
SCRUTINY BOARD (STRATEGY AND RESOURCES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Thursday, 26th October, 2017 at 10.30 am

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

MEMBERSHIP

Councillors

- S Bentley - Weetwood;
- A Garthwaite - Headingley;
- P Grahame (Chair) - Cross Gates and Whinmoor;
- P Harrand - Alwoodley;
- J McKenna - Armley;
- D Nagle - Rothwell;
- A Smart - Armley;
- A Sobel - Moortown;
- E Tunnicliffe - Roundhay;
- T Wilford - Farnley and Wortley;
- R Wood - Calverley and Farsley;

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

Principal Scrutiny Adviser:
Steven Courtney
Tel: 24 74707

Produced on Recycled Paper

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <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:</p> <p>No exempt items have been identified.</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p>MINUTES - 14 SEPTEMBER 2017</p> <p>To confirm as a correct record, the minutes of the meeting held on 14 September 2017.</p>	1 - 4
7			<p>EXECUTIVE BOARD MINUTES - 20 SEPTEMBER 2017</p> <p>To consider, for information purposes, the draft minutes of the Executive Board meeting held on 20 September 2017.</p>	5 - 18

Item No	Ward/Equal Opportunities	Item Not Open		Page No
8			<p>COMMISSIONING - RESPONSE TO THE SCRUTINY INQUIRY REPORT AND RECOMMENDATIONS</p> <p>To consider a report from the Head of Governance and Scrutiny Support introducing the response from the Director of Adults and Health to the Scrutiny Board's previous report and recommendations regarding commissioning arrangements.</p>	19 - 50
9			<p>FINANCIAL HEALTH MONITORING 2017/18 – MONTH 5</p> <p>To consider a report from the Head of Governance and Scrutiny Support introducing the Financial Health Monitoring 2017/18 – Month 5 report, considered by the Executive Board at its meeting on 18 October 2017.</p>	51 - 76
10			<p>PERFORMANCE REPORTING</p> <p>To consider a report from the Director of Resources and Housing that sets out a proposed timetable for reporting performance across the portfolio areas relevant to the Board's remit, for the remainder of 2017/18. The report also to provide members with details of the Council's response to the Government Apprenticeship Levy and the associated public sector target.</p>	77 - 82
11			<p>WORK SCHEDULE</p> <p>To consider the Scrutiny Board's work schedule for the remainder of the 2017/18 municipal year.</p>	83 - 92
12			<p>DATE AND TIME OF NEXT MEETING</p> <p>Wednesday, 29 November 2017 at 10:30am (pre-meeting for all members of the Scrutiny Board at 10:00am).</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
			<p>THIRD PARTY RECORDING</p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title. b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete. 	

This page is intentionally left blank

SCRUTINY BOARD (STRATEGY AND RESOURCES)

THURSDAY, 14TH SEPTEMBER, 2017

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, D Blackburn,
A Garthwaite, R Grahame, P Harrand,
J McKenna, D Nagle, E Tunnicliffe and
R Wood

23 Late Items

There were no late items of business.

24 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interest.

25 Apologies for Absence and Notification of Substitutes

The following apologies for absence and notifications of substitute members attending were received at the meeting:

- Councillor A Sobel – Councillor R Grahame attending as a substitute member
- Councillor T Wilford – Councillor D Blackburn attending as a substitute member

26 Minutes - 21 July 2017

The draft minutes of the meeting held on 21 July 2017 were agreed as an accurate record, subject to the following amendment:

- Minute 22 – Date and time of next meeting to read Thursday, 14 September 2017 rather than Friday, 14 September 2017.

27 Review of Current Business Rates Issues

The Deputy Chief Executive submitted a report setting out a range of business rates issues and the associated risk environment for the Council.

The following were in attendance to introduce the item and address questions from the Scrutiny Board:

- Cllr James Lewis – Executive Member for Strategy and Resources
- Richard Ellis – Head of Finance (Communities & Environment, Resources & Housing, Corporate Finance)
- Naomi Eastwood – Senior Financial Manager (Financial Management (Corporate))
- Mark Amson – Business Rates Manager

In introducing the report, the Head of Finance outlined the purpose of the report was to provide a briefing on current business rates issues, to help the Scrutiny Board more fully understand the risk environment around business rates and, where applicable, to provide assurances about the arrangements in place to manage those risks.

During the introduction, the Head of Finance and the Executive Board Member made specific reference to the current system of 50% retention of business rates by local authorities. The previous system had consisted of local authorities collecting business rates and returning to central government for redistribution. It was also highlighted that previous suggestions a 100% retention business rates system was unlikely to materialise in the foreseeable future.

The Head of Finance and the Executive Board Member also made reference to the Council's increasing reliance on income from business rates, with a shift away from direct government grant (Revenue Support Grant) and income from business rates forming a larger proportion of the Council's overall revenue budget. The Board's attention was also drawn to the volatility of business rates and, as a result, the associated risks, which included:

- Slower than forecast growth;
- The impact of mandatory reliefs determined by Government;
- Reductions in rateable value determined by the Valuation Office Agency; and most significantly,
- Reductions in rateable value as a result of business rate appeals.

The Scrutiny Board was reminded that the Council was not responsible for setting rateable values or determining mandatory reliefs. In addition, the Council did not have any role in the appeals process.

The Scrutiny Board considered the report and the summary provided at the meeting; making a number of observations and highlighting a number of concerns, which included:

- The appeals process and associated timescales, including consideration of ways to expedite the process.
- The current level of outstanding rate appeals across Leeds – which was in excess of 4200.
- The current £14.46 million provision set aside by the Council for potential business rate rebates, and the associated rationale for the level of identified provision (it was agreed a separate note on the rationale would be provided to members of the Scrutiny Board).
- The reliance of the business rate system on 'ratable values' of business properties, with no account of other factors such as turnover or profit.
- The basis of appeals being around the 'tone of the list', material changes or physical alterations.
- The timeliness of the Council becoming aware of appeals being logged by the Valuation Office Agency (VOA).
- The role of the Local Government Association in highlighting the implications and concerns not only of Leeds, but of local authority areas more generally.

- Matters associated with accounting for business rates income through the Council's collection fund.
- The transparency of the appeals process, including tribunals.

During the discussion at the meeting, the Scrutiny Board agreed to invite representatives of the Valuation Office Agency to attend a future meeting and to consider arrangements for attending and observing a business rates valuation tribunal.

On conclusion of the discussion, the Chair thanked the Executive Board Member and officers for their attendance and contribution to the discussion.

RESOLVED –

- (a) That the details set out in the report and discussed at the meeting be noted.
- (b) That appropriate representatives of the Valuation Office Agency be invited to attend a future meeting of the Scrutiny Board.
- (c) That the possibility of attending and observing a business rates valuation tribunal, including timings and the venue, be explored and reported back to the Scrutiny Board.

28 Work Schedule

The Head of Governance and Scrutiny Support submitted a report setting out the Scrutiny Board's outline work programme for the remainder of the 2017/18 municipal year.

RESOLVED –

That the report be noted and the outline work schedule presented at the meeting be agreed, subject to the routine timetabling discussions with the Chair of the Scrutiny Board.

29 Date and Time of Next Meeting

Thursday, 26 October 2017 at 10:30am (pre-meeting for all Board members at 10:00am).

The meeting closed at 11:35 a.m.

This page is intentionally left blank

EXECUTIVE BOARD

WEDNESDAY, 20TH SEPTEMBER, 2017

PRESENT: Councillor J Blake in the Chair

Councillors A Carter, R Charlwood,
D Coupar, S Golton, J Lewis, R Lewis,
M Rafique and L Yeadon

SUBSTITUTE MEMBER: Councillor J Pryor

APOLOGIES: Councillor L Mulherin

52 Substitute Member

Under the provisions of Executive and Decision Making Procedure Rule 3.1.6, Councillor Pryor was invited to attend the meeting on behalf of Councillor Mulherin, who had submitted her apologies for absence from the meeting.

53 Late Items

Although no formal late items of business had been submitted for the Board to consider, prior to the meeting and with the Chair's agreement, Board Members had been in receipt of correspondence which provided an additional recommendation to agenda item 21 entitled, 'Leeds Children and Families Services' Sector Led Improvement Role' (Minute No. 71 refers).

54 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting, however, in relation to the agenda item entitled, 'Leeds Talent and Skills Plan – Consultation Draft', Councillor Golton drew the Board's attention to his role as an 'Inclusive Jobs Champion' with the West Yorkshire Combined Authority.

In addition, in relation to the agenda item entitled, 'Request to approve the model for continuing Leeds City Council's Investment in Neighbourhood Network Services', Councillor A Carter drew the Board's attention to his position as Chair of the Farsley, Calverley and Tyresal Live at Home Scheme

(Minute Nos. 58 and 67 refer).

55 Minutes

RESOLVED – That the minutes of the meeting held on 17th July 2017 be approved as a correct record.

ENVIRONMENT AND SUSTAINABILITY

56 The development of a new park in Moortown and an update on the Parks and Countryside Service apprenticeship scheme

The Director of Communities and Environment submitted a report which highlighted the value of community greenspaces in Leeds and how funding

Draft minutes to be approved at the meeting
to be held on Wednesday, 18th October, 2017

from development had been used to support facilitating the improvement of existing greenspaces. In addition, the report detailed proposals for the establishment of a new park in Moortown, with associated approvals being sought regarding injection of funding and 'authority to spend', and which also highlighted the potential to support the continued expansion of the Parks and Countryside services apprenticeship programme.

Members welcomed the proposals, emphasised the importance of continuing to engage with local Ward Members during the development of the project, and also welcomed the proposal to establish an associated 'friends of' group.

Furthermore, in highlighting the benefits of looking to increase community greenspace provision, Members encouraged replicating this scheme in other areas across the city, where possible and appropriate.

RESOLVED -

- (a) That the injection together with 'authority to spend' of £300k, to be fully funded from section 106 monies in order to support the development a new park in Moortown, be authorised;
- (b) That the future commitment of a further £200k investment to support the ongoing maintenance of the site be noted, with the potential for this to support the continued expansion of the Parks and Countryside services apprenticeship programme also being noted.

ECONOMY AND CULTURE

57 Design and Cost report for the development and delivery of design proposals for public realm improvements at Quarry Hill

Further to Minute No. 48, 17th July 2017, the Director of City Development submitted a report outlining proposals for the Council to progress public realm improvements to the area of land known as Gateway Court and Playhouse Square which sit adjacent to West Yorkshire Playhouse.

Members welcomed the proposals which had been submitted and in response to an enquiry, received clarification on aspects of the financial implications arising from the proposals. In addition, it was also noted that there was no intention from the Council to seek a change in the name of the area known as Quarry Hill.

RESOLVED –

- (a) That the injection of £1.926m into the Capital Programme (Capital Scheme no 32804) towards the proposed public realm improvements for the existing green space at Quarry Hill, known as Gateway Court and Playhouse Square, be authorised;
- (b) That authority to spend £1.926m from the Capital Scheme no. 32804 for the proposed public realm improvement works to Gateway Court and Playhouse Square be approved, subject to the outcome of the

planning submission of the scheme and the tender for the proposed works being within the project's cost plan allowance;

- (c) That it be noted that in July 2017 Executive Board: gave approval to the submission of a planning application later this year for the Gateway Court and Playhouse Square landscape proposals under development, as presented to this Executive Board for approval in principle; and authorised the award of the contract for the proposed landscape improvement proposals at Gateway Court and Playhouse Square, subject to the tender for the proposed works being within the project's cost plan allowance;
- (d) That it be noted that in July 2017, Executive Board approved in principle the inclusion of the proposed public realm improvement works to Gateway Court and Playhouse Square in the contract for the proposed works to the West Yorkshire Playhouse;
- (e) That it be noted that in July 2017, Executive Board gave approval to the Council bringing forward for disposal for residential use, the site on Quarry Hill previously held for use as a coach layover facility and to the use of the subsequent capital receipt to contribute towards the cost of the proposed public realm improvement works at Gateway Court and Playhouse Square;
- (f) That subject to consultation with the Executive Member for Regeneration, Transport and Planning, approval be given to authorise the Director of City Development to negotiate and approve the final terms of all legal agreements associated with the delivery of the project, in accordance with the Council's officer delegation scheme.

EMPLOYMENT, SKILLS AND OPPORTUNITY

58 Leeds Talent and Skills Plan - Consultation Draft

The Director of City Development submitted a report which set out the recent work undertaken in order to develop the first Leeds Talent and Skills Plan for the period 2017 – 2023. The report outlined the work undertaken so far in preparation of the draft, together with the approach being taken towards proposed publication in the autumn.

Responding to Members' comments, it was highlighted that the aim of the Council was to attract new employers into the city, adding to those already operating in Leeds, in order to provide a whole range of job opportunities for local communities. In addition, the aim was also to ensure that such employers provided social value in line with Council's ambitions. With regard to the issue of relocating jobs from other parts of the UK into Leeds, the Board was provided with further detail of the benefits that such relocation would bring to the local economy.

Emphasis was also placed upon the important role to be played by the Apprenticeship Levy in the promotion and creation of opportunities, whilst Members also highlighted the collaborative approach which needed to be taken with partners in order to ensure that Leeds citizens had the appropriate skills base in order to fully benefit from current and future employment and skills opportunities.

In conclusion, Members looked forward to receiving information which provided the outcomes of the proposed consultation exercise. Also, having received an update on the current position regarding the employment opportunities being brought to the local economy by Burberry, it was suggested that further evaluation of such matters could be submitted to the Board at the appropriate time for consideration.

RESOLVED –

- (a) That the publication of the Leeds Talent and Skills Plan draft be approved for the purposes of consultation;
- (b) That the approach proposed by officers to engage with business and stakeholders and to seek specific commitments, be supported;
- (c) That agreement be given to the Plan being published in the autumn of 2017;
- (d) That it be noted that the Head of Employment Access and Growth will be responsible for the implementation of such matters.

RESOURCES AND STRATEGY

59 The New Leisure and Wellbeing Centre for East Leeds

Further to Minute No. 119, 14th December 2016, the Director of City Development submitted a report providing an update on the progress which had been made in developing proposals for a new leisure and wellbeing centre for inner east Leeds, and which sought agreement of the preferred site, for the purposes of consultation and further feasibility works.

Responding to a Member's enquiry, the Board was provided with further information in respect of proposals regarding the associated financial delivery model for the project.

RESOLVED –

- (a) That approval be given for the site of the new inner east Leeds Leisure and Wellbeing Centre to be within the boundary, as set out within Appendix A to the submitted report;
- (b) That following resolution (a) above, approval be given to the commencement of a public consultation exercise, the outcome of which will be used to inform the future facility mix of the new centre and to comment upon the site proposal;

- (c) That following the conclusion of the consultation exercise, 'authority to spend' of £300k be approved to commission a feasibility study to develop proposals for a new Leisure and Wellbeing centre at a new location within the existing Fearnville Leisure Centre and surrounding site;
- (d) That the current position regarding progress made on the wider 'Vision for Leisure & Wellbeing Centres' programme be noted, and that it also be noted that further updates will be submitted to Executive Board for consideration in February 2018;
- (e) That it be noted that the Head of Sport and Active Lifestyles will be responsible for the implementation of such matters.

60 Financial Health Monitoring 2017/18 - Month 4

The Chief Officer (Financial Services) submitted a report presenting details of the Council's projected financial health position for 2017/18 as at month 4 of the financial year. In addition, the report sought approval of a virement to increase the Children and Families budget in order to provide resource to fund the additional costs of children looked after, whilst the report also sought approval for an adjustment to the 2016-17 outturn and general reserve, following the identification of two post balance sheet events, as detailed within the submitted report.

Responding to an enquiry, the Board was provided with assurances that appropriate processes were in place with regard to the Council's Carbon Reduction Commitment submission. Linked to this, Members also briefly discussed the issue of street lighting provision in the city.

Members noted the proposed virement to increase the Children and Families budget in order to fund the additional costs of children looked after, with it being noted that the level of demands on resource in this area would continue to be monitored, as part of established budget monitoring processes.

The Board also received further information regarding the Council's approach towards the provision of reserves.

