetings continue for Police and Crime Commissioner elections in November 2012. All tasks on project plan progressing well and on schedule. Currently awaiting information on how the count is to be conducted from Wakefield who are the lead authority for the PCC election and in charge of the count process. • Roll out of briefings on the changes to the decision making arrangements undertaken on time. Further training planned for Autumn - this will incorporate further communications around the new Access to Information (Executive arrangements) Regulations that commenced 10th September 2012. • Support the continued Modernisation of Full Council Further amendments 'agreed' by whips. Council Procedure Rules (CPR's) redrafted to insert new provisions and await recommendation by General Purposes Committee (GPC) to Council in November. • Support to the new Standards and Conduct arrangements for the Council Substantial amendments completed - further minor amendments have been necessary following the publication of new Regulations that further clarify that members with a DPI may not participate in a meeting any way (including making representations to a decision making body) - these amendments were considered by GPC in August and Council in September. • Support to the review of Plans Panel terms of reference Revised arrangements approved by full council in September 2012. • Transfer of Public Health functions to the Council from the NHS Initial review work undertaken and advice provided to the Director of Public Health/Transition Board. There remains substantial work and resources to be allocated to this area of work. Establishment of Health and Wellbeing Board currently scheduled for approval by full council 27 February 2013, with effect from 01 April 2013. 	Green	No challenge to the outcome of any election or referendum	No Challenge	No challenge	n/a			Neighbourhoods, Planning and Support Services
			Maintain percentage of important decisions that are implemented within 3 months of the target completion date (Measure covers Executive Board & Key decisions) - Cumulative	This PI is no longer reported as it is no longer used for monitoring purposes and any related information will be covered as part of respective priority updates. All important decisions are monitored by Democratic Services on a continual basis, particularly to inform PI's relating to Key Decisions, specifically the statutory pre notification process and availability of Key Decisions for Call In; a full breakdown of which can be provided on request. Information on a sample of decisions taken in each Directorate will be provided to the Chief Executive on an annual basis. This information will also form part of the Annual Assurance report on the decision making framework to the Corporate Governance and Audit Committee.					
			Improve percentage of important decisions that are pre notified to the public (Measure covers Key decisions)	89%	96%	93%			
			Maintain percentage of important decisions available for challenge (Measure covers Key decisions)	95%	96%	93%			
Maintain effective arrangements to buy goods and provide services that give value for money	A Transforming Procurement Programme has been formed to drive strategic and systematic change with the aim of establishing sustainable economy, efficiency and effectiveness in the council's buying activities, taking account also of the council's wider policy objectives. Consultation and development work continues to progress across the strategy, category and business workstreams, and the pilots continue to undertake specific delivery activities.	Green	<p>Delivery of budget savings through procurement</p> <p>[1] SCMS information management report of 06/07/12 currently shows cost savings achieved for 2012-13 [2] The cost savings reflect the difference between the contact rates before and after procurement of the goods and services. Directorates will need to identify the incidence of the contract spend within their budget and capture cashable savings</p>	No formal target set	£108,795	£247,307			Neighbourhoods, Planning and Support Services