RESOLVED –

- (a) That the projected financial position of the authority, as at month 4, be noted, together with the ongoing work within the Children and Families directorate to balance the revenue budget;
- (b) That a virement to increase the Children and Families budget by £3.7m in order to provide resources to fund the additional costs of children looked after, be approved; with it being noted that the officer responsible for the implementation of such matters is the Chief Officer (Financial Services), together with the fact that the virement will be actioned before the next reporting period;

- (c) That the adjustments to the 2016-17 outturn and general reserve, following the identification of the two post balance sheet events, as outlined within the submitted report, be approved.

REGENERATION, TRANSPORT AND PLANNING

- 61 Leeds Local Plan - Adoption of the Aire Valley Leeds Area Action Plan**
Further to Minute No. 194, 19th April 2017, the Director of City Development submitted a report which sought Executive Board's approval to recommend that Council adopt the submission draft Aire Valley Leeds Area Action Plan (AVLAAP), together with the Main Modifications to it, as recommended by the independent Inspector.

Members welcomed the advanced stage that the AVLAAP had now reached, and thanked all concerned for the work which had been undertaken to enable it to reach this stage.

Responding to a Member's enquiry, the Board received an update and further information regarding a proposal for the potential development of a rolling stock depot for HS2 within the AVLAAP area, a matter which was currently the subject of public consultation.

RESOLVED –

- (a) That the recommendations and proposed Main Modifications of the Inspector, as detailed within their report (dated August 2017) at Appendix 1 to the submitted cover report, be noted;
- (b) That Council be recommended to adopt the Aire Valley Leeds Area Action Plan, as submitted for examination and including: the Main Modifications recommended by the Inspector (as detailed within the submitted Appendix 1; map changes at Appendix 2 and the Additional Modifications at Appendix 3), pursuant to Section 23 of the Planning and Compulsory Purchase Act 2004 (as amended);
- (c) That any further additional modifications which are required to be made as grammatical, consequential or factual updates, be delegated to the Chief Planning Officer in consultation with the relevant Executive Member.

(In accordance with the Council's Executive and Decision Making Procedure Rules, the matters referred to within this minute were not eligible for Call In as the power to Call In decisions does not extend to those decisions made in accordance with the Budget and Policy Framework Procedure Rules)

- 62 Key Junction Improvements (CIP Phase 1)**
The Director of City Development submitted a report which sought support for the development of junction improvement schemes at Dawson's Corner, Dyneley Arms and Fink Hill, together with relevant approvals for 'authority to spend', from the West Yorkshire Combined Authority 'Corridor Improvement

Programme' grant, in order to enable the progression of Phase 1 scheme development.

Members welcomed the proposals, highlighted the need to ensure that local Ward Members were kept informed and also emphasised the need for a comprehensive consultation exercise to be undertaken in respect of the three schemes.

With specific emphasis to Dawson's Corner, a Member highlighted the need to ensure that the proposed changes enabled fluent traffic movement through the junction.

RESOLVED –

- (a) That in principle support be given to the development of junction improvement schemes at Dawson's Corner, Dyneley Arms and Fink Hill, together with land acquisition where required, with it being noted that the West Yorkshire Combined Authority has approved in principle sufficient capital to substantially fund the implementation under the Corridor Improvement Programme (CIP);
- (b) That 'authority to spend' £1.525M, which is funded from the West Yorkshire Combined Authority CIP grant be approved in order to enable Phase 1 of the scheme development, in advance of signing the grant funding agreements, if required;
- (c) That it be noted that officers will return to Executive Board in order to seek approval for the construction of Phase 1 schemes, subject to the outcome of the development work and consultation;
- (d) That it be noted that the Chief Officer Highways and Transportation is responsible for the programme delivery, with a substantial completion date of March 2021.

63 Delivering the East of Otley Housing Allocation

The Director of City Development submitted a report which sought approval to the key principles of a potential transaction for land in the Council's ownership that would enable the development of the East of Otley mixed use development allocation.

RESOLVED –

- (a) That the Heads of Terms, as outlined in section 3.6 of the submitted report be approved, in order to enable a detailed agreement to be developed for further consideration by Executive Board;
- (b) That the proposal to develop a marginal viability application with the developers of the East of Otley site, for submission to the Housing Infrastructure Fund (HIF), be noted.

64 Phase 2 Leeds (River Aire) Flood Alleviation Scheme

Further to Minute No. 170, 20th April 2016, the Director of City Development submitted a report providing an update on the emerging proposals for the Phase Two River Aire Leeds Flood Alleviation Scheme in advance of widespread engagement with stakeholders. In addition, the report sought approval for the submission of funding applications, together with the subsequent undertaking of an accelerated package of advanced works.

Members welcomed the innovative proposals which had been submitted and how they would build upon phase one of the scheme. With regard to phase two, Members specifically welcomed the 'whole catchment' approach which was being taken.

With regard to phase two, the Chair welcomed the offers of cross-party support which had been made during the discussion in respect of approaching Government for the financial support required to deliver such proposals.

RESOLVED –

- (a) That the emerging proposals for Phase Two in relation to Natural Flood Management; the construction of actively controlled river floodwater storage areas; the removal of existing obstacles effecting the river channel in high flow events; and the residual construction of linear defences and potential terracing, be noted;
- (b) That widespread engagement to be undertaken with stakeholders on the emerging proposals, be approved;
- (c) That support be given to ensure that defence works are progressed as quickly as possible; that the submission of business cases to ascertain funding in relation to £3.4m of advanced works be endorsed; and subject to the outcome of those business cases, that the necessary 'authority to spend' for the undertaking of such works be delegated to the Director of City Development, in consultation with the Director of Resources and Housing;
- (d) That it be noted that a further report will be submitted to Executive Board in December 2017 which seeks approval of the outline business case submission to the Department of Environment, Food & Rural Affairs and the subsequent planning application submission.

HEALTH, WELLBEING AND ADULTS

65 Better Lives - Phase 3 Implementation

Further to Minute Nos. 136 and 153, 8th February 2017, the Director of Adults and Health submitted a report providing an update regarding the implementation of Phase 3 of the Council's 'Better Lives' programme.

Responding to Members' enquiries, the Board was advised that currently, there were no plans to submit to the Board a report which considered a fourth

phase of the Better Lives Programme, although it was highlighted that such matters would continue to be kept under review.

With regard to former residents of The Green, again responding to an enquiry, the Board was provided with further information and context in respect of the choices which had been made by those residents and their families in respect of the homes that they had moved into. During the discussion, it was also acknowledged that Councillor A Carter was currently in correspondence with the Director of Adults and Health in respect of specific issues regarding The Green.

Members also discussed the submitted evaluation data regarding the outcomes from the former users of the Radcliffe Lane Day Centre.

RESOLVED –

- (a) That the successful transfer of all customers to alternative services, where that was their preference, be noted;
- (b) That it be noted that the closure of all establishments has been achieved without any compulsory redundancies, with staff having made a successful transition to their new posts within the Council, where they have chosen to remain in employment;
- (c) That the planned opening date of November 2017 for The Green as a new recovery facility, as part of the Council's wider Leeds Recovery Service, be noted.

66 Adults and Health Regulated Services Quality Account

The Director of Adults and Health submitted a report presenting the 2017 'Quality Account' in respect of regulated Social Care services (those registered and inspected by the Care Quality Commission) for Leeds.

In receiving the submitted Quality Account, the Board discussed the aim of developing a 'one city' approach towards the evaluation of quality of care provision, and also discussed the options available, together with the potential restrictions regarding the role which could be played by members of the local community in such processes.

In addition, responding to an enquiry, Members were assured that the Council liaised with those Local Authorities who performed highly in this area, in order to share experience of good practice.

RESOLVED –

- (a) That the contents of the submitted report be noted; that the work outlined within it to deliver improvements be supported; and that approval be given for the publication of the Adults and Health Quality Account for Leeds, as appended to the submitted report;
- (b) That it be noted that the Head of Commissioning (Contracts and Business Development) for Adults and Health will ensure that the

Quality Account 2017 is published on the Leeds City Council website by the end of this calendar year.

67 Request to approve the model for continuing Leeds City Council's investment in Neighbourhood Network services from 1st October 2018

The Director of Adults and Health submitted a report which sought approval to proceed with the proposals to establish new arrangements for the funding, length of agreement and awarding mechanism for Neighbourhood Network services from 1st October 2018.

Members welcomed the proposals and highlighted the crucial role played by Neighbourhood Network services across the city, with an emphasis being placed upon the need to continue to raise awareness of the valued work undertaken by those organisations.

Responding to an enquiry, the Board was provided with further information regarding the formula which had been used for the submitted funding proposals, and a Member highlighted the need to ensure that the funding arrangements for such organisations was regularly evaluated in order to ensure the sustainability of those organisations.

RESOLVED – That the following proposals be approved:-

- (a) To continue the contributory funding of Neighbourhood Network services for a further 5 years based largely on the current mapping of the city. This investment to commence on 1st October 2018 through to 30th September 2023, with the proviso to review the service prior to the expiry of the agreement and to seek approval for the continuation of the grant agreement for a further 5 years on a rolling programme. The formal approval process will be adhered to at the appropriate juncture.
- (b) To move away from the current contracting approach to long term grant arrangements based on core, central principles aligned with the Leeds Health and Wellbeing Strategy 2016-2021, the Better Lives Strategy 2017-2022 and Best Council Plan 2017/18. A fair, open and transparent competitive grants process to be utilised for the award of funding. This would be based 100% on quality, and the price for each Neighbourhood Network area will be set before going to market, as per the details within Appendix 2 to the submitted report;
- (c) To standardise the funding currently labelled as either dementia add-on or additional funding as core funding for those areas affected (16 in total);
- (d) To increase the overall value of the contract by a further £564,967 per annum, with the areas that currently receive the lowest investment seeing the greatest uplifts;

- (e) To engage on a case by case basis with current providers adjacent to unallocated areas of the city in order to redefine the boundaries to be covered by the funding allocation;
- (f) That Commissioning Officers (Adults and Health) engage in the work necessary to develop the funding agreement document and formalise how processes will be managed for the award of funding for the ensuing 5 year period covered by the submitted report, with these proposals being submitted to the Director for Adults and Health for approval before going to market to set arrangements in place.

68 Delivery of the Leeds 'Person Held Record' (PHR) Programme

The Director of Adults and Health and the Director of Resources and Housing submitted a joint report regarding the development and proposed rollout of the 'Personal Held Record' programme in Leeds, with the report also seeking approval of the relevant expenditure.

Responding to an enquiry, assurance was provided with regard to the level of security that the system would use in order to protect the data within it.

RESOLVED – That approval be given to initially incur expenditure of £590K (year one) of a total of £1,800K over three years, in order to develop and rollout the 'Personal Held Record' programme in Leeds for those reasons as outlined within the submitted report, with subsequent releases of funding being subject to successful progress and gateway reviews.

CHILDREN'S AND FAMILIES

69 Outcome of a statutory notice to change the lower age limit of Hovingham Primary School from 3-11 years to 2-11 years

Further to Minute No. 7, 21st June 2017, the Director of Children and Families submitted a report which detailed the outcome of a statutory notice regarding a proposal to change the age range of Hovingham Primary School from 3 - 11 to 2 - 11 years, and which sought a final decision in respect of such matters.

RESOLVED –

- (a) That the proposal to permanently change the lower age limit of Hovingham Primary School from 3 years to 2, changing the school's age range from 3-11 years to 2-11 years, with effect from October 2017, be approved, which will enable the school to deliver free early education entitlement for eligible 2 year olds;
- (b) That it be noted that the responsible officer for implementation of such matters is the Head of Learning Systems.

70 The Role of Learning Improvement in driving up standards, with a focus on Vulnerable Learners

The Director of Children and Families submitted a report which focussed upon the role of the Council with regard to learning, and the development of the

education system in the city. The report also considered the collaborative approach being taken towards the delivery of education provision in Leeds, and how this could be developed further.

Responding to an enquiry, the Board was provided with further information on the bespoke approaches being taken to further develop the Council's learning improvement objectives with a range of cohorts across the city.

Members also discussed the current position in respect of the Education Services Grant (ESG).

Following a suggestion that this matter be referred to the relevant Scrutiny Board for consideration, it was noted that the Scrutiny Board (Children and Families) was currently conducting an inquiry into 'the impact of child poverty on attainment, achievement and attendance', and it was undertaken that the Scrutiny Board would be made aware of the matters being considered today, should they wish to take them into consideration either as part of that inquiry or associated work.

RESOLVED –

- (a) That it be acknowledged that the Council has an important role to play in the future of education;
- (b) That it be agreed that the Council should use Learning Improvement in order to develop a model for collaboration between schools and settings;
- (c) That it be recognised that co-operation between schools and settings should be enhanced;
- (d) That agreement be given to develop a stronger collaboration with key comparative cities in order to strengthen the learning improvement offer across Leeds, which will be developed in the next 12 months;
- (e) That the future plans to reduce the learning gaps for vulnerable learners, be acknowledged;
- (f) That it be noted that the officer responsible for the implementation of such matters is the Chief Officer Learning Improvement.

71 Leeds Children and Families' Services Sector Led Improvement Role

The Director of Children and Families submitted a report which reviewed the Children and Families directorate's recent and ongoing work with other Local Authorities in order to support their improvement, and which also set out the proposed plans for developing the directorate's future role in the field of sector led improvement.

Responding to an enquiry regarding the Council's sector led improvement role, assurances were provided that as part of the ongoing negotiation

process which was currently taking place, sufficient resource would be maintained for Leeds whilst the Local Authority undertook this role.

Prior to the meeting, Board Members had received correspondence proposing the incorporation of an additional recommendation to the submitted report. The additional recommendation was considered alongside the submitted agenda, and it was

RESOLVED –

- (a) That the contents of the submitted report be noted, with the agreement that support continues to be provided in respect of the improvement agenda in Children and Families in Leeds;
- (b) That in relation to the development of a formal Improvement Partnership between Leeds City Council, Kirklees and the Department for Education, the necessary authority be delegated to the Chief Executive, in consultation with the Director of Children and Families, the Executive Member for Children and Families and the City Solicitor, in order to enable him to undertake the negotiation and agreement of the detailed terms of the partnership agreement, and other agreements and arrangements to be implemented.

COMMUNITIES

72 Citizens@Leeds: Tackling Poverty and Supporting Communities - Update

Further to Minute No. 62, 21st September 2016, the Director of Communities and Environment submitted a report providing an update on the progress which had been made in supporting communities and tackling poverty in Leeds over the past 12 months, presented the ongoing and planned activities for the forthcoming year, whilst also providing information on key challenges in this area.

Responding to enquiries, the Board was provided with further information on how 'Priority Neighbourhoods' had been identified, and the collaborative approach which would be taken to ensure the delivery of an 'enhanced focus' upon those neighbourhoods. It was noted that a further report regarding the Priority Neighbourhoods was currently scheduled to be submitted to the Board in November 2017, and it was undertaken that Councillors A Carter and Golton be provided with a briefing on related matters prior to the further report being submitted to the Board.

In conclusion, Members thanked officers within the Financial Inclusion team for the valuable work which they continued to undertake.

RESOLVED –

- (a) That the information as detailed within the submitted report be noted;
- (b) That the progress made in delivering against the actions which had been identified for 2016/17 be noted;

- (c) That the key activities being delivered in 2017/18 be noted;
- (d) That a report be submitted in a further 12 months, which sets out the progress made in respect of supporting communities and tackling poverty.

DATE OF PUBLICATION: FRIDAY, 22ND SEPTEMBER 2017

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** FRIDAY, 29TH SEPTEMBER 2017



Report author: Steven Courtney

Tel: 37 88666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 26 October 2017

Subject: Commissioning – response to the scrutiny inquiry report and recommendations

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. During the previous municipal years (2015/16 and 2016/17), the Scrutiny Board (Strategy and Resources) undertook an inquiry into the Council's arrangements for commissioning services. The Board agreed its final report and recommendations in May 2017. A copy of the inquiry report is attached at Appendix 1.
2. Following the Scrutiny Board's agreement of the final report and recommendations, and in line with the Council constituent, a request for a substantive response was made to the Director of Adults and Health. The response has now been received and is attached at Appendix 2 for consideration by the Scrutiny Board.
3. In the context of the previously agreed report and recommendations, the Scrutiny Board is asked to consider the response provided and agree any specific actions.
4. The Executive Board Member for Strategy and Resources and the Director of Adults and Health have been incited to the meeting to present the response and address any questions from the Scrutiny Board.

Recommendations

5. The Scrutiny Board is asked to consider the attached response and to identify and agree any subsequent scrutiny actions or activity.

Background documents¹

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

6. None used

Scrutiny Board Statement

Commissioning

Scrutiny Board (Strategy and Resources)

May 2017



Contents

	Page
1. Desired Outcomes and Recommendation Summary	5
2. Introduction and Background	7
3. Conclusions and Recommendations	9
4. Appendix 1:	15



Desired Outcomes and Recommendations

Desired Outcome – To enhance the level of member involvement and transparency in relation to people’s commissioning.

Recommendation 1:

That, by September 2017, the Director of Adults and Health reviews the mechanisms for reporting performance of commissioned ‘people’s services’ through Community Committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.

Desired Outcome – To enhance the level of consistency in relation to people’s commissioning across the Council and the connection between the Strategic Board and Operational Group.

Recommendation 2

- (a) That the Director of Adults and Health ensures that, as a minimum, the people’s commissioning operational group provides a 6-monthly progress report, specifically focusing on:
- Performance and Quality;
 - Commissioning Workforce; and
 - Shared Intelligence.
- (b) That the report referred to in (a) above, is made available to the appropriate Scrutiny Board

Desired Outcome – To enhance the Council’s approach and improve organisational learning in relation to decommissioning across people’s commissioning.

Recommendation 3

- (a) That, through the people’s commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.
- (b) That where services are decommissioned, a review of the equality impact assessment is undertaken to assess its overall effectiveness and that any shared learning is reported through the people’s commissioning operational group.

Desired Outcome – To ensure the most efficient and effective use of the staffing resource across people’s commissioning.

Recommendation 4

- (a) That the Director of Adults and Health and the Chief Officer (Human Resources) continue, at pace, with the work to develop commissioning as a job family during 2017.
- (b) That the Director of Adults reviews the available overall staff resource associated with people’s commissioning to:
- Ensure it is effectively deployed; and
 - Identify and deliver any financial efficiency against existing staffing budgets.
- (c) That the outcome of (a) and (b) above are reported to the appropriate Scrutiny Board at an appropriate time, but no later than December 2017





Introduction and Background

Introduction

1. At the beginning of the municipal year 2015/16, we (the Scrutiny Board (Strategy and Resources)) considered undertaking a piece of work around 'commissioning' – the focus being to:
 - Look at the principles, benefits and practicalities of developing a centralised commissioning hub;
 - Ensure services are commissioned consistently across the Council; and
 - Ensure services are commissioned based on the evidence of what works and what is value for money.
2. A significant impetus for undertaking this work was that, as an authority, Leeds City Council spends in the region of £284 million annually on commissioned services.
3. Furthermore, given the significant challenges and opportunities posed by the Government's Comprehensive Spending review, we naturally posed the question; *'Is this an area where collaborative cross directorate working can help generate significant savings and efficiencies?'*
4. This work has been undertaken over an extended period – across two municipal years and several meetings. The purpose of this statement is not to repeat all the detail of those discussions: Rather it seeks to represent a culmination of our work – summarising our views and recommendations.
5. As ever, we are grateful to all those that have contributed to the discussions that have helped shape our thoughts, views and recommendations outlined in this statement.

Background

6. Our initial focus was looking at the principles, benefits and practicalities of developing a centralised commissioning hub. To help develop our thinking in this area, a visit to Manchester City Council was undertaken, where an Integrated Commissioning Hub had been established in July 2013.
7. We were open minded as to whether this model would work in Leeds but felt that the concept should be explored. A summary note of the 'Manchester model' is attached at Appendix 1.
8. We also recognised the timing of our work was crucial and did not wish to complicate nor duplicate work and/or discussions already taking place – in particular, with external partners on integrated commissioning. However, we were also conscious of not wanting to avoid posing the question, *'Is there a better way to undertake commissioning which drives improvement and saves money?'* and exploring whether or not a model similar to Manchester could work in Leeds.
9. Discussions with the Executive Member (Strategy and Resources) and relevant Directors confirmed a considerable amount of work was being undertaken in this area, led by the Director of Adult Social Services. As such, we agreed to receive an update on the work being led by the Director of Adult Social Services.
10. We received these details at our meeting in March 2016, where the direction of travel was clearly outlined – and we were asked to support the recommendation to establish a Corporate Strategic Commissioning



Introduction and Background

Group, chaired by a Director. We were also asked to support the establishment of a cross-directorate operational group, to be chaired by a Head of Commissioning.

11. However, we did not give our endorsement to the proposals, as we remained unconvinced that the model would achieve “...*the best of both worlds: a good strategic overview and opportunity to think about commissioning in a different way without the fragmentation that a structural solution, .i.e. a single commissioning unit would create*”.
12. We were also concerned that the proposed model did not include Housing, Jobs and Skills and other areas involved in commissioning.
13. Following that discussion, the Chair of the Scrutiny Board (Strategy and Resources) wrote to the Chief Executive outlining our concerns and detailing our views that an alternative model (similar to that operating in Manchester) should be explored more fully. In outlining our concerns, the Chair of the Scrutiny Board invited the Chief Executive to a future meeting to discuss his views on the current thinking around commissioning.
14. Further discussions with the Chief Executive, the Director of Adult Social Services¹ and other senior Council officers associated with the commissioning of ‘people’s services’² have taken place during the course of the 2016/17 municipal year.

¹ Director of Adults and Health from 1 April 2017.

² ‘People’s Services’ commissioning includes aspects of Adult Social Care, Public Health, Children’s Services, Jobs and Skills and Housing Services.

Equality and Diversity

15. The scope of this inquiry has primarily considered arrangements and the associated structures for commissioning ‘people services’.
16. As such, specific consideration of equality and diversity issues need to continue to form part of the commissioning processes for specific services, through the appropriate and consistent use of equality impact assessments.



Conclusion and Recommendations

General comments and observations

17. As a Scrutiny Board, we were initially frustrated that our work appeared to be being undertaken in a vacuum – with little cross referencing to other work being undertaken across the Council.
18. We are also conscious that this is not the first occasion where the work of scrutiny appears to have been undertaken with little reference to similar work being progressed elsewhere.
19. As the Council continues to operate in a financially constrained environment – and will do so for the foreseeable future – every effort needs to be taken to ensure we continue to strive to work efficiently and avoid any unnecessary duplication. Therefore, at the outset of future scrutiny inquiries, it is essential for all Scrutiny Boards to be fully informed and made aware of any projects already underway that might otherwise create duplication of effort and unnecessary difficulties later in the scrutiny process.
20. Nonetheless, we feel it is equally important to highlight the progress made during the current municipal year in terms of an improved dialogue with the Scrutiny Board – even if at times there have been differences of opinions. We believe that differences of opinion should be embraced and seen as a mechanism to strengthen decision-making. As such, scrutiny is not something to shy away from or to be feared, as strong, evidence-based policies and proposals will stand the test of robust scrutiny.
21. There are numerous examples across the public sector where a lack of robust scrutiny and challenge has contributed to some significant failings. As such, we make no excuses for challenging the proposed approach to commissioning, but feel this has been done positively and constructively.
22. We very much hope our comments and recommendations will further enhance the Council's approach to commissioning 'people's services' and also contribute to the ongoing development of integrated commissioning with external partners, in particular commissioners of local health services.
23. It should be noted that the Director of Adults and Health is referenced in the majority of our recommendations. However, this is to reflect the Director's capacity as the corporate lead for commissioning, rather than the Director role for Adults and Health.

Transparency and member involvement

24. Leeds City Council is a democratic organisation, with the 99 local ward councillors providing democratic accountability for the people of Leeds. As such, local elected member involvement is a crucial aspect of how Leeds City Council operates and continually develops the services it provides – both directly and indirectly.



Conclusion and Recommendations

25. However, elected member involvement should not simply be regarded as ‘information giving’; rather it should be seen as a method of intelligence gathering – helping to establish what does and does not work on a local level; how current arrangements are working and seen to be working.
26. Given the financially constrained environment in which the Council currently operates; and the associated reduction in size of the workforce, we strongly believe the intelligence that local councillors can provide is particularly important in relation to services commissioned by the Council.
27. The role of Community Committees should not be under-estimated and in our view, they should play a much greater role in overseeing the delivery and performance of commissioned services across the City.
28. In our view, the benefits of enhancing the ways in which Community Committees have oversight of services commissioned and delivered on a local level is threefold; namely it would:
- (a) Improve outcomes, as a result of more detailed and regular review of performance and outcomes of commissioned services;
 - (b) Help to formally facilitate the sharing of local experience and intelligence around commissioned services; and,
 - (c) Improve the levels of openness and transparency around the performance and performance management of commissioned services.

Recommendation 1

That, by September 2017, the Director of Adults and Health reviews the mechanisms for reporting performance of commissioned ‘people’s services’ through Community Committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.

29. We welcome the introduction and development of the Strategic People’s Commissioning Board. On our earlier recommendation, the Board now includes a wider membership and remit to include other parts of the Council that have a ‘people commissioning’ function or interest – including the Projects, Programmes and Procurement Unit (PPPU).
30. We are also pleased to see that based on our previous comments the Strategic People’s Commissioning Board is now Chaired by the Executive Member for Strategy and Resources – again recognising the importance of elected member involvement in overseeing commissioning.

Intelligence led

31. Enhancing the role of local elected members through the work of Community Committees is one aspect of an improved approach towards performance monitoring and the associated arrangements; and we are heartened to hear that the work of the Strategic People’s Commissioning Board is supported by an operational group that will focus on Performance



Conclusion and Recommendations

and Quality; Commissioning Workforce and Shared Intelligence.

32. We hope the work of the operational group will bring together the expertise of practitioners from across the Council and identify, share and implement best practice. We hope the operational group provides the opportunity for shared learning across people's commissioning and helps to deliver intelligence led approach across the Council.

33. We believe all of people's commissioning need to focus on identifiable, measurable, deliverable and agreed outcomes. These outcomes need to be routed in helping to deliver the Best City and Best Council aspirations for Leeds, with a level of consistency for all to see. Where agreed outcomes are not being achieved, the Council must take swift action to ensure service providers improve their performance – making best use of all the procurement tools available through the contract.

34. We believe the Projects, Programmes and Procurement Unit has a particular role in ensuring consistency of contractual terms across the Council, particularly where providers may hold a number of multiple contracts.

35. When letting contracts, and as part of the Council's due diligence processes, we believe the Council should review all contracts currently held with prospective providers, including details of current performance and performance trends.

36. Together with intelligence gathered through local councillors, we believe the operational commissioning group

referenced earlier provides a real opportunity for improved and enhanced intelligence sharing – which will lead to an intelligence led approach overall.

37. We also hope the Council will adopt a more consistent and intelligence-led approach when considering negotiating reduced contract expenditure levels and, wherever possible, avoid implementing universal or blanket reductions to contracts – which potentially can have disproportionate effects on different provider bodies.

38. Overall, in enhancing the intelligence led approach to people's commissioning, we believe the operational group should, as a minimum, submit a 6-monthly report to the Strategic People's Commissioning Board on the specific workstreams identified earlier in this statement. We believe such a report should also be made available to the appropriate Scrutiny Board.

Recommendation 2

(a) That the Director of Adults and Health ensures that, as a minimum, the people's commissioning operational group provides a 6-monthly progress report, specifically focusing on:

- **Performance and Quality; Commissioning Workforce; and**
- **Shared Intelligence.**

(b) That the report referred to in (a) above, is made available to the appropriate Scrutiny Board



Conclusion and Recommendations

Decommissioning

39. The constrained financial environment in which the Council continues to operate means the Council cannot simply continue to automatically extend or re-procure existing contracts or programmes. The Council needs to operate in a targeted manner – focusing on helping to deliver the Best City and Best Council aspirations for Leeds. Inevitably, this approach will require some current and/or future programmes to cease, and services to be decommissioned.
40. We acknowledge that in many cases, decommissioning services is not the preferred option and is often driven by necessity. However, any decommissioning needs to be handled sensitively and recognising there will most likely be specific implications for, at least, some local communities.
41. Equality impact assessments, we believe, are an essential element of any decommissioning decision and need to be undertaken in a consistent and even-handed manner. Only by identifying potential impacts can any mitigating action be undertaken.
42. However, we also believe it is important to learn from decommissioning decisions and to assess to what extent equality impact assessments have helped to fully identified the impacts of decommissioning services, and how successful the mitigating actions have been in ameliorating any negative impacts.

Recommendation 3

- (a) That, through the people's commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.**
- (b) That where services are decommissioned, a review of the equality impact assessment is undertaken to assess its overall effectiveness and that any shared learning is reported through the people's commissioning operational group.**

43. Leeds has a long and well established Third Sector, which helps to provide a wide range of services to help support statutory provision by the Council. As a City, we should be proud of our Third Sector organisations and the services they help deliver. It is important, therefore, that in addition to the impact of decommissioning decisions on local communities, it is equally important to recognise and consider any implications on providers and their ability to continue to operate as independent organisations and fulfil other contractual responsibilities across the Council.
44. We believe the operational strategic group (referenced earlier in this statement) will have a key role in helping to both identify and, more importantly, avoid or meliorate against any potential unintended consequences



Conclusion and Recommendations

arising from decommissioning services. We believe this aspect of work should be captured in the 6-monthly report identified elsewhere in this statement.

Cost of commissioning

45. At our meeting in January 2017, we received details of the historical staffing structures developed by individual Directorates to support people's commissioning.
46. We believe this information demonstrates an historical lack of strategic direction for those areas now forming part of people's commissioning, which has given rise to a number of differing job structure and job roles across the Council.
47. We acknowledge the organic development of staffing structures and job roles has been recognised in the information presented to us; and we welcome the work undertaken to start to align structures. We also acknowledge the intention to complete the development of commissioning as a job family in 2017. We believe this work needs to continue at pace and the outcome should be reported to the relevant Scrutiny Board at an appropriate time.
48. At the same time as reporting the staffing structures, we were also provided with details of the budgeted staffing costs associated with people's commissioning. This equated to over £3.85M.

49. We recognise the demands placed on those staff responsible for commissioning services, including the additional demands brought about by undertaking equality impact assessments and undertaking provider/ service user engagement. We also recognise the details provided to us may not fully take account of vacant posts and other planned changes to staffing structures. However, we believe there may be opportunities to use the available staff resource more effectively and/ or deliver some financial efficiency against current staffing budgets.

Recommendation 4

- (a) That the Director of Adults and Health and the Chief Officer (Human Resources) continue, at pace, with the work to develop commissioning as a job family during 2017.**
- (b) That the Director of Adults reviews the available overall staff resource associated with people's commissioning to:**
- **Ensure it is effectively deployed; and**
 - **Identify and deliver any financial efficiency against existing staffing budgets.**
- (c) That the outcome of (a) and (b) above are reported to the appropriate Scrutiny Board at an appropriate time, but no later than December 2017.**



Conclusion and Recommendations

50. It is hoped these comments and recommendations further enhance the Council's approach to commissioning and also contribute to the ongoing development of integrated commissioning with external partners, in particular commissioners of local health services.
51. We look forward to a formal response to our comments and recommendations by July 2017.

**Cllr Kim Groves, Chair
On behalf of the Scrutiny Board
(Strategy and Resources)**

May 2017



Appendix 1

Scrutiny Board (Resources and Strategy)

Initial discussions on potential Inquiry into Commissioning and report on Manchester visit

Introduction

At the beginning of the municipal year, Members of Scrutiny Board (Strategy and Resources) considered undertaking a piece of work on Commissioning. This work was to focus on looking at the principles, benefits and practicalities of developing a centralised commissioning hub, the purpose of which was to ensure services are commissioned consistently across the Council based on the evidence of what works and what is value for money.

Members of the Board were open minded as to whether this model would work in Leeds but felt that the concept should be explored.

To help develop Board members' thinking a visit to Manchester City Council was undertaken.

The Visit was undertaken by Cllrs Groves, Jarosz and Hayden.

The Manchester model

The Manchester integrated commissioning hub was established in July 2013. The hub brings together commissioning across the Council into one place. It is designed to drive the quality, innovation and impact of commissioning within the Council and with partners and commissioners in the City.