Directorate Priorities	Progress Summary	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolios
Key Business Plan Supporting Indicators	On track and ahead of last year.	Maintain total percentage of Council Tax collected	99.2%	99.15%	99.17%			Leader
	Although the 12/13 collection rate is down in comparison to the same time last year, we remain on target to collect more Council Tax than we collected last year. The main reasons for the difference in collection rates are: • Council Tax to be collected has increased by £300k since April 2012; whereas • Council Tax to be collected reduced by £600k in the period from April 2011 to September 2011.	Maintain percentage of Council Tax collected in year	96.7%	28.52%	55.65%			
	Significant reduction of 1.12% when compared to last year after several months where difference was minimal. However, primarily due to large volume of payments received at beginning of October rather than end of September. Analysis of collection rate as at 11th October confirms now back in line with the same time last year.	Maintain percentage of business rates collected in year	97.7%	33.03%	59.14%			
	We continue to be frustrated in determining the current year collection rate for invoices > 30 days old following the migration to Civica Financials. However, at the end of Sept we have collected 73.9% of the arrears b/f at 1/4/12 and invoices raised during 2012/13, and this compares favourably to the comparable figure of 61.5% at end of Sept 2011, and 73.4% Sept 2010.	Maintain percentage of other income collected within 30 days	See comment		73.90%			
	The action taken to reduce the outstanding work has ensured that the average speed of processing New Claims is on target and is a much improved position. New Claims performance is 21 days against a target of 20 days. At Q2 last year new claims performance was 33 days which is a 12 day improvement in comparison. For Changes, performance in September was 13.46 days against a target of 10 days and the overall Q2 position improved by 1.5 days compared to the Q1 position. Looking forward we have put in place additional resources to improve our performance on speed of processing Changes.	Maintain number of days taken to process Housing Benefit or Council Tax Benefit new claims and updates	12.00 Days	17.38 Days	15.99 Days			
	The results for this indicator continues to be adversely affected by invoices not being sent for payment in a timely manner and invoices going into query. Central Payments have been working with services to reduce the number of invoice queries and work has now started on a review of the council's purchase to pay arrangements, which will recommend solutions to issues, in the payments process.	Increase percentage of invoices that are paid within 30 days	92.0%	89.34%	89.90%			

Directorate Priorities	Progress Summary	Overall Progress	Executive Portfolios
Manage the change to the new welfare system	<p>Welfare Reform Strategy ALMO's and Registered Social Landlords continue to undertake follow-up visits to tenants affected by under-occupancy changes. Letters were issued in September to families affected by the Benefit Cap. Consultation on options for discretionary housing payment policy has been carried out with ALMO's, Housing Associations, 3rd Sector and Advice Agencies. A proposed policy is scheduled to be presented to Executive Board in November 2012.</p> <p>Council Tax Support</p> <ul style="list-style-type: none"> We remain on track to deliver a local Council Tax Support scheme from April 2013. The key milestone to date has been the launch of the public consultation exercise on scheme options – this was launched on 17th September 2012 with a closing date of 8th November 2012; We intend to report back to Executive Board in December 2012 with a recommended scheme for adoption at full Council by 31st January 2013; A Project Manager has been appointed to oversee the implementation of the necessary operational aspects and a Project Board has been set up to manage progress; Officers continue to work closely with CLG on legislative, technical and financial aspects of the scheme. <p>Implementing Housing Benefit (HB) Changes Whilst the 2011 & 2012 HB changes are now implemented for new LHA claims we continue to monitor the LHA caseload to identify and support those customers most affected by the LHA changes through DHP funding.</p> <p>Universal Credit (UC) Leeds was not selected to participate in the DWP pilot, however, the council is keen to continue developing its proposals. Main activities continue to focus on:</p> <ul style="list-style-type: none"> understanding the impact on Leeds of DWP's HB migration strategy; agreeing the role for local government under a Universal Credit system; and influencing DWP's approach to deciding exceptions to the direct payment requirement under UC. <p>Crisis Loans and Community Care Grants</p> <ul style="list-style-type: none"> Settlement letter received from DWP with details of indicative scheme funding and administration grant. Consultation on scheme options to run over Aug and September with the intention of developing scheme options for consideration by Executive Board in November 2012. 	Green	Leader
Maintain effective audit and risk management arrangements	<ul style="list-style-type: none"> KPMG received Internal Audits work and confirmed in their report to those charged with governance (Corporate Governance and Audit Committee 28/09/12) that Internal Audit fully met their requirements in terms of timeliness, quality and supporting evidence. KPMG reported that "Internal Audit has covered all areas of work that we wished to rely upon to a good standard and we are again able to place full reliance on their work". CIPFA are currently consulting on a revised set of Internal Audit standards. Annual Risk & Performance Management report (first joint report of this kind) successfully presented to the CGAC on 4 July. No actions resulted & committee approved report. Quarterly risk and performance information continues to be sent to relevant portfolio holders. At their meeting on 18 July, the Executive Board noted the corporate risk register and ratified the move to the concept of 6 standing corporate risks plus a further 4 under close surveillance, assurance on which was provided at the same meeting. The CGAC have been provided with assurance on our risk management arrangements. The government published the Local Audit Bill. KPMG have been appointed by the Audit Commission to undertake the Council's external audits until 20016/17. 	Green	Leader
Create the environment for effective partnership working	<ul style="list-style-type: none"> West Yorkshire Councils continue to work together on local Council Tax Support schemes with both a Chief Officer Group established and a Project Managers Group established; 		

Council Business Plan (Resources Lead)	Progress Summary	Overall Progress	Headline Indicator (All Council)	Target	Q1	Q2	Q3	Q4	Executive Portfolios
Staff have clear understanding of their role, have clear objectives and performance targets which are monitored through a quality appraisal	<p>97.2% of appraisals completed is the council's highest ever recorded total. As at the end of August 2012, 3 directorates (Adults Social Care, Customer Access and Performance, Legal) achieved 100% completions.</p> <p>CLT are currently addressing the outstanding appraisals.</p>	Green	100% staff received an annual appraisal	100%	-	97%			Neighbourhoods, Planning and Support Services
Staff are fully involved in delivering change and feel able to make an impact on how services are delivered	<p>Directorate leadership teams have been working on developing and refining action plans to increase staff engagement, and best practice has been shared between directorates through the HR Engagement Champions group that (set up in January 2012).</p> <p>The top 3 Performance scores were all within the 'Your manager' section; the lowest were related to leadership, managing change, and staff feeling their opinions matter at work. These patterns are similar to the Q1 results. However, these are also areas where the Performance Gaps have improved since November 2011, which is encouraging as leadership teams have been focussing their efforts on these areas (but there is still some way to go).</p>	Amber	Increase the level of staff engagement	73%	69%	66%			Neighbourhoods, Planning and Support Services
All directorates deliver their budget action plan and stay within their approved budget	<p>The position at the end of the half year is a projected overspend of £1.7m, which represents 0.3% of the approved budget. Whilst most directorates are projected to be largely in line with their budget, there are continuing cost pressures within City Development and Environment and Neighbourhoods.</p>	Green	No variation from approved directorate level revenue budget in year (Underspend) / Overspend (000s)	£0	£1,071	£1,668			Leader

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2012/13 CAP Directorate Scorecard

Reporting Period :

Quarter 2 2012/13

Contribution to Cross Council Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolio
Appraisals	<p>100% of appraisals completed by the deadline.</p> <p>Mid year reviews to be completed by the 31 December 2012.</p> <p>Appraisal training is being promoted across the directorate to ensure the focus is on quality appraisals.</p>	Green	Every year 100% of staff have an appraisal	100%	N/A	100%			Neighbourhoods, Planning and Support Services
Staff Engagement	<p>There is no change since Q1 in the engagement measure of 72% (Council wide is at 66% for Q2). The response rate dropped at Q2 to 46% compared to 68% at Q1, however, this was probably not unexpected given the time of the survey (August).</p> <p>Proposals for a Learning Plan have been signed off by the senior management team which includes Knowledge and Skills Seminars and Workshops for staff to attend led by senior managers. These will be rolled out in early November through to April 2013. Furthermore, work is ongoing within the Directorate to understand better the issues that colleagues feel impact on two of the staff engagement indicators where performance was not to the level expected, these are around people feeling safe to challenge and expectations around leadership. Actions will be taken as a result of this work and will be implemented by the start of Q4.</p> <p>Q3 survey opens 5 November to 23 November 2012, with results to CLT 18 December 2012.</p>	Green	Extent to which the council is delivering what staff need to feel engaged	73%	72%	72%			Neighbourhoods, Planning and Support Services
Consultation	There was 100% compliance with the criteria, based on one relevant report.	Green	Every year we will be able to evidence that consultation has taken place in 100 per cent of major decisions affecting the lives of communities	100%	100%	100%			Leader
Equality	There was 100% compliance with the criteria, based on two relevant reports. A QA has been undertaken to determine how due regard to equality is demonstrated overall within reports. Across the board, report writers are complying with the requirements of the report writing guidance with relevant narrative. This is very robust and clear with explicit reference to potential impacts and findings from the screening and EIA's. The outcomes from the QA exercise will be discussed within the Directorate to inform future reports and the report clearance process	Green	Every year we will be able to evidence that equality issues have been considered in 100 per cent of major decisions	100%	100%	100%			Leader
Keep within budget	No significant variations are projected	Green	No variation from agreed directorate budget in the year	£0	£0	(£2k)			Leader