Manchester's approach to commissioning is based on integration with other commissioners in the City to achieve shared outcomes – recognising the often artificial divides between commissioners and the needs of residents.

At a practical level, the integrated commissioning function is focused on:

- Supporting the strategic role of the Council in promoting economic growth
- Targeted interventions for individuals and families
- To reduce the cost of services, i.e. better outcomes at lower cost
- To drive changes in customer behaviour
- Aligning and shaping markets across public services, working collaboratively with other commissioners
- Developing a robust evidence base on costs and benefits to inform future decisions on commissioning and decommissioning
- Involving local ward members in the process
- Deciding when to award a grant for services rather than a contract.

It is important to note that Manchester's procurement team whilst working very closely with the commissioning team is a separate and distinct function. This approach ensures that when a project or services moves to the procurement phase, there is a clear division of duties.



Appendix 1

Options for progressing a Scrutiny Inquiry in Leeds

The Scrutiny Board recognises that timing is crucial and it does not want to complicate nor duplicate any discussions already taking place with external partners on integrated commissioning by undertaking any inquiry.

However at the same time it does not to avoid asking the question, (particularly in relation to internal commissioning undertaken by Children's Services Adult Social care and Housing) "is there a better way to undertake commissioning which drives improvement and saves money?"

If this question is being asked in another forum, then Scrutiny would be happy to act as a sounding board and would not undergo a separate piece of work.

Cllr Groves discussed this matter with, Deputy Leader, Alan Gay and the Director of Adult Social Care, Cath Roff. A considerable amount of work is being undertaken, led by Cath Roff. It is proposed that the Board receive an update report in March.



Scrutiny Board (Strategy and Resources)
Commissioning
May 2017
Report author: Steven Courtney

www.scrutiny.unit@leeds.gov.uk



Report of Director of Adults and Health

Report to Strategy and Resources Scrutiny Board

Date: 26 October 2017

Subject: Commissioning “People” Services

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. In April 2015/16, the Strategy and Resources Scrutiny Board considered a piece of work around commissioning with the focus being to:
 - Look at the principles, benefits and practicalities of developing a centralised commissioning hub;
 - Ensure services are commissioned consistently across the Council; and
 - Ensure services are commissioned based on the evidence of what works and what is value for money
2. A considerable amount of work has been done in the Council to strengthen commissioning and a progress report came to Strategy and Resources Scrutiny Board in March 2016. There have also on-going discussions with the Chief Executive, the Director of Adults and Health and other senior council officers associated with the commissioning of “people” services.
3. Scrutiny Board concluded its work with the publication of a report in May 2017 with four desired outcomes and four key recommendations. This report provides a response from the Corporate Strategic People Commissioning Group on those recommendations and an update on progress in this area.

Recommendations

Scrutiny Board members are asked to:

1. Agree that Community Committee Champions should be used as the main mechanism for engaging with community committees on strategic people commissioning issues
2. Note the change in practice to write to all relevant ward members to ask for their views on a service when it is being recommissioned or reviewed
3. Note the progress made in responding to the Scrutiny Board recommendations made in its May 2017 report

1 Purpose of this report

- 1.1 The main purpose of this report is to respond to Scrutiny Board's Commissioning report with its four desired outcomes and four key recommendations. It also updates Board members on the progress made to continuously improve the Council's approach to commissioning services for people.
- 1.2 It should be noted that "people services" includes aspects of adult social care, public health, children's services, employment and skills, housing services and sports and active lifestyles.

2 Background information

- 2.1 In April 2015/16, the Strategy and Resources Scrutiny Board considered a piece of work around commissioning with the focus being to:
- Look at the principles, benefits and practicalities of developing a centralised commissioning hub;
 - Ensure services are commissioned consistently across the Council; and
 - Ensure services are commissioned based on the evidence of what works and what is value for money
- 2.2 A considerable amount of work has been being done in the Council to strengthen commissioning and a progress report came to Strategy and Resources Scrutiny Board in March 2016. There were also on-going discussions with the Chief Executive, the Director of Adults and Health and other senior council officers associated with the commissioning of "people" services.
- 2.3 Scrutiny Board concluded its work with the publication of a report in May 2017 with four desired outcomes and four key recommendations. These are set out in the next section with a response and update on progress.

3 Main issues

- 3.1 Since the original work of the Scrutiny Board in 2015/16, the strategic context of commissioning "people" services continues to change. Manchester, the original model looked at by the Scrutiny Board, now has a devolution deal and has changed its commissioning model to put its commissioning function into the Clinical Commissioning Group (CCG) with the Executive Director for Strategic Commissioning being a council appointment holding the statutory Director of Adults Social Services role but reporting to the Chief Executive of the CCG on a day to day basis and with a reporting line also to the Chief Executive of Manchester City Council. All budgets are pooled with oversight through a financial monitoring group and executive board made up of health and social care representatives including elected members.
- 3.2 In Leeds, the Adult Social Care function has integrated with the Public Health function to become the Adults and Health directorate (which means it also now commissions housing-related support services as this function was transferred to Public Health from the then Housing and Environment Directorate). We have our first permanent Deputy Director of Integrated Commissioning in post to oversee a shared commissioning team and associated budgets with our Clinical Commissioning Group partners. We also have the Leeds Health and Care Plan

which is the city's strategic plan for the transformation of health and social care services.

3.3 The PPPU function which supports the council's corporate approach to contracting is also changing with a proposal to have a smaller strategic function being retained at the centre and an apportionment of the rest of the staff across the directorates to sit closer to their commissioning and service change functions. All these changes have had an impact on how we take forward our commissioning work.

3.4 This report will now respond to each of the recommendations made by Scrutiny Board:

3.5 **Desired Outcome 1:** *To enhance the level of member involvement and transparency in relation to people's commissioning.*

Recommendation 1: *That by September 2017, the Director of Adults and Health reviews the mechanism for the reporting of commissioned "people" services through community committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.*

3.6 In formulating a response to this recommendation, it is recognised that local ward members have a detailed knowledge of their areas and local communities and want to put this to effective use. As a result of this recommendation, commissioning managers are now writing to ward members to ask for their feedback when we are undertaking a review of services. For examples, ward members' views have been sought on both Neighbourhood Networks and the 0-19 services.

3.7 Consideration was also given to the current reporting on performance and outcomes that occurs to the other Scrutiny Board namely: Adults and Health, Children and Families and Inclusive Growth, Culture and Sport as well as direct accountability to Executive Board portfolio leads.

3.8 It is proposed that the best way to involve the community committees is through the community committee champions' networks as there are community champions for adult social care, health, children and families and employment, skills and welfare. The community champions meet regularly and receive information on a range of strategic, policy and operational issues

3.9 Recent examples of using the community committee and champions infrastructure are:

- Health and social care senior officers recently attended community committees to seek views on the formulation of the Leeds Health and Care Plan. This process is about to be repeated throughout October and November.
- The Employment and Skills service consulted Community Committee Champions on the content and balance of provision in the Adult Learning framework contract and have revisited this each term enabling members to

continue to shape and change what is delivered to better meet local needs.

- The views of Community Committee champions were sought when the Children and Families Directorate undertook a review of Youth Work.

3.10 **Desired Outcome 2:** *To enhance the level of consistency in relation to people's commissioning across the Council and the connection between the Strategic Board and operational Group*

Recommendation 2: *that the Director of Adults and Health ensures that, as a minimum, the people's commissioning operational group provides a 6 monthly progress report, specifically focusing on:*

- (a) *Performance and quality, Commissioning workforce and Shared intelligence*
- (b) *That the report referred to above in (a) is made available to the appropriate Scrutiny Board*

3.11 The People Commissioning Operational Group (PCOG) meets six weekly and is attended by officers from across the Council. All relevant Directorates are included and attendance has been expanded to include colleagues in Arts Development and Area Support. Officers attend from:-

- Adults and Health
- Children and Families
- City Development (including Sport and Active Lifestyles, Employment and Skills, Arts Development)
- Resources and Housing (Intelligence and Performance, Projects, Programmes and Procurement Unit)
- Communities and Environment (Area Support)

3.12 The Chair of the PCOG attends the Corporate Strategic People Commissioning Board to provide an update on the work of PCOG and to ensure that discussion at the Board is actioned by this group. It has been agreed that quarterly meetings will be held with the Third Sector, building on existing Third Sector Partnership arrangements. This includes representatives from Young Lives Leeds, Voluntary Action Leeds and Forum Central.

3.13 The purpose of the PCOG is to develop stronger integration of the commissioning of 'people services' with the aim of improving outcomes for service users, maximising the use of resources, ensuring best value and developing and supporting an enterprising and resilient provider market in Leeds.

Update on the work programme:

3.14 **Performance and Quality**

The focus of the work has been on sharing good practice. This has included discussion regarding:-

- Joint work on the contract management process – looking at processes for larger contracts delivered by consortia as part of this.
- Looking at service user involvement as part of the commissioning process e.g. Children and Families are working with the Voice, Influence and Change Team to create a checklist for this based on best practice.
- Joint work on the process for undertaking service reviews undertaken by Adults and Health and Children and Families.
- Sharing and discussing a new draft Quality Framework that has been produced by Adults and Health and considering how it can be used across a number of different services.
- Sharing the performance framework developed for the new Domestic Violence and Abuse service and the Drug and Alcohol treatment service and sharing the learning on this and looking to use it for other services.
- Discussion on use of the decommissioning checklist and its application. Sharing of expertise on decommissioning impact assessments.
- Legal support to ensure a consistent approach regarding the use of grants versus contracts.
- Improving equality monitoring arrangements in commissioned services

3.15 **Commissioning Workforce**

Training and development for commissioning workforce including:-

- Level 5 Certificate in Principles of Commissioning for Wellbeing – the first nationally recognised qualification for Commissioners developed and delivered by Commissioners and people who use services. Course started in September 2017 – 20 people are on the course including colleagues from Adults and Health and from other authorities in West and South Yorkshire. The course is partially funded by Skills for Care.
- Analytics workshop run by colleagues in Performance and Intelligence for commissioning staff. Two sessions held and a further session planned. Aim of this is to increase awareness of data sources including Leeds Observatory and Indices of Multiple Deprivation.
- Sessions planned on the NHS, Dementia awareness and use of Equality Impact Assessments as part of the commissioning cycle.
- Strategy and Commissioning Team now part of Adults and Health Commissioning Team bringing together commissioning for older people, working age adults, housing related support, drug and alcohol treatment, Domestic Violence and Abuse and other public health services.
- Work started to look at core competencies required for commissioning and looking at a Job Families approach. Skills audit discussions with teams in Childrens and Families and Adults and Health and plans for joint training/ shadowing to address gaps, support the appraisal process and to build expertise.

3.16 Shared Intelligence

- Information on lessons learnt from procurement exercises, peer review and decommissioning shared.
- Discussion regarding referral pathways, inter dependent services and information sharing regarding provider performance.
- Workshop planned to facilitate joint discussion between commissioners and Area teams to look at how to improve outcomes in priority neighbourhoods.
- Joint meeting held with Third Sector and agreement to meet quarterly. Discussion will include Commissioning Code of Practice, input to commissioning training with providers, planned commissioning activity and feedback from third sector on recent procurement activity.
- Discussion on how commissioners build outcomes linked to Social Value, Sport and Active Lifestyles and the Food Charter into tender processes.
- Involvement of Intelligence and Performance Team to look at opportunities for joint working and to support a research and intelligence gathering approach for example regarding work in localities and use of data.
- Increase in joint work across Directorates on major reviews e.g. Domestic Violence and Abuse, Mental health, Housing Related Support and family support.

3.17 **Desired Outcome 3:** *To enhance the Council's approach and improve organisational learning in relation to decommissioning across people commissioning.*

Recommendation 3: *(a) That through the people's commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.*

(b) That where services are being decommissioned, a review of the equality impact assessment is reviewed to assess its overall effectiveness and that any learning is shared through the people's commissioning operational group.

3.18 As has been detailed above, shared learning has already taken place on decommissioning good practice including the checklist and impact statements. With specific regard to formal training on equality impact assessments, a survey of commissioning staff indicated that some staff had received formal training and others had learnt "on the job". Refresher training has been scheduled.

3.19 Since the change in corporate support in advising and reviewing Equality Impact Assessments (EIA's), directorates have developed their own "in-house experts" to fulfil an assurance role but this is as back up as staff already have a strong focus on, and experience of, EIAs to be confident in this area. Equality issues are at the forefront of any decommissioning (or commissioning) we consider, and an EIA serves as an additional check.

- 3.20 Commissioning staff are aware of a number of places on *Insite* that refer to EIA's and how to undertake them including "having due regard" for equality. Whilst these two do not specifically describe what good would look like they do offer lots of advice and guidance as to what to look for. Decision makers have the responsibility to check them as part of the process and some will be used in consultation and can be scrutinised if the decision is published. HR Business Partners (and HR staff more widely) are currently receiving some updates on EIA's and "having due regard" to assist with advice.

Here are links to the specific sites on *Insite*

<http://www.leeds.gov.uk/council/Pages/Equality-and-Diversity-Impact-Assessments.aspx>

<http://insite.leeds.gov.uk/toolkits/Pages/Having-due-regard-for-equality.aspx>

These will also be considered as part of the equality training and development review that is currently underway corporately.

- 3.26 **Desired Outcome 4:** *To ensure the most efficient and effective use of the staffing resource across people's commissioning.*

Recommendation 4: *(a) That the Director of Adults and Health and the Chief Officer Human Resources continue, at pace, with the work to develop commissioning as a job family during 2017;*

(b) That the Director of Adults and Health reviews the overall staff resources associated with people's commissioning to:

- *Ensure it is effectively deployed; and*
- *Identify and deliver and financial efficiency against existing staffing budgets*

(c) that the outcome of (a) and (b) are reported to the appropriate Scrutiny Board but no later than December 2017

- 3.27 Since the last Scrutiny Board meeting all job descriptions across the relevant directorates that have a people commissioning function have been collated. Work is now taking place to write core job descriptions for the different commissioning roles in order to ensure consistency across the directorates.

- 3.28 Directorates are constantly looking at ways of delivering more efficiently and effectively and this sometimes means with less staff or a change of skill mix. Since April 2015 the directorates have delivered savings/ levered in income through restructuring or changing staff teams that support the commissioning function. This has taken place during a period where commissioning requirements have grown significantly as Directorates have reduced the direct provision of services. The

creation of the Adults and Health Directorate in April 2017 allowed £81K savings to be made through a re-structure.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.2 The joint approach to commissioning is supported by shared approaches to service user engagement throughout the commissioning cycle. Whilst approaches may differ in practice to suit the specific pieces of work, all directorates put the service user at the heart of commissioning decisions. The work on developing stronger people commissioning has also been shared through these engagement routes.

4.1.3 For example, Public Health in Leeds City Council has some recent examples of involving service users in the re-tendering of both drug and alcohol services and housing support services. In both cases service users took part in OBA sessions, they were involved in evaluating the existing service and consulted on the new service design. For the drug and alcohol service, service users were involved in setting tender evaluation criteria and actually scoring the bids that were submitted. The same approach is used consistently in Adult Social Care, for example, when service users were engaged throughout the complex re-commissioning of Homecare

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Commissioning across directorates has a strong focus on equality and diversity. Our overarching strategy is to, on the one hand, ensure all services are accessible, supportive and produce positive outcomes for all, whilst simultaneously recognising that there are areas where we particularly need to target resources to both meet specific needs and/or to challenge historic or on-going discrimination.

4.2.2 Key within this is to get a strong baseline of information on current usage across protected characteristics; however the picture is mixed, particularly as recording on some elements, notably sexual orientation, is weak in some areas, such as older people's services. The issue is also complicated by the fact that the vast majority of services commissioned, especially in Adult Social Care, are already directed at people with protected characteristics, and therefore work is needed to ensure we have equality of services within what are in effect sub groups of protected characteristics, e.g. Older people from BAME communities.

4.2.3 The joint approaches across people commissioning directorates have assisted both with providing richer information on equality issues and also sharing best practice.