Directorate Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolio
Lead the delivery of our customer access strategy to improve customer experience	<p>Progress this quarter has been good. Progress on procuring the Integrated Waste Management System (which will procure a solution to assist in improving the service we provide to the customers of Leeds. It will provide in-cab technology to help improve collections, communication, customer service and provide us with a back office system specifically designed for all aspects of Waste and Recycling Management.) continues to progress satisfactorily with the Statement of Requirements issued to five suppliers at the end of September. The process being followed to procure the transactional web elements of Phase 1 has been changed to ensure that we procure a fit for purpose solution that will meet the broader needs of the Council. This will be done with no impact on timescales or budget as detailed in the Phase 1 business case and is therefore viewed as the least risk option moving forward.</p> <p>Refurbishment of the City Centre One Stop at 2 Great George Street is near completion with the Registrars Service due to move into the facility in November. The refurbishment has made a positive difference to the Centre with feedback from both customers and staff being very positive. Work is also currently underway to scope the phase 2 requirements for Customer Access. This work is focussing on developing the core infrastructure required to support future roll out of transactional web services and identifying those end to end transactions that need to be prioritised.</p>	Green	Increase the usage of self service options on the Council's website by ensuring that all high demand transactions can be undertaken on line Proxy measure increase by 10% the unique visitors per month	10% increase or 368,500	N/A	N/A			Leader
	Improve overall customer satisfaction of the council's website		Top quartile in SOCTIM survey	N/A	N/A				
Establish a research and intelligence capability for the city and produce an annual State of the City report.	<p>Progress this quarter has been good. The second State of the City report has been completed and approved by the Leeds Initiative Board in September. The Full Council State of the City debate is scheduled for 28th November 2012 with a further session planned for february 2013. Phase 2 of The Leeds Observatory is being scoped with services across the Council and partners in the city. a number of successful customer intelligence pieces of work have been completed this quarter. One example is the work undertaken with Aire Valley Homes where customer analysis was undertaken to identify the business case for debt advice workers within the area. A further piece of work on supporting adoption services has also proved successful. The work on economic intelligence has also been successful with a number of pieces of work being completed to a high standard and the team are playing a key role in helping the city shape its submission for Future Cities monies.</p>	Green	N/A	N/A	N/A	N/A	N/A	N/A	Leader
Deliver effective leadership and governance arrangements for the city-region partnership.	<p>The Governance arrangements for the Leaders Board and Local Enterprise Partnership (LEP) Board for 2012/13 have now been finalised.</p> <p>The City Deal for Leeds City Region was formally agreed on 5 July 2012 and the City Deal Implementation Plan was formally signed at a meeting with Government on 17 September 2012. On 17 October 2012 the Leeds Executive Board agreed that the review into the Combined Authority could commence. The implementation of the City Deal is currently progressing as planned</p>	Green	N/A	N/A	N/A	N/A	N/A	N/A	Leader
	<p>During this quarter the council's new and improved website came on-line. Feedback has been generally positive with users reporting navigation and design as more user friendly. In the same period evaluation of our Leeds Gold campaign has also shown a high degree of success with high levels of participation in the torch relay and good awareness of our outdoor media campaign. The comms and marketing team are currently completing a prioritised work programme aligned to Top 25 and Business Plan which will</p>		Increase percentage of residents who trust the council's communications	N/A	Always trust it - 4.2% Trust it most of the time - 56.9% Occasionally trust it - 31.4% Never trust it - 3.4% Don't know - 4.1%				

<p>Improve communications and marketing services across the council.</p>	<p>work programme aligned to Top 20 and Business Plan which will be shared with CLT in Nov and will inform out strategy for telling the Leeds story more effectively. We continue to develop our working relationship with Leeds and Partners particularly focusing on helping the city speak with one voice and better co-ordinating our work. Prioritising our work remains a challenge as we face competing demands for our skills and resources. Initial survey results capturing public views on council communications have been received - further analysis is planned over the next few months with a more detailed update provided at Q3.</p>	<p>Green</p>	<p>Increase percentage of services who feel their communications and marketing needs are being met effectively</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>			<p>Leader</p>
<p>Create the environment for effective partnership working and for delivering the city's planning and performance management framework</p>	<p>Strategic Partnerships are beginning to collect information, through desk top work and conversations to populate reports to go to their Scrutiny Boards in March. Work is progressing to develop the methodology and supporting information for CAP6. Continued discussions through the Chairs group and the officers partnership coordination group are helping to support and further develop effective partnership working</p> <p>Revised service planning template and guidance has been developed in conjunction with colleagues across the council for the 2013-15 planning cycle. Risk and Performance sharepoint site has been developed to streamline compilation of quarterly reports and ensure more robust document and version control.</p>	<p>Green</p>	<p>Increase percentage of City Priority Plan priorities with positive progress</p>	<p>85%</p>	<p>94%</p>	<p>94%</p>			<p>Leader</p>
			<p>Increase percentage of partners who feel they can influence change: A) Percentage of non council board members or their deputies who attend the regular strategic partnership board meetings / Leeds Initiative board meeting.</p>	<p>85%</p>	<p>N/A</p>	<p>N/A</p>			<p>Leader</p>
<p>Lead the transformation of our workplace culture and working environment</p>	<p>Budget Plus is providing a major opportunity to tackle workplace culture; how we deliver our agreed organisational blueprint and demonstrate our values through engaging leadership are integral to the process - this was discussed, debated and agreed with Best Council Leadership Team, the Leader and Chief Executive at their last meeting on 4 September, is informing the leadership event on 12 October 2012 and the follow up activity. An assessment of behaviours and values has been formally included into mid-year review process of appraisals.</p> <p>The Changing the Workplace Programme is moving forward with the delivery of Early Wins projects - starting the decant staff out of Merrion House. These projects are now being delivered after delays due to finance and IT issues. Approx. 586 staff have been taken through New Ways of Working (NWoW) and it is anticipated a further 177 staff will be taken through NWoW by December 2012.</p>	<p>Amber</p>	<p>Increase the number of employees using flexible ways of working</p>	<p>800 Staff</p>	<p>586</p>	<p>586</p>			<p>Leader</p>
			<p>Increase average score (out of 10) given by staff that: a) the values influence how they do their job b) they recognise the values in how their colleagues work</p>	<p>a) 7.50 b) 7.50</p>	<p>a) 6.88 b) 6.70</p>	<p>a) 6.40 b) 6.30</p>			<p>Leader</p>
<p>Use the Commission for the Future of Local Government as a major lever for change in the city to enable delivery of the Best City and Best Council ambitions</p>	<p>The propositions within the national Commission report are being actively progressed in Leeds via the Budget Plus initiative, as well as forming the backdrop for the Partnership Review which is now underway. A series of workshops for colleagues has been run to increase awareness of the work of the Commission and how we all need to weave this into our work - this follows on from the reinforcement of this message by the Leader and Chief Executive at the Best Council Leadership Team meeting on 4 September, the broader Leadership event on 12 October and OD work generally. This is being reinforced by the Chief Executive meeting each Directorate Leadership Team separately. Additionally, there are a number of specific civic enterprise developments being supported, such as playfulLeeds, with a view to identifying the best way to do this on a sustainable basis.</p>	<p>Green</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leader</p>