4.3 Council policies and the Best Council Plan

4.3.1 At the heart of commissioning, especially in regard to its strategic commissioning function, is its contribution to the delivery of key council, and wider partner, priorities and the Best Council Plan. The breadth of the directorates and partners covered in this report means that not all can be referenced, but key ones include the breadth of the Best Council Plan, but with a strong focus on tackling poverty

and reducing inequalities, including: keeping people safe from harm; providing skills programmes and employment support; Supporting children to have the best start in life; Preventing people dying early; Promoting physical activity; Building capacity for individuals to withstand or recover from illness; Supporting Healthy Ageing; and Enabling Carers to continue their caring role. Also critical is supporting delivery of the Leeds Health and Well-Being Strategy and the drug and Alcohol and Homeless Strategies.

4.4 Resources and value for money

- 4.4.1 A strong focus of the commissioning work across directorates has been in ensuring that the same or better outcomes are achieved through the reducing spend available to help meet the continuing financial challenges.
- 4.4.2 Over the last four years across all Directorates, as noted in the previous report to Strategy and Resources Scrutiny, significant savings were achieved in contract value through a mixture of re-commissioning, de-commissioning and crucially negotiating savings with providers.
- 4.4.3 At the heart of the integrated approach, and this applies to joint commissioning with the NHS as well as across directorates, is to maximise the 'Leeds £'. In order to further the concept of the Leeds £, we are working to develop further a 'common language' among commissioners and decision makers in Leeds about how we co-produce and assess the cost-benefit of commissioned services, recognising that broad agreement is needed about how we move investment from individually commissioned services to ones that achieve joint outcomes by aligning our limited resources. Commissioners across directorates have adopted the use of Outcome Based Accountability¹ to support the development of a shared understanding of how we commission services to respond to measurable need and we are working with the CCG's on how these can be applied further across health and well-being services.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no access to information and call-in implications arising from this report.

4.6 Risk Management

- 4.6.1 All commissioning pieces of work relevant or mentioned in this report have their own risk management arrangements and commissioners work collaboratively across directorates for mitigation and resolution of these risks.

5 Conclusions

- 5.1 Despite the complexity of very different commissioning requirements within and across directorates and with NHS commissioning partners, we already do a substantial amount of joint commissioning and use joint approaches, including performance monitoring, across directorates. This includes where one of us is the lead commissioner within the council and also where we jointly commission with the CCG's via a section 75 arrangement with a pooled budget, where we have a

¹ <http://www.leeds.gov.uk/docs/8%20-%20OBA%20-%20Outcomes%20Bsed%20Accountability%20-%20September%202013.pdf>

section 256 arrangement in place and one organisation acts as lead commissioner with a third sector organisation, or where simply we work together when commissioning a service or group of services to ensure the commissioning process is informed by other directorates and partners.

- 5.2 Whilst there may be some different approaches taken by various directorates, this mostly reflects the differing commissioning requirements of specific services, there are already similar principles that guide our decision making that we are developing further under the Strategic People's Commissioning Board and Operational Group.
- 5.3 With ever tighter financial budgets and controls, all directorates are keen to learn from each other and wider partners in regards to performance monitoring, especially within the wider context of making savings and where we have decommissioned or re-commissioned services. This is balanced with ensuring at the same time we support the Council and partners wider ambitions, to maintain quality and to bring the public with us. There is much evidence that directorates have been able to do this over the last five years of cuts and we are confident in our plans to continue with greater joint working to build on this.

6 **Recommendations**

Scrutiny Board members are asked to:

- 6.1 Agree that Community Committee Champions should be used as the main mechanism for engaging with community committees on strategic people commissioning issues
- 6.2 Note the change in practice to write to all relevant ward members to ask for their views on a service when it is being recommissioned or reviewed.
- 6.3 Note the progress made in responding to the Scrutiny Board recommendations made in its May 2017 report

7 **Background documents²**

- 7.1 This report is in response to the Scrutiny Board Statement on Commissioning published in May 2017 by the Scrutiny Board (Strategy and Resources)

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

This page is intentionally left blank



Report author: Steven Courtney
Tel: (0113) 37 88666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date 26 October 2017

Subject: Financial Health Monitoring

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. At its meeting in June 2017, the Scrutiny Board agreed to maintain an overview of the Council’s financial health and continue routine monitoring through regular reports from the Chief Finance Officer.
2. Appended to this report is the Financial Health Monitoring 2017/18 – Month 5 report considered by Executive Board at its meeting on 18 October 2017.
3. Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

Recommendations

4. That the Scrutiny Board considers the attached Financial Health Monitoring report and agrees any specific scrutiny actions that may be appropriate.

Background documents¹

5. 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.

This page is intentionally left blank

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 18th October 2017

Subject: Financial Health Monitoring 2017/18 – Month 5

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of both the revenue budget and the Housing Revenue Account as at month 5 of the financial year.
2. The 2017/18 financial year is the second year covered by the 2015 Spending Review and again presents significant financial challenges to the Council. The Council to date has managed to achieve considerable savings since 2010 and the budget for 2017/18 requires the Council to deliver a further £64m of savings.
3. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position remains challenging and the projected overspend reflects this challenge.
4. Executive Board will recall that the 2017/18 general fund revenue budget, as approved by Council provides for a variety of actions to reduce net spend through the delivery of £64m of budget action plans by March 2018. At this stage of the financial year, it is clear that the majority of these actions are on track to be delivered.

5. At month 5, the Housing Revenue Account is projecting a small surplus of £0.2m.

Recommendation

6. (i) Note the projected financial position of the authority as at month 5.

1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's projected financial health position for 2017/18 at month 5.
- 1.2. Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after the first two months of the year.

2. Background information

- 2.1. Executive Board will recall that the net budget for the general fund for 2017/18 was set at £492.7m.
- 2.2. Following the closure of the 2016/17 accounts the Council's general fund reserve stands at £20.1m which was £2.6m higher than the amount assumed when the 2017/18 budget was approved. A sum of £1.4m has been released into the Children and Families budget for 2017/18 which has subsequently reduced the level of general reserve to £18.7m. The 2017/18 budget does not assume any further use of or contribution to this reserve during this financial year.
- 2.3. Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1. At month 5 an overspend of £0.5m is now projected, as shown in Table 1 below.

Table 1

Summary Position - Financial Year 2017/18 Period 5

Reporting Period August 2017

Directorate	Director	(Under) / Over spend for the current period				Month 4 Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adult & Health	Cath Roff	(1,083)	5,860	(5,860)	0	0
Children and Families	Steve Walker	(113)	(152)	152	0	0
City Development	Martin Farrington	(580)	(158)	158	0	0
Resources & Housing	Neil Evans	(2,063)	(1,891)	1,891	0	0
Communities & Environment	James Rogers	1,235	2,604	(2,122)	482	0
Strategic	Doug Meeson	(230)	(312)	312	0	0
Total Current Month		(2,834)	5,951	(5,769)	482	0
Previous month (under)/over spend		(3,449)	8,418	(8,418)	0	0

- 3.2. The major variations are outlined below with additional detail provided on the Directorate dashboards which are included as appendix 1 to this report.
- 3.3. Adults and Health are currently projecting a balanced budget position. Though it should be highlighted that there are potential pressures building, related to fees paid for care homes and home care and the impact of recent case law on the payments for sleep-ins, that may impact on this and future years finances.
- 3.3.1. Members approved the injection of £14.7m of additional grant (integrated into the Better Care fund) into this budget at the June meeting of Executive Board. This monitoring report assumes that the grant will be fully utilised in year. Members are asked to note that the grant conditions require that the council work with NHS colleagues to consider how the funding can be best spent. Once agreed, the spend proposals will be the subject of a separate, future Executive Board report.
- 3.3.2. The report assumes that £8.0m of the additional £14.7m additional grant will be used to offset an income target set against Leeds CCG's. Post the budget setting it has become apparent that both local and national pressures within the NHS mean that this target is no longer realistically achievable.
- 3.4. Children and Families are projecting a balanced position at Period 5. Given the demand led pressures within services in the Directorate these budgets will continue to be closely monitored throughout the rest of the year.
- 3.5. The Dedicated Schools Grant is also facing a number of budget pressures in 2017/18. As in 2016/17 these are mainly on the High Needs Block in relation to top-up payments and outside placements and some additional costs in relation to the new Social Emotional and Mental Health provision. Whilst a number of savings proposals have been actioned in the High Needs Block budget including transferring £2m of funding from the Schools Block to the High Needs

Block it is currently forecast that there will be an overspend in 2017/18 of between £1m and £2m. The deficit reserve from 2016/17 of £3.6m has also been brought forward to 2017/18. The directorate is undertaking a review of the High Needs Block with the aim of identifying options to bring spend in line with the available resources and to repay the deficit balance over the next few years.

3.6. City Development

3.6.1. The directorate are projecting a balanced budget position at the year-end; however, there are income pressures totalling £0.9m within Asset Management and Economic Development that will be need to be managed through the identification from savings elsewhere in the directorate.

3.7. Communities and Environment

3.7.1. An overspend of £0.5m is now projected.

3.7.2. There is a projected shortfall in housing benefit overpayment income of £0.8m, against a budget of £8.4m, following a projected reduction in the number and average value of housing benefit overpayments. There are also pressures within Waste Management of £0.3m due to the non-implementation of inert building waste charges and slippage on the Refuse collection route efficiency programme, partially offset by business rates savings at the RERF. The planned introduction of charging for inert building waste at Household Waste Sites was deferred following DEFRA's announcement in April 2017 that they would issue revised guidance around charges for the disposal of such waste, and potentially revise the legislation governing them. Many Councils have historically implemented charges and the Council's view is that charging is permitted under current legislation. However, the Council thought it prudent to defer implementation pending further announcements and guidance from DEFRA which are expected in the next few months.

3.7.3. In addition, a staffing overspend of £0.3m is forecast within Customer Access due to the delivery of the Community Hub programme. The directorate will identify actions of £0.7m to offset many of the identified pressures but a £0.5m pressure remains.

3.8. Resources and Housing

3.8.1. No material variations are currently forecast and the Directorate is projecting a balanced position.

3.9. Strategic and Central Accounts.

3.9.1. Based on 16/17 savings from additional capitalisation and saving on the levy payment to the business rates pool will help to offset pressures on S278 (income from developers) and new homes bonus income.

4. Other Financial Performance

4.1. Council Tax

4.1.1. The Council Tax in-year collection rate at the end of August was 45.98% which is in line with the performance in 2016/17. Forecasts show the 2017/18 in-year collection target of 96.1% collecting some £319.7m of income will be achieved.

4.2. Business Rates

4.2.1. The business rates collection rate at the end of August was 48.71% which is 0.9% ahead of the performance in 2016/17. The forecast is to achieve the 2017/18 in-year collection target of 97.7% collecting some £376.7m of income.

4.2.2. The opening total rateable value of business properties in Leeds was £915.54m at 1st April. This grew by £1.7m to £917.24m in mid-May, but, following a number of Valuation Office reductions, has fallen to £914.64m at 31st August.

4.2.3. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (46.6p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (49%), West Yorkshire Fire Authority (1%) and Central Government (50%). Following deductions for the Business Rates tariff and to meet the business rates deficit brought forward, Leeds' actual business rates income is projected to be in the region of £135.8m, which is lower than the budget requirement and may impact further on the Collection Fund deficit. The position on the Collection Fund deficit is kept under constant review as deficits are carried forward and impact on the resources available in the following year.

4.3. Business Rates Appeals

4.3.1. The opening appeals provisions for 2017/18 was £20.5m, made up of £18.5m relating to appeals received against the 2010 ratings list and £2m estimated costs in advance of appeals being received against the new 2017 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision.

4.3.2. On 1st April 2017, there were 5,337 appeals outstanding. By 1st August 2017, these had reduced to 4,255 appeals outstanding. During August 196 appeals have been settled, 146 of which have not resulted in changes to rateable values. 34 new appeals were received in August, the low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. No appeals have been received to date against the 2017 list.

4.3.3. At 31st August there are 4,093 outstanding appeals in Leeds, with 27.1% of the city's total rateable value currently subject to at least one appeal.

5. Housing Revenue Account (HRA)

5.1. At the end of month 5 the HRA is projecting a small surplus of £0.2m against the 2017/18 Budget.

6. Corporate Considerations

6.1. Consultation and Engagement

This is a factual report and is not subject to consultation.

6.2. Equality and Diversity / Cohesion and Integration

The Council's revenue budget for 2017/18 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 22nd February 2017.

6.3. Council Policies and Best Council Plan

The 2017/18 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

6.4. Resources and Value for Money

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

6.5. Legal Implications, Access to Information and Call In

There are no legal implications arising from this report.

7. Recommendations

7.1. Executive Board are asked to

- (i) Note the projected financial position of the authority as at month 5;

8. Background documents¹

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.

This page is intentionally left blank

ADULTS AND HEALTH

Financial Dashboard - 2017/18 Financial Year

Month 5 (August 2017)

The directorate continues to project a balanced position for the year.

The position for Adults and Health has been adjusted to include the monies announced in the Spring Budget. It should be noted that detailed plans for the associated spend have not yet been determined or approved but for the purposes of this report they are provisionally shown against the budgets for the procurement of care and Health partnerships.

Being a ring-fenced budget the underspend within Public Health is presumed to be carried forward into future years.

Budget action plans for demand based services are broadly on target to deliver.

The main variations at Period 5 across the key expenditure types are as follows:

Staffing (-£1.1m – 2.2%)

Savings are evident across most services within Adults and Health.

Community care packages (+£7.2m – 3.4%)

The variance on the budget is primarily represented by the 'holding' of £6.7m of the new monies announced as a part of the Spring Budget. There is a £0.5m pressure on demand led budgets. This is primarily related to an increase in the use of supported accommodation.

Income (-£5.9m – 4.8%)

Service user contributions, related to Community Support services, are projected to be lower than budgeted. Investigations are under way to determine the cause of this and to identify potential remedies. The grant income from the Spring Budget is recorded here along with an assumption that there will be an offsetting reduction in the funding

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Health Partnerships	485	(220)	265	101	0	0	(2)	0	0	0	0	0	99	0	99
Access & Care Delivery	248,977	(41,922)	207,056	(5)	34	(183)	(14)	(287)	4,233	(690)	0	0	3,089	1,125	4,214
Commissioning Services	30,385	(36,728)	(6,344)	(955)	0	(26)	(8)	138	3,394	0	0	0	2,542	(6,648)	(4,105)
Resources and Strategy	5,177	(637)	4,540	(53)	0	(27)	9	(79)	0	0	0	0	(151)	(57)	(207)
Public Health (Grant Funded)	45,743	(45,716)	27	(170)	0	7	(4)	12	244	0	0	192	281	(281)	(0)
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	330,767	(125,223)	205,544	(1,083)	34	(229)	(19)	(216)	7,871	(690)	0	192	5,860	(5,860)	0

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Older people's residential and day support	D Ramskill	Ongoing Better Lives programme	B	0.4	0.0
2.	Assessment and care management practice	S McFarlane	Delivering the most cost effective service for new customers based on the strengths based approach	G	0.5	0.0
3.	Review of care packages - mental health	M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	G	0.8	0.0
4.	Review of care packages - physical impairment	J Bootle	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	G	0.5	0.0
5.	Review of care packages - learning disability	J Wright / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	G	2.5	0.0
6.	Older people: reduction in the number of customers going into residential care	S McFarlane	Increased use of telecare, reablement and recovery service	A	1.3	0.5
7.	Legal Fees	S Hume	Reduction in in-house legal fees	G	0.3	0.0
8.	Vacancy management	Various	Mainly non-frontline services	G	0.6	0.0
9.	Fees and charges	S Hume	Improved income collection and income recovery from direct payment audit	A	0.7	0.3
10.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	A	0.3	0.0
11.	Public health	I Cameron	Review of commissioned services	B	2.9	0.0
12.	Community Support	D Ramskill	In-house community support service closure	B	0.9	0.0
B. Other Significant Variations						
1.	Staffing	All	Ongoing tight vacancy management			(1.1)
2.	Community care packages	Various	relates principally to unallocated Spring Budget monies			6.7
3.	General running costs	All				(0.4)
4.	Use of reserves	I Cameron	Lower requirement for use of reserves			0.2
5.	Income	S Hume	Primarily Spring Budget monies (offset by non-deliverable Health income target)			(6.2)
					Adults and Health Directorate - Forecast Variation	
					0.0	

Page 22

CHILDREN & FAMILIES 2017/18 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 5

Overall Summary - The updated period 5 dashboard for the Directorate is reporting a projected balanced budget following Executive Board approval in September to increase budgets in respect of Children Looked After.