Council Business Plan (CAP Lead)	Progress Summary	Overall Progress	Headline Indicator	Target	Q1	Q2	Q3	Q4	Executive Portfolio
Local communities are consulted about major changes that may affect their lives.	There has been an increase from 62% in Q1 to 73% in Q2, but there is more work to do to secure a 100% score by Q4. Many reports still do not make it clear if a lack of consultation evidence is acceptable, and if so why. The QA process also highlighted that some reports lack detail and clarity on what consultation was done, while some focus on the institutional stakeholders rather than residents / service users. However, there were also some very strong examples of good practice. Briefing sessions have continued to be delivered to colleagues in City Development, with excellent feedback from participants however, not all directorates have yet taken the opportunity, discussed at Best Council Board, to use these sessions to support improvement for all report writers. Directorates have worked to put in place processes to check content in reports before they seek approval, however not all reports as yet get included in these processes. Discussion with directorates suggests that a far higher proportion of reports that follow such processes do meet the VAL3 criteria, than among reports that are not 'vetted'.	Red	By March 2012 100% of key and major decisions have evidence that consultation has taken place with local people	100%	62%	73%			Leader
Equality is given due regard in council policy and decision making.	Overall 91% (49/54) reports met the criteria. There has been a slight improvement since the last reporting period in the percentage of major decision reports that meet the criteria. Once again a qualitative analysis exercise undertaken to support the quantitative analysis has highlighted that some minor improvements to ensure reports are robustly meeting the council's legal obligations. In September 2012 the new requirements for dealing with background documents and Equality Impact Assessments for Executive Board reports was introduced. Communication targeted at report writers across directorates has continued and improved directorate report clearance processes put in place. However, this work needs to continue to ensure that improvements are made not only to reduce the number of reports that are continuing to provide insufficient evidence to meet the indicator but also to ensure that the council meets its legal obligations.	Amber	By March 2012 100% of key and major decisions have evidence that equality issues have been fully considered	100%	90%	91%			Leader

Self Assessment
An independent review of the Housing ALMOs is underway. This is currently in Stage one with a focus on high level engagement work with stakeholders (including ALMO Chief Executives, Tenants representatives, staff groups and are ALMO Area Panels) to gauge as many views as possible as well as collecting performance information, best practice and a full financial analysis. A full options appraisal will be undertaken and developed into an options paper for Executive Board on 12 December. In Stage 2 (Jan-March) we will engage more widely with the options developed and come to a preferred option, with particular focus on tenants and residents, for agreement along with an implementation plan in Spring 2013.

2012/13 City Development Directorate Scorecard

Reporting Period :

Quarter 2 2012/13

Directorate Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolio
Reduce carbon emissions and water usage in council buildings	<p>Despite consumption of gas and electricity continuing to fall at quarter 2, LCC are projected to overspend on energy costs by over £800k. This is in part as a result of the unseasonably cold weather but mainly due to the increase in energy costs generally, and the uncertainty over estimated billing which should be resolved once all sites are on board with providing actual readings. Work continues on the TEAM software which will provide a 'live' and more accurate picture of performance.</p> <p>In terms of the cost of buildings, we are projecting an overall underspend across the Council of over £60k, with Resources contributing the bulk of this reduction.</p> <p>Work continues to progress the Asset Rationalisation Programme however delays on sites including; Bramley Baths, Roundhay Road and the White Rose House in Headingley.</p>	↑	Reduce running costs of our buildings*	£34,600,396	£15,404,580	£22,620,457			Environment
			Reduce our energy and water bills*	£8,377,220	£1,136,444	£3,040,849			
			Reduce our carbon emissions*	-9.40%	-18.98%	-15.16% Provisional			
Maximise income to support the delivery of the budget	Highways income is currently projected to be above the target for the year due to additional earned income which is offset by additional expenditure. However, a number of shortfalls in income are projected, particularly in Asset Management and Sport.	↔	Deliver income agreed in the budget*	£90.1m	£19.3m	£33.2m			Leader
Link financial and workforce planning	Staff numbers have continued to reduce in the Directorate. The targets have now been revised to reflect the service changes. At Q2 actual FTEs are 1,836 against the target of 1,831. In terms of staff expenditure, a small overspend of £0.2m is currently projected on staffing. Some of the overspend is due to the additional costs of staff currently in managing workforce change. The directorate will therefore continue to promote and submit ELI business cases and actively manage recruitment and vacancies.	↑							Leader / Neighbourhoods, Planning and Support Services