Children Looked After - Meeting the budgeted assumptions around the numbers of CLA is the most significant budget challenge that the Directorate faces in 2017/18; it is also the most difficult budget to set because numbers can fluctuate for a variety of reasons including demographic pressures. The 2017/18 budget includes an increase to the CLA budget of £3.0m compared to 2016/17. During the first four months of 2017/18 it became clear that the increase in the budget was not sufficient to meet projected costs and in September the Executive Board approved a virement to provide additional funding of £3.7m for the CLA budget. This increase together with other actions the directorate is taking to reduce the number of ER and IFA placements during 2017/18 means that it is now projected that the directorate will spend within budget.

Staffing - Period 5 is now projecting that staffing will be underspent by £0.113m, although this assumes that the Directorate continues to closely manage vacancies and recruitment to achieve further savings to offset anticipated pressures in Safeguarding, Targeted and Specialist Services. There is a risk that these savings are not achieved.

Transport - Period 5 is now projecting to be overspent by £0.05m as a result of increased demand and increasing complexity of need. The 2017/18 budget included an increase to the Transport budget of £2.8m reflecting anticipated demand pressures. There is a risk that demand increases further during the year.

Trading and Commissioning - At this stage we are projecting that the £1.2m additional trading target is achieved and a pressure of £0.2m against the £1.1m commissioned service savings target.

Other Income - The new Innovations & Partners in Practise bid has now been approved and will provide additional funding to be spent over three years. A total of £7.3m was received in 2016/17 and all this funding has been carried forward to 2017/18; the projection assumes £0.25m additional in-year usage. A shortfall in income in children's centres of £0.9m is forecast and is expected to be partly offset by anticipated additional School Improvement Monitoring & Brokering Grant of £0.5m.

Dedicated Schools Grant - There are a number of pressures on the DSG in 2017/18 which will mean that despite a number of savings proposals that have been actioned it is likely that there will be an overspend in 2017/18. As at period 5, an overspend of £1.416m is projected. The High Needs Block has significant overspends, mainly in top up payments to outside institutions. This is partly offset by an underspend in Early Years as a result of underspends on the SEN Inclusion Fund and effectively receiving funding for more places than is being paid out.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Demand Led Budgets:															
In House Fostering	12,510	(2,810)	9,700	0	0	0	0	0	(455)	0	0	0	(455)	0	(455)
Internal Residential	3,605	0	3,605	98	0	0	0	0	0	0	0	0	98	0	98
Kinship Care	2,363	0	2,363	0	0	0	0	0	169	0	0	0	169	0	169
Family Placement & Place for Adoption	1,628	0	1,628	0	0	0	0	0	(77)	0	0	0	(77)	0	(77)
IFA	7,889	0	7,889	0	0	0	0	0	0	0	0	0	0	0	0
External Residential	10,062	0	10,062	0	0	0	0	0	380	0	0	(380)	0	0	0
Semi Independent Living <18 & Secure Justice/Welfare	2,575	0	2,575	0	0	0	0	0	0	(253)	0	0	(253)	0	(253)
Adoption, SGO and RO	7,023	0	7,023	2	0	4	0	0	439	0	0	0	445	(216)	229
Leaving Care	4,659	(1,469)	3,190	0	26	0	0	24	265	(2)	0	0	313	(24)	289
SEN Outside Placements	4,857	(4,857)	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	14,694	(453)	14,241	0	0	0	50	0	0	0	0	0	50	0	50
Sub total Demand Led Budgets	71,865	(9,589)	62,276	100	26	4	50	24	721	(255)	0	(380)	290	(240)	50
Other Budgets															
Partnerships	21,591	(8,846)	12,745	40	1	142	0	73	(54)	(225)	0	0	(23)	(38)	(61)
Learning, Skills & Universal Services	70,961	(68,417)	2,544	(24)	0	0	0	0	0	(250)	0	0	(274)	7	(267)
Safeguarding, Targeted & Specialist Services	100,128	(60,536)	39,592	(24)	(26)	132	177	(50)	101	(250)	0	0	60	923	983
Central Overheads	9,554	(7,735)	1,819	(205)	0	0	0	0	0	0	0	0	(205)	(500)	(705)
Sub total Other Budgets	202,234	(145,534)	56,700	(213)	(25)	274	177	23	47	(725)	0	0	(442)	392	(50)
Total	274,099	(155,123)	118,976	(113)	1	278	227	47	768	(980)	0	(380)	(152)	152	0

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies). The budget has now been increased by £3.7m. This together with a number of actions that are being implemented mean that a small overspend is projected. This is expected to be offset by a release from the demand and demography reserve. There is a risk that numbers continue to increase due to demographic pressures.	R	0.38
	Passenger Transport	Sue Rumbold	Anticipated savings against the transport budget based on the outturn position in 16/17 and projected demand in 2017/18. Latest information small pressure	R	0.05
	Early Years	Andrea Richardson	A combination of increased catering costs, commissioning savings not being achieved, a slight reduction in income and increased spend on projects. However, other savings have been identified to partly offset this overspend.	R	0.30
	Income - ESG	CSLT	Latest Indicative allocations indicate an increase in Improvement Support Support Grant against budgeted income.	G	(0.50)
	Net effect of all other minor variations	CSLT	There are a number of other minor variations within the directorate.	R	(0.04)
B. Key Budget Action plans (BAP's)					
E1	Remodel Social Work Practice	Sal Tariq	Reduced agency spend in Children's Social work service, and also reduce non-front line staffing in Children's Social work. A shortfall of £0.8m is currently projected against the saving target, primarily due to non-achievement of the Initial Budget Action Plan around Social Work staffing.	A	0.93 0.80
E2	Other staffing savings	CSLT	Net staff savings from ELI and through the management of vacant posts.	G	0.98 0.00
C2	ESG funded activities	Andrew Eastwood, Sue Rumbold	Proposed savings include running cost savings in information management & technology, learning improvement and information management, and staff savings across a number of services.	G	0.97 0.00
C3	Commissioned services	CSLT	Commissioned Services - A shortfall of £0.2m is currently projected against the budgeted savings.	A	0.65 0.20
A7	Increase traded income and reduced level of subsidy	CSLT	Additional resources have been committed to provide the capacity to develop a strategy and implement the proposals. Additional traded income has been included in the 17/18 budget for activity centres, complex needs, early years improvement, attendance strategy and a range of other services provided to schools. At this stage in the year it is projected that the budget should be achieved although there is a risk that not all the additional income is secured.	A	1.25 (0.20)
C1	Children's Centre Family Services & Childcare	Andrea Richardson	Reshape of family services which will include a review of the core offer and additional services currently funded by partners.	G	0.60 0.00
A4	Additional DfE Innovations funding	Sal Tariq	New Innovations bid approved and £7.3m received in 2016/17. It is anticipated that £4m will be spent in 2017/18.	G	2.50 (0.25)
A2	Children's Centre Income	Andrea Richardson	Increases in Fees from January 2017 and September 2017 and additional income from the new Free Early Educational Entitlement (FEEE) hourly rates. A shortfall of £0.5m against the overall income target is projected reflecting a reduction in nursery places taken up.	R	0.30 0.50
A3	Additional income from top slice Free Early Education Entitlement (FEEE) payments.	Sue Rumbold	New ability to top slice 5% from FEEE payments to nursery providers. Schools Forum approval received.	G	1.00 0.01
	Various other budget savings (8)	CSLT	Including short breaks contract savings, additional income from Adel Beck and Children's Centre fees, additional public health and CCG funding, additional DCLG funding for troubled families, running cost savings etc.	A	2.85 0.00
C. Contingency Plans					
	Additional staff savings across the Directorate		Review vacant posts and agency and overtime time spend across the directorate. Savings from backfill arrangements around Kirklees and DfE PiP projects.	A	(0.87)
	Actions to reduce CLA		Release from Demand & Demography reverse	A	(0.38)
Children and Families Directorate - Forecast Variation					0.00

CITY DEVELOPMENT 2017/18 BUDGET - PERIOD 5 FINANCIAL DASHBOARD - MONTH 5 (APRIL - AUGUST)

Overall -

At Period Five City Development is projecting a breakeven position, however a number of pressures have been identified and work is ongoing to identify positive actions to mitigate these with a view to delivering a balanced position.

In Planning some minor expenditure pressures on Planning Appeals and inspection costs are anticipated however these are offset with projected additional income from planning fees and building inspections assuming current trends continue.

In Economic Development the main pressure is due to a 20% rent discount for 6 months being given to all Kirkgate Market traders to allow them to invest in their businesses and help contribute to the market's long term viability.

Within Asset Management the Advertising Income budget continues to be a challenging target with a likely projected outturn shortfall of £518k. This assumes all current sites will be fully utilised, however work is ongoing to identify additional locations and actions to mitigate this pressure in the longer term.

Highways and Transportation are currently projecting a small underspend and are expected to come in on budget, however currently show large variations on staffing and supplies and services reflecting the current use of strategic partners Mouchels rather than in-house colleagues to deliver current works.

Within Sport and Active Lifestyles an overspend of £173k is projected reflecting reductions in Public Health Funding, the impact of the failure of the moveable floor at JCCS, and the net impact of the part closure and refurbishment at Aireborough Leisure Centre.

However, in line with the Directorates Budget Strategy to deliver a balanced budget further work is ongoing to identify mitigating actions and an action plan saving of £681k from additional investment and balances

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning & Sustainable Development	8,714	(6,283)	2,431	(10)	0	50	(5)	50	0	0	0	0	85	(85)	0
Economic Development	5,320	(4,660)	660	6	11	1	1	21	0	0	0	0	40	262	302
Asset Management & Regeneration	13,792	(15,515)	(1,723)	1	106	45	(1)	(10)	0	0	0	0	141	470	611
Employment & Skills	3,957	(2,208)	1,749	(27)	0	90	0	0	0	0	0	(90)	(27)	(10)	(37)
Highways & Transportation	58,313	(41,428)	16,885	(461)	(34)	572	13	(20)	0	0	0	0	70	(121)	(51)
Arts & Heritage	17,245	(7,721)	9,524	(27)	(109)	42	0	21	23	0	0	0	(50)	62	12
Sport & Active Lifestyles	24,255	(18,889)	5,366	(48)	(20)	(21)	0	1	0	0	0	0	(88)	261	173
Resources & Strategy	889	(125)	764	(14)	0	(315)	0	0	0	0	0	0	(329)	(681)	(1,010)
Total	132,485	(96,829)	35,656	(580)	(46)	464	8	63	23	0	0	(90)	(158)	158	0

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
A. Budget Action Plans						
		Lead Officer	Additional Comments			
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service via increased income generation.	G	562	0
2.	Economic Development	Tom Bridges	Increased income and running cost savings	A	295	78
3.	Asset Management & Regeneration	Tom Bridges	Strategic Investment Income and additional fee income.	A	2,827	93
4.	Highways and Transportation	Gary Bartlett	Addition fee income and income from developers	G	1,396	(51)
5.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities, not hosting the Tour de Yorkshire in 2017, and a staffing restructure.	G	810	12
6.	Employment and Skills	Sue Wynne	Staffing and Commissioning Savings	G	240	(37)
7.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.	G	652	0
8.	Resources and Strategy	Ed Mylan	Directorate wide additional savings requirement	G	158	0
Total Budget Action Plan Savings					6,940	
B. Other Significant Variations						
1.	Asset Management	Tom Bridges	Shortfall in Advertising income			518
2.	Economic Development	Tom Bridges	6 Month 20% Rent Discount at Kirkgate Market			224
3.	Sport and Active Lifestyles	Cluny Macpherson	Income pressures from reduced Public Health Funding, JCCS Pool and Airborough refurbishment			173
4.	City Development	All	Other minor variations across services			(14)
5.	City Development	All	Mitigating in year actions			(681)
6.	City Development	All	Restrictions on running costs and supplies and services			(315)
					City Development Directorate - Forecast Variation	
					0	

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

MONTH 5

Overall

A balanced position at Period 5 is still projected although there are also risks around timely implementation of savings incorporated as part of the 2017/18 budget strategy leading to variations within services.

Resources

For month 5 it is assumed that, overall, support services will achieve the £5m savings which formed part of the Support Services review. Shared Services are forecast to underspend by £800k, primarily as a result of savings against the staffing budget due to vacant posts. These savings are offset by a £150k overspend against the PPPU budget (savings against staffing more than offset by a projected shortfall in income) and a £440k overspend on Finance mainly due to a £360k shortfall against court fees income. A £205k DIS pressure has emerged following the recent cyber attacks on the NHS; this spend is to enable remedial work to be undertaken to mobile devices, the network, patch and configuration and to strengthen access control so that the Council can qualify for the Public Services Network certificate. The projections assume this pressure can be managed within the approved level of resources. It is not anticipated that the that the £300k Council wide workforce development savings currently held within HR will be achieved but compensating savings in the Resources division are being sought, so no variation is forecast.

Leeds Building Services

A balanced position is projected for LBS through Directorate actions plans to be identified. With the current projection in relation to the delivery of the planned £1.8m savings, required in the budget strategy, indicating a shortfall of £600k at period 5. This variation is due to slippage in the implementation of both the revised staffing structure and the IT infrastructure. A reduction in budgeted overheads combined with anticipated increases in turnover will largely offset this pressure.

Housing and Property Services

Housing and Property Services are expected to achieve the £700k of budgeted savings in this financial year. The government has replaced Temporary Accommodation Management Fee (TAMF) with Flexible Homelessness Support Grant (FHSG) from April 2017. FHSG has been calculated on the basis of homeless prevention outcomes and, as Leeds has achieved a high level of preventions, the allocation for Leeds in 2017/18 has been set at £1.636m and at £1.794m in 2018/19. A potential pressure of £1.35m has been identified against the responsive repairs CPM budget in a recent report to Strategic Investment Board although no revenue solution to inject additional funding has been found to date. Work has begun to look at increasing the level of capital spend and the positive impact this may have to offset the revenue pressure. Within Housing Services staffing savings of £190k due to vacant posts are offset by a reduction in recharges leaving a balanced position forecast.

Civic Enterprise Leeds

A balanced position is currently forecast through Directorate action plans to be identified. As a result of the marginal financial impact of the reduced number of feeding days in 2017/18 and inflationary pressure on food costs there's likely to be a £379k pressure for the Catering service, partially offset by savings/actions within the rest of the division to leave a net £200k pressure. There is also likely to be a financial impact of Merrion House re-opening in this financial year but we are awaiting financial analysis being led by colleagues in City Development to see what running cost savings will be generated from buildings directorates will be vacating to establish the net financial impact both this year and from 2018/19.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resources	98,418	(38,122)	60,296	(1,918)	16	316	(31)	113	0	0	0	(24)	(1,528)	1,528	0
LBS	46,947	(55,327)	(8,380)	121	232	(125)	(228)	0	0	0	0	0	0	0	0
Housing & Property	26,195	(12,402)	13,793	(435)	37	7	0	(235)	11	0	0	235	(380)	380	0
CEL	71,089	(63,551)	7,538	169	36	(63)	(67)	(58)					17	(17)	0
Total	242,649	(169,402)	73,247	(2,063)	321	135	(326)	(180)	11	0	0	211	(1,891)	1,891	0

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
Efficiencies						
1	Specialist Admin	Helena Phillips	Further efficiencies by consolidating "specialist" admin staff under one professional lead	G	1.00	-0.80
2	ICT, IM & T & Intelligence	Dylan Roberts	Introduce a new operating model to deliver staffing efficiencies.	G	0.90	0.00
3	ICT, IM & T & Intelligence	Mariana Pexton	Introduce a new operating model to deliver staffing efficiencies.	G	0.20	0.00
4	Workforce Development	Lorraine Hallam	Consolidation of training budgets.	A	0.30	0.30
5	PPPU	David Outram	Identify savings through a portfolio approach including development of prioritisation model	A	0.30	0.20
6	Financial Services	Doug Messon	Savings to be delivered through staffing efficiencies.	G	0.90	0.00
7	Human Resources	Lorraine Hallam	Staff savings through continuing to implement new ways of working.	G	0.30	0.00
8	Strategy & Improvement	Marianna Pexton	Further staff savings and efficiencies within Communications, Marketing and Emergency Planning.	G	0.10	0.00
9	Financial Services	Doug Messon	Additional traded income.	G	0.20	0.00
10	Legal & Democratic Services	Catherine Witham	Staffing efficiencies to fund cost of pay award.	G	0.10	0.00
11	LBS - Consolidation of Construction/Property Maintenance	Simon Costigan	Savings through staffing, both management and support functions and a targeted reduction in running costs. Roll out of Total Mobile software will deliver efficiencies which will result in the reduction in use of sub contractors.	A	1.80	0.60
12	Strategic Housing - integration of functions	Jill Wildman	Closer working arrangements within the different functions will facilitate a reduction in the number of budgeted posts.	G	0.10	0.00
13	Housing related support - reduction in contract payments	Jill Wildman	Savings to be realised through ongoing review and retendering of contracts.	G	0.40	0.00
14	Strategic Housing - review of charging arrangements	Jill Wildman	Adaptations review charges to both the capital programme and Housing Leeds.	G	0.20	0.00
15	Cleaning Savings	Sarah Martin	Efficiencies to be realised through expanding mobile cleaning, changing times and frequency of cleaning resulting in a reduction of the number of staff required.	G	0.50	0.00
16	Management Staff reductions	Sarah Martin	Reduction in level of JNC management support, delivered through a reconfiguration of roles and responsibilities.	G	0.20	0.00
17	Facilities Management Savings	Sarah Martin	Planned realignment of the service to be delivered through a restructure.	G	0.10	0.00
18	Fleet	Sarah Martin	Combination of maximising existing external income streams whilst developing new ones together with the aim of reducing costs.	G	0.10	0.00
19	Commercial Catering	Sarah Martin	Based on internalising commercial catering for some of the services within the Civic Quarter and expanding retail offer.	G	0.10	0.00
B. Other Significant Variations						
1	Financial Services	Doug Meeson	Shortfall against court fees income.	A		0.50
2	CEL	Sarah Martin	Shortfall against Catering income	A		0.20
3	Directorate action plan.		Actions to be identified so that the Directorate can achieve a balanced position.			-1.00
Strategy and Resources Directorate - Forecast Variation						0.00

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR
Period 5 (August 2017)

Overall Position (£482k over budget)
Communities (nil variance)
 The service is projecting a nil variance against its budget at period 5.

Customer Access (+£281k over budget)
 The main area of potential overspend is staffing in Community Hubs where current staff in post are projected to exceed the budget by £615k. This is largely due to delivery of the Community Hub programme which has required additional resource and management/supervision to be put in place. However, the service is anticipating that a number of staff will leave under the ELI scheme and this is expected to reduce the staffing overspend to around £350k. The branch libraries are still in need of maintenance works - no budget provision was transferred when the service moved across and it is expected that a further £50k will be spent in year. This pressure along with an expected shortfall in libraries income of £50k, are offset by additional income (net £199k) in the Interpreting and Translation Team from providing translation services to the NHS

Elections, Licensing and Registration (+£15k over budget)
 The projected variance mainly relates to a projected shortfall in income within births, deaths and marriages. Costs in respect of the general election are expected to be met by government grant.

Welfare & Benefits (+£817k over budget)
 The main area of risk is around the achievement of the budgeted level of Housing Benefit overpayment income (£8.4m) which has reduced in line with the overall reduction in HB payments along with the average value of each overpayment. Current indications are that after making a provision for doubtful debts, there could be a net shortfall of income of around £800k at the year end. In other areas a small overspend of £17k is currently projected, mainly due to a shortfall in budgeted Localised Council Tax Support administration grant.

Staffing savings due to vacant posts are anticipated to be offset by overtime payments and the cost of additional off-site processing.

Parks & Countryside (nil variance)
 The service is projecting an overall variance at Cafe /Retail and Attractions of +£76k, which at this early stage of the year includes a projected shortfall in income at both Lotherton Hall and Tropical World. The service is increasing marketing activities to offset these shortfalls. In addition there is a projected reduction in income from Golf of £54k. These variances are offset by other savings within the service, mainly income from land searches within PROW (Public Rights Of Way).

Environmental Action (-£102k below budget overall):
Car Parking (-£96k below budget)
 Staffing is projected to be under budget by (£37k) due to delays in ongoing recruitment. Income trends indicate shortfalls in both on-street income and Bus Lane offences throughout the city, although these are partially offset by additional off-street and PCN income.

Cleaner Neighbourhoods Teams (+£46k over budget)
 The projected overspend mainly relates to the hire costs of using additional sweepers. Savings from delayed recruitment to the new structure are projected to be largely offset by additional overtime costs.

City Centre (-£13k under budget)
 The projected variance is mainly due to the staffing savings whilst recruitment is ongoing to fill the recently approved structure, this saving is partially offset by the ongoing usage of overtime and covering City Centre events.

Environmental Health (-£39k below budget)
 The projected variance is due to savings from delayed recruitment (£75k). These positions are projected to be all filled by September /December. Variations in Pest control exp/income are projected at £35k.

Waste Management (+£268k over budget)
 Within the Refuse Service it is currently anticipated that there will be slippage of 6 months in respect of the planned collection route efficiency programme as the staff consultation process continues, and this is forecast to result in a pressure of £498k. In addition, there will be a shortfall in budgeted income of £140k following the deferral of the planned introduction of inert building waste charges at Household Waste sites in light of the Government's litter strategy. However, offsetting these pressures is a saving of £470k in respect of the rateable value of the Recycling and Energy Recovery Facility (RERF) which was determined in March 2017. Other net variations of +£100k reflect staffing pressures across Waste Management, including additional Plant Operator training, partially offset by negotiated disposal contract price savings and additional weighbridge income.

Community Safety (-£87k below budget)
 The projected underspend mainly reflects staffing savings of £88k due to vacant posts within CCTV, LABST and delays in recruiting to the new Domestic Violence structure.

Directorate Wide (action plan savings -£710k)
 The directorate has identified potential actions of £710k to offset the overall projected overspend of £1.19m, which will reduce the projected overspend to £482k.

Budget Management - net variations against the approved budget;

Summary By Service				Period 5 Projected variances											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Communities	16,051	(10,716)	5,335	0	0	0	0	0					0	0	0
Customer Access	22,486	(3,269)	19,217	468	34	66	(8)	25			0		585	(305)	280
Elections, Licensing And Registration	4,676	(4,926)	(250)	538	174	493	(3)	(18)					1,184	(1,169)	15
Welfare And Benefits	268,070	(266,116)	1,954	(100)	2	132	(11)	(19)		448			452	365	817
Car Parking Services	4,895	(13,375)	(8,480)	(37)	6	(133)	4	122					(38)	(58)	(96)
Community Safety	7,323	(5,743)	1,580	(156)		1		(44)					(199)	112	(87)
Waste Management - Refuse	40,379	(7,368)	33,011	671	10	(467)	(3)						211	58	269
Parks And Countryside	29,426	(22,937)	6,489	0	27	705	(73)	79	(1)				737	(737)	0
Environmental Action (City Centre)	1,999	(462)	1,537	(15)	1	1							(13)		(13)
Environmental Health	2,107	(565)	1,542	(75)	(2)	22	(1)						(56)	17	(39)
Cleaner Neighbourhood Teams	12,305	(4,518)	7,787	(4)	10		48	2					56	(10)	46
Directorate Action Plan				(55)		(260)							(315)	(395)	(710)
Total	409,717	(339,995)	69,722	1,235	262	560	(47)	147	(1)	448	0	0	2,604	(2,122)	482

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Re-design Refuse collection rounds	Tom Smith	Net saving of £1.6m budgeted (£1.38m in the directorate, £0.25m in strategic debt budget)	A	(1.38)	0.50
2.	Implement charging for replacement wheeled bins	Andrew Lingham	Implementation date May 2017	G	(0.24)	0.00
3.	Implement charging for inert building waste	Andrew Lingham	Implementation deferred for 2017/18	N/A	(0.14)	0.14
4.	Environmental Action staffing savings	Helen Freeman	Restructure now agreed	G	(0.71)	0.00
5.	Implement charging for Bulky Waste	Helen Freeman	Implementation date May 2017	G	(0.15)	0.00
6.	Car Parking - review of tariffs	Helen Freeman	includes on street, Sun/Eve, Bank Holiday and Woodhouse Lane	G	(0.50)	0.00
7.	Undertake works for Housing Leeds, assumed to be within environmental action	All COs	Not restricted to environmental action, works may be undertaken by other services	G	(0.30)	0.00
8.	Reduce front line horticultural staff	Sean Flesher	Service to identify posts to be held vacant	G	(0.40)	0.00
9.	Development of visitor attractions/increase admission prices	Sean Flesher	1st phase of Tropical World complete, DCRs required for other sites	G	(0.33)	0.00
10.	Increase Bereavement charges to eliminate subsidy	Sean Flesher	To be increased by 2% above inflation.	G	(0.12)	0.00
11.	Stretched income target across Parks & Countryside	Sean Flesher	To be achieved across all income generating areas	G	(0.16)	0.00
12.	Reduction in Community Safety area co-ordinators	Sam Millar	Achieved through redeployment	G	(0.18)	0.00
13.	Generate CCTV/Security income of £2.1m	Sam Millar	Estimated £200k of unsecured income	G	(0.20)	0.00
14.	Community Safety - secure £1.1m income from WYPCC	Sam Millar	WYPCC agreed to fund PCSOs in Leeds	G	(1.10)	0.00
15.	Communities Teams savings	Shaid Mahmood	Review Management & Leadership, review grants & contributions to 3rd sector	G	(0.20)	0.00
16.	Communities Well Being	Shaid Mahmood	Further reductions to Community Cttees	G	(0.18)	0.00
17.	Community Centres - restrict free lets	Shaid Mahmood	Target to restrict to 75% of present level	G	(0.08)	0.00
18.	Contact Centre staffing savings	Lee Hemsworth	Includes channel shift savings, reducing service failure and reviewing out of hours service	G	(0.53)	0.00
19.	Customer Services Business Support staffing savings	Lee Hemsworth	Includes reducing helpdesk function and merging support and development functions	G	(0.25)	0.00
20.	Libraries efficiencies	Lee Hemsworth	Savings from staffing/running costs/income	G	(0.40)	0.00
21.	Reprovision of mobile library service	Lee Hemsworth	Subject to Executive Board report	G	(0.12)	0.00
22.	Welfare and Benefits - reduction in off-site processing	Andy Cameron	Introduction of e-claims	G	(0.20)	0.10
23.	Local Welfare Support Scheme	Andy Cameron	Reduce scheme by 30%	G	(0.30)	0.00
24.	Welfare and Benefits - additional grant income	Andy Cameron	FERIS, New Burdens. Additional £540k budgeted for in 17/18 on top of £290k in base	G	(0.54)	(0.02)
25.	Registrars	Steve Coupe	Charging /income proposals	G	(0.08)	0.00
B. Other Significant Variations						
1.	Waste Disposal Costs	Andrew Lingham	Net Budget £15.8m incl. £10.7m RERF. Projected saving reflects Business Rates saving at RERF	G		(0.47)
2.	Community Hubs	Lee Hemsworth	Staffing overspend projected - see comments above	A		0.35
3.	Housing Benefits	Lee Hemsworth	Projected shortfall in overpayments income	R		0.80
4.	All other variations		Mainly staffing	G		(0.21)
5.	Directorate Action Plan		Actions identified			(0.71)

**STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 05**

Overall :

At month 5 the strategic & central budgets are to balance, although there are a number of variations to report.

The key variations are;

- Section 278 income - a potential £1.4m risk due to lower levels of development activity
- Additional debt costs of £0.7m are forecast, reducing to £0.1m after accounting for income from prudential borrowing charges
- Savings of £0.9m on the levy contribution to the business rates pool
- Reduction in New Homes Bonus of £1.5m
- Additional £1.4m of S31 grant income for business rates reliefs, primarily £1.1m of reliefs announced after the budget was set. (This is to offset the loss of business rates income)

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES										Total (under) / overspend £'000	
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000
Strategic Accounts	(10,887)	(36,641)	(47,528)			(598)							(598)	1,056	458
Debt	20,135	(920)	19,215			663							663		663
Govt Grants	1,739	(22,399)	(20,660)										(932)	(625)	(1,557)
Joint Committees	37,100	0	37,100						105				105		105
Miscellaneous	6,243	(1,088)	5,155	(230)									(230)	261	31
Insurance	9,438	(9,438)	0			885		(90)				(115)	680	(380)	300
Total	63,768	(70,486)	(6,718)	(230)	0	950	0	(90)	105	(932)	0	(115)	(312)	312	0

STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

			RAG	Budget	Forecast Variation against Budget	
				£m	£m	
Lead Officer			Additional Comments			
A. Major Budget Issues						
1.	Debt Costs and External Income	Doug Meeson	£300k brokerage; £360k external interest costs (offset £619k additional borrowing income see B3)	A	18.2	0.7
2.	Minimum Revenue Provision	Doug Meeson	No variation is anticipated for 2017/18	G	1.0	0.0
3.	New Homes Bonus	Doug Meeson	Impact of change to NHB announced in budget	A	(13.3)	1.5
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson	New S31 grant announced after budget was set	G	(9.6)	(1.5)
5.	S278 Contributions	Doug Meeson	Projection from Capital team is £3.2m, therefore there is a risk of a £1.4m shortfall, dependent on progress in capital spend on the relevant schemes during the year.	R	(4.9)	1.4
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets.	G	(3.5)	(0.4)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	G	(3.5)	(0.5)
8.	PFI Procurement savings	Doug Meeson	Use of £1m income from 2016/17 Street Lighting PFI negotiated settlement	G	(1.0)	0.0
9.	Joint Committee - Coroners Services	Doug Meeson	Likely overspend in 17/18 due to one off tribunal costs and staff restructuring to generate future savings.	G	1.3	0.1
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	No significant variation anticipated at this stage.	G	0.0	0.0
2.	Business Rates Levy	Doug Meeson	Projections indicate a potential reduction in the levy due.	G	1.7	(0.9)
3.	Prudential Borrowing Recharges	Doug Meeson	Projections suggest a slight increase in recharge income - offset debt costs above	G	(14.7)	(0.6)
4.	Earmarked Reserves	Doug Meeson	Use of capital and other earmarked reserves.	G	(2.4)	0.0
5.	Miscellaneous	Doug Meeson	No significant variation anticipated at this stage.	G	5.2	0.0
6.	Apprenticeship levy	Doug Meeson	To be allocated to directorates as training credits are used.	G	0.0	0.0
Strategic & Central Accounts - Forecast Variation					0.0	

Housing Revenue Account - Period 5 Financial Dashboard - 2017/18 Financial Year

Summary of projected over / (under) spends (Housing Revenue Account)

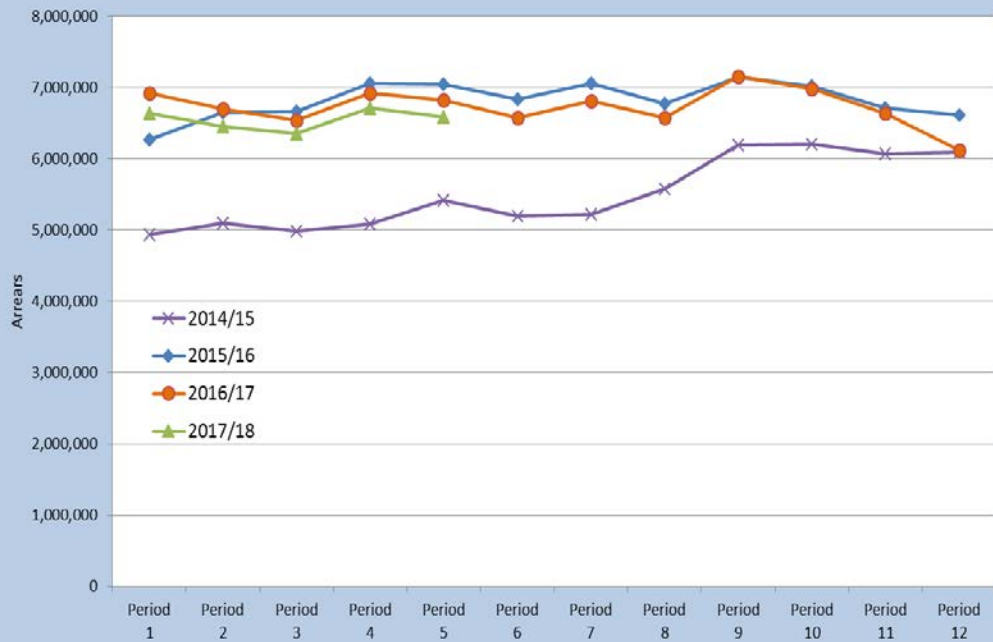
Directorate	Current Budget	Projected Spend	Variance to budget
Income	£000	£000	£000
Rents	(215,352)	(215,016)	336
Service Charges	(6,921)	(6,934)	(13)
Other Income	(29,356)	(29,531)	(175)
Total Income	(251,629)	(251,481)	148
Expenditure			
Disrepair Provision	1,000	1,000	-
Repairs to Dwellings	43,548	43,548	-
Council Tax on Voids	754	754	-
Employees	26,215	25,731	(484)
Premises	7,362	7,358	(4)
Supplies & Services	4,432	4,254	(178)
Internal Services	40,549	40,741	193
Capital Programme	71,000	71,000	-
Unitary Charge PFI	8,860	8,737	(123)
Capital Charges	45,106	45,138	32
Other Expenditure	6,976	6,958	(18)
Total Expenditure	255,801	255,219	(583)
Net Position	4,173	3,738	(434)
Appropriation: Sinking funds	(3,139)	(2,937)	202
Appropriation: Reserves	(1,034)	(1,034)	-
(Surplus)/Deficit	0	(232)	(232)
Proposed New Reserves			-
Transfer to Capital Reserve			-
Total Current Month	0	(232)	(232)