2012/13 Environment and Neighbourhoods Directorate Scorecard

Directorate Priorities	Progress Summary	Overall Progress	Supporting Measures	Target	Q1	Q2	Q3	Q4	Executive Portfolio
Improve the quality of the customer experience	The Directorate continues to address the issue of complaints response time performance which remains below the Council's standard. Work has been done to cleanse the data and weekly checks are now being undertaken on all open cases to ensure that customers receive a timely response and the outcomes are recorded on Siebel. Work continues to embed changes to processes within Waste Management and the Parks and Countryside service is arranging to undertake additional training to expand the number of staff using of the Siebel CRM system to improve enquiry and complaint handling performance. The Directorate is also embarking on a customer experience pilot project which will look at ways in which we can use customer intelligence to understand what is contributing to problems being experienced by local residents so that we can deliver sustainable improvements. SLT will be considering the outcomes of this work in January 2013.	Amber	N/A	N/A	N/A	N/A	N/A	N/A	Leader

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Resources and Council Services)

Date: 17th December 2012

Subject: Work Schedule

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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
Is the decision eligible 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

Summary of main issues

1. A draft work schedule is attached as appendix 1. The work schedule has been provisionally completed pending on going discussions with the Board. The work schedule will be subject to change throughout the municipal year.

Recommendations

2. Members are asked to consider the draft work schedule and make amendments as appropriate.

Background papers¹

None used

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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Scrutiny Board (Resources and Council Services) Work Schedule for 2012/2013 Municipal Year

Area of review	Schedule of meetings/visits during 2012/13		
	June	July	August
People Plan	Outturn Report People Plan performance and report on appraisals and engagement – SB 25/06/12	Performance of Environment and Neighbourhoods regarding appraisals and engagement	
Equality Improvement Priorities	Equality Indicators SB 25/06/12		
Annual review of Partnership			
<i>To be determined</i>			
Briefings		Community Right To Challenge – To discuss proposed process SB 23/7/12 Procurement and Call IN	
Budget & Policy Framework Plans			
Recommendation Tracking			
Performance Monitoring	Quarter 4 performance report SB 25/06/12		
Budget	Out turn Report – SB 25/06/12		

Scrutiny Board (Resources and Council Services) Work Schedule for 2012/2013 Municipal Year

Area of review	Schedule of meetings/visits during 2012/13		
	September	October	November
People Plan	Quarter 1 People Plan performance and report on Flexible Working and Agency staff – SB 3/09/12	Agency work in N&E, ADS and Children's	
Equality Improvement Priorities			
Annual review of Partnership	Discussion with Cllr Wakefield re Leeds Initiative		
<i>To be determined</i>			
Briefings	Gambling Policy SB 3/9/12	Update on Fleet Services	Welfare reform
Budget & Policy Framework Plans			
Recommendation Tracking			
Performance Monitoring	Quarter 1 performance report SB 3/09/		
Budget	Quarter 1 - Budget SB 3/09/		Financial Strategy

Scrutiny Board (Resources and Council Services) Work Schedule for 2012/2013 Municipal Year

Area of review	Schedule of meetings/visits during 2012/13		
	December	January	February
People Plan		Quarter 2 People Plan performance and report on Attendance and Health & safety SB 17/12/12	
Equality Improvement Priorities			
Annual review of Partnership			
Welfare Reform	13 th December – working group	To agree report following working group	
Briefings	Officer Pay		
Budget & Policy Framework Plans		To receive Executive Board's initial budget proposals	
Recommendation Tracking			
Performance Monitoring	Quarter 2 performance report SB 17/12/12		
Budget	To receive Executive Board's initial budget proposals		

Page 12 of 12

Scrutiny Board (Resources and Council Services) Work Schedule for 2012/2013 Municipal Year

Area of review	Schedule of meetings/visits during 2012/13		
	March	April	May
People Plan	Quarter 3 People Plan performance and report on Equalities – SB 18/03/13		
Equality Improvement Priorities			
Annual review of Partnership	To undertake “critical friend” challenge – SB 18/03/13		
<i>To be determined</i>			
Briefings			
Budget & Policy Framework Plans			
Recommendation Tracking			
Performance Monitoring	Quarter 3 performance report SB 18/03/13		
Budget	Quarter 3 – Budget – SB 18/3/13		

Page 122

Key: SB – Scrutiny Board (Resources and Council Services) Meeting

WG – Working Group Meeting