Comments
Rent lower than budget due to lower stock numbers from increased RTB sales. The void level is under the target at 0.83%
Service charge income (78k), Community Links furniture offset by saving in supplies and services £65k
Increased fee income from projected RTB sales (£233k), KPI income (£88k), Wharfedale View catering income (£36k) (offset by an increase in internal charges). Underachieved income on budgeted capitalised salary costs £238k (offset by savings on salaries). PFI Pass Through Costs (£56k).
Savings due to vacant posts and temporary staff secondments (£766k). This saving is offset by Disrepair agency staff £267k and other smaller variances £14k.
Review of budgets and projected spend
Community Links furniture savings balanced by reduction in service charge income (£65k), Savings following a review of printing requirements (£93k), Annual Support Grant (£20k).
Additional Fire Safety work £321k, Additional out of hours service £65k, Savings in other internal charges (£312k), Disrepair legal locums £80k, Increased costs of RTB due to high number of sales £40k
PFI Scheme Adjustments: Unitary Charge £62k, Insurance refund (£247k), Pass Through Costs £67k. Other adjustments (£5k).
Interest payable to GF
LTF saving (£22k), Transport Costs £4k
Unitary Charge on PFI funded by sinking fund

Previous period variance
£000
336
(13)
(210)
113
-
-
-
(355)
(5)
(65)
267
-
(190)
19
4
(326)
(213)
213
-
0
-
-
0

Housing Revenue Account - Period 5 Financial Dashboard - 2017/18 Financial Year

Comparison of Current Tenant Arrears by Financial Year



Change in Stock	Budget	Projection
Right to Buy sales*	350	530
New Build (PFI)	0	0
New Build (Council House Growth)	(101)	(101)
Total	249	429

* actual sales as at the end of Period 5: 213

Right to Buy Receipts	2016/17 Actual	2017/18 Projection
Total Value of sales (£000s)	25,983	27,410
Average Selling Price per unit (£000s)	50.4	51.7
Number of Sales*	516	530
Number of Live Applications	1,165	1,228

Housing Revenue Account - Period 5 Financial Dashboard - 2017/18 Financial Year

Comparison of Former Tenant Arrears by Financial Year



Arrears	2016/17	2017/18	Variance
	£000	£000	£000
Dwelling rents & charges	2017/18 Week 22		
Current Tenants	6,826	6,592	(234)
Former Tenants	3,709	4,383	674
	10,535	10,975	440
Under occupation	2017/18 Week 18		
Volume of Accounts	4,655	4,346	(309)
Volume in Arrears	2,155	2,032	(123)
% in Arrears	46%	47%	0%
Value of Arrears	576	549	(27)
Collection Rates	2017/18 Week 18		
Dwelling rents	97.43%	96.48%	-0.95%
Target	97.50%	97.75%	
Variance to Target	-0.07%	-1.27%	

Housing Revenue Account - Period 5 Financial Dashboard - 2017/18 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,631)	100	(232)	(6,763)
Earmarked Reserves				
Environmental Works	(1,668)	963		(705)
Insurance - large claims	(137)			(137)
Welfare Change	(1,782)	564		(1,218)
Housing Advisory Panels	(699)	459		(240)
Sheltered Housing (Committed in capital programme)	(3,238)			(3,238)
Holdsworth Place - land purchase	(64)			(64)
Early Leavers' Initiative	(408)			(408)
Changing the Workplace	(353)	353		(0)
eFiles Box-It Project	(262)	262		(0)
	(8,610)	2,601	0	(6,009)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(10,343)	2,903	0	(7,440)
LLBH&H PFI Sinking Fund	(2,515)	34	0	(2,481)
	(12,858)	2,937	0	(9,921)
Capital Reserve				
MRR (General)	(14,960)	54,991	(71,000)	(30,969)
MRR (New Build)	(12,540)	9,350	0	(3,190)
MRR (HRA RCCOs)	(3,003)			(3,003)
	(30,502)	64,341	(71,000)	(37,163)
Total	(58,601)	69,979	(71,232)	(59,856)



Report author: Tim Rollett
Tel: 378 9235

Report of the Director of Resources and Housing

Report to Scrutiny Board (Strategy and Resources)

Date: 26 October 2017

Subject: Performance Reporting

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

This report provides members with a proposed timetable for reporting performance across their portfolio areas to the Board for the remainder of 2017/18.

The report also provides members with details of LCC's response to the Government Apprenticeship Levy and the public sector target relating to it.

Recommendations

Members are recommended to:

- Agree the proposed timetable for reporting performance information to the Board and/or suggest any amendments required.
- Consider and comment on the most recent performance information in relation to the Apprentices Levy.
- Provide input into the development of the apprenticeship programme and its potential impact across the city.
- Use the performance information provided to determine areas for further scrutiny work to support improvement over the coming year.

1. Purpose of this report

- 1.1. This report provides members of the Scrutiny Board (Strategy and Resources) with a proposed timetable for reporting performance across their portfolio areas for the remainder of 2017/18.
- 1.2. The report gives Scrutiny Board members information to inform decision making around identifying areas for further scrutiny work to support improvement across council outcomes, priorities and values.
- 1.3. The report also provides members with details of LCC's response to the Government Apprenticeship Levy and the public sector target relating to it.
- 1.4. In addition, members will also be provided separately with a copy of the Finance Health Monitoring Report. It is intended to provide members with a copy of the most recently available Finance Health Monitoring Report for future Scrutiny Board meetings.

2. Background information

- 2.1. Supporting material
 - Performance reporting timetable (Appendix 1)
 - LCC Response to the Government Apprenticeship Levy (Appendix 2) – **to follow**

3. Main issues

3.1. Performance reporting timetable

- 3.1.1. The proposed timetable for reporting performance to Scrutiny Board (Strategy & Resources) can be seen in Appendix 1. The report includes details of the performance reports due to be reported to Scrutiny Board meetings for the remainder of 2017/18.

3.2. Portfolio area HR – LCC Response to the Government Apprenticeship Levy

- 3.2.1. The report provides details of the council's response to the Government Apprenticeship Levy, including financial implications, opportunities, and current and future developments.

4. Corporate Considerations

4.1. Consultation and Engagement

- 4.1.1. This is an information report and as such consultation and engagement does not apply.

4.2. Equality and Diversity / Cohesion and Integration

- 4.2.1. This is an information report, rather than a decision report and so due regard is not relevant. It is noted that a report on Equality performance is due to be reported to the Strategy & Resources Scrutiny Board later in 2017/18.

4.3. Council policies and the Best Council Plan

- 4.3.1. This report brings to Scrutiny Board (Strategy & Resources) a performance update on progress against services that support the delivery of the council's Best Council Plan. The Best Council Plan itself forms part of the council's budget and policy framework.

4.4. Resources and value for money

- 4.4.1. Effectively monitoring and managing performance helps ensure that resources continue to be appropriately deployed. There are no other financial implications from this report.

4.5. Legal Implications, Access to Information and Call In

- 4.5.1. This report is an information update providing Strategy & Resources Scrutiny Board with a summary of performance for selected portfolio areas within its remit and is not subject to call in.

4.6. Risk Management

- 4.6.1. There are no specific risks associated with this performance report. However, it is noted that performance results may be linked to the corporate risks that could impact on the delivery of the Best Council Plan. The following corporate risks are linked to performance information included in this report:

- In-year budget
- Workforce planning

5. Conclusions

- 5.1. The report provides a proposed timetable for performance reporting to Strategy & Resources Scrutiny Board and may inform their future work programme. The report also provides details about how the council is responding to the Government's Apprenticeship Levy.

6. Recommendations

- 6.1. Members are recommended to:
- Agree the proposed timetable for reporting performance information to the Board and/or suggest any amendments required.
 - Consider and comment on the performance information relating to the council's response to the Government Apprenticeship Levy.
 - Provide input into the development of the apprenticeship programme and its potential impact across the city.
 - Use the performance information provided to determine areas for further scrutiny work to support improvement over the coming year.

This page is intentionally left blank

Appendix 1: Proposed 2017/18 performance reporting timetable for Strategy & Resources Scrutiny Board

Meeting date	October 26 th	November 29 th	December 21 st	January 18 th	February 22 nd	March 22 nd
Finance	Finance Health check report	Finance Health check report	Finance Health check report Initial budget proposals	Finance Health check report	Finance Health check report	Finance Health check report
DIS <i>Digital & Information Service</i>		DIS Performance progress report (Bi-annual Q1 & Q2)				
Electoral, Registrars and Licensing					Report in Feb after the Dec'17 update	
HR	LCC Response to the Government Apprenticeship Levy		Health, Safety and Wellbeing (including sickness) Can Do and Recognition	Workforce Development	Appraisals Engagement Pay/pay gap	
Equalities						Progress report: Equality Impact Priorities refresh (including input and storyboard from HR)
Projects, Programmes and Procurement	TBC	TBC	TBC	TBC	TBC	TBC
Civic Enterprise Leads		CEL Operational Performance			CEL Operational Performance	

This page is intentionally left blank



Report author: Steven Courtney
Tel: 0113 378 8666

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 26 October 2017

Subject: Work Schedule – October 2017

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

1 Purpose of this report

1.1 The purpose of this report is to consider the Scrutiny Board’s work schedule for the current municipal year.

2 Main issues

2.1 At its initial meeting in June 2017, the Scrutiny Board discussed a range of matters for possible inclusion within the overall work schedule for 2017/18. The areas discussed included the following matters:

- Apprenticeships (for newly recruited and existing employees) and the apprenticeships levy;
- Equalities – in particular work around ensuring Leeds City Council has a workforce that is representative of the population;
- Emergency planning and business continuity – with specific reference to (a) building security and (b) recent events in Manchester (Manchester Arena) and London (Grenfell Tower);
- Performance of specific service areas;
- General application of Contract Procedural Rules and levels of ‘off-contract’ spending.
- Invest to save developments – and the specific application in relation to ICT developments;
- Elections, voter registration rates and work targeting ‘hard to reach’ groups;
- Licencing policy review (due January / February 2018) and monitoring;
- Business rate revenue and appeals;
- General overview of the Council’s financial health.

2.2 Specific responses and/or additional information on a number of areas have already been provided to members of the Scrutiny Board through a series of briefing notes. The areas included:

- The Apprenticeships Levy;
- Hate crime prevention;
- Voter registration rates and work targeting 'hard to reach' groups; and,
- Funding arrangements for Neighbourhood Networks.

2.3 An outline work schedule is presented at Appendix 1 for consideration by the Scrutiny Board. In considering the outline work schedule, it is important to allow sufficient flexibility to reflect matters as they may arise during the course of the year. As such, it is also important to recognise that the work schedule presented may be subject to change and should be considered to be indicative rather than precisely definitive.

2.4 In order to deliver the work schedule, the Board may need to take a flexible approach and undertaken activities outside the formal schedule of meetings – such as working groups and site visits, where deemed appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Specific service areas

2.5 A proposed timetable for considering specific service areas and associated performance is included elsewhere on the agenda. Subject to the Board discussion, the work schedule will need amending to reflect the proposals and/or any amendments agreed by the Board.

Business Rates Inquiry

2.6 At its meeting in September, the Board considered a range of information associated with its inquiry around business rates, the associated risks to the Council and mitigating actions. The Board identified the need for follow-up / additional information which has been provided to members of the Board.

2.7 Looking forward, arrangements are being put in place for representatives from the Valuation Office Agency to attend the Board meeting in November. At this meeting, therefore, there is an opportunity to identify any specific matters to be addressed in November 2017.

2.8 Members will also be aware that arrangements are being put in place for all Board Members to attend a Valuation Tribunal Hearing on 12 December 2017. Any further details regarding this visit will be outlined at the meeting.

3. Recommendations

3.1 Members are asked to consider and agree (or amend) the overall work schedule as the basis for the Board's work for the remainder of 2017/18.

4. Background papers¹

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

4.1 None used

published works.

This page is intentionally left blank

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Oct-17	Nov-17
Business Rates	Policy Review	Confirmed at the meeting in July 2017. Initial report from Chief Finance Officer in September. Other activities could include discussion with the Valuation Office and attendance at a tribunal hearing.		Attendance of representatives from the Valuation Office Agency (VOA)
Inquiry area 2 (TBC)	Inquiry	Scope to be determined		
Financial Health Monitoring	Performance review	Monitoring arrangements continue for 2017/18	Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18
Emergency Planning & Preparedness	Performance review	Further reports/ follow-up actions to be determined.		Draft statement

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Oct-17	Nov-17
Fees and charges	Policy Review	Agreed by Executive Board (Feb 2017). Report from Chief Finance officer to consider implementation / impact of previously agreed policy. Consideration of potential scope for other areas.		Report from Chief Finance Officer (TBC)
Budget proposals	Policy Development			
Best Council Plan progress	Performance monitoring	Frequency of BCP progress updates to be determined.		
Service area performance (1)	Performance monitoring	Service area performance reports: Human Resources. Other service areas TBC	Service area performance reports	
Service area performance (2)	Performance monitoring	Service area performance reports: grouping of service areas TBC		Service area performance reports
Service area performance (3)	Performance monitoring	Service area performance reports: grouping of service areas TBC		
Commissioning	Performance monitoring	6-monthly report as recommendation 2 of the Commissioning	Commissioning: Formal response and 6-monthly report (Rec. 2)	

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Notes	Oct-17	Nov-17
Commissioning: recommendation tracking	Performance monitoring	Recommendation tracking: Commissioning report		
Briefings	Briefings	To be identified as and when required		

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Business Rates	Policy Review	Valuation Tribunal Hearing (12 December 2017)	TBC		Scrutiny Board statement / report (TBC)	
Inquiry area 2 (TBC)	Inquiry					
Financial Health Monitoring	Performance review	Financial Health Monitoring 2017/18		Financial Health Monitoring 2017/18	Financial Health Monitoring 2017/18	
Emergency Planning & Preparedness	Performance review					

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Fees and charges	Policy Review	Proposals to be included as part of initial 2018/19 budget proposals				
Budget proposals	Policy Development	Initial 2018/19 budget proposals	2018/19 Budget recommendations			
Best Council Plan progress	Performance monitoring	Best Council Plan: Refresh				
Service area performance (1)	Performance monitoring		Service area performance reports			
Service area performance (2)	Performance monitoring			Service area performance reports		
Service area performance (3)	Performance monitoring	Service area performance reports			Service area performance reports	
Commissioning	Performance monitoring				6-monthly report (Rec. 2)	

SCRUTINY BOARD
(STRATEGY RESOURCES)

2017/18 WORK SCHEDULE

Title	Type of Item	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Commissioning: recommendation tracking	Performance monitoring	Commissioning: Progress report			Commissioning: Progress report	
Briefings	Briefings